

Annual Report

produced by AIX FM Ltd in respect of the following special purpose companies:

- iX Brent Oil Special Purpose Company Limited;
- iX Global Emerging Markets Bonds Special Purpose Company Limited;
- iX Global Emerging Markets Equities Special Purpose Company Limited;
- iX US 500 Equities Special Purpose Company Limited;
- iX US Aggregated Bonds Special Purpose Company Limited;
- iX High Yield Corporate Bond Special Purpose Company Limited;
- iX US High Dividend Special Purpose Company Limited;
- iX US Short-Term Treasury Special Purpose Company Limited;
- iX Gold Special Purpose Company Limited;
- Global Fund A Special Purpose Company Limited;
- Fund of Initial Public Offerings Special Purpose Company Limited;
- iX NASDAQ 100 Equities SPC Limited;
- FF IUIF Fixed Income USD SPC Limited;
- Qazaqstan Equity Passive SPC Limited;
- Qazaqstan Equity Active SPC Limited;
- Kaz Financials SPC Limited;
- iX Bitcoin SPC Limited.
- iX Islamic SPC Limited.
- iX China Equities SPC Limited.
- iX US Real Estate SPC Limited.

for the financial year ended 31 December 2022

CONTENTS

General information

Report from the Director

Financial Statements:

- *iX Brent Oil Special Purpose Company Limited;*
- *iX Global Emerging Markets Bonds Special Purpose Company Limited;*
- *iX Global Emerging Markets Equities Special Purpose Company Limited;*
- *iX US 500 Equities Special Purpose Company Limited;*
- *iX US Aggregated Bonds Special Purpose Company Limited;*
- *iX High Yield Corporate Bond Special Purpose Company Limited;*
- *iX US High Dividend Special Purpose Company Limited;*
- *iX US Short-Term Treasury Special Purpose Company Limited;*
- *iX Gold Special Purpose Company Limited;*
- *Global Fund A Special Purpose Company Limited;*
- *Fund of Initial Public Offerings Special Purpose Company Limited*
- *iX NASDAQ 100 Equities SPC Limited;*
- *FF IUIF Fixed Income USD SPC Limited;*
- *Qazaqstan Equity Passive SPC Limited;*
- *Qazaqstan Equity Active SPC Limited;*
- *Kaz Financials SPC Limited;*
- *iX Bitcoin SPC Limited.*
- *iX Islamic SPC Limited.*
- *iX China Equities SPC Limited.*
- *iX US Real Estate SPC Limited.*

General Information

Incorporator

AIX FM Limited is a private company limited by shares, incorporated in the Astana International Financial Center (the “AIFC”) on 2 October 2019.

Astana International Exchange Limited is the sole shareholder of AIX FM Limited.

Special Purpose Companies

In 2019, 2020, 2021 and 2022 AIX FM Limited has incorporated in AIFC following twenty Special Purpose Companies:

№	Name of the SPC	Date of incorporation
1	iX Brent Oil Special Purpose Company Limited	October 29, 2019
2	iX Global Emerging Markets Bonds Special Purpose Company Limited	October 29, 2019
3	iX Global Emerging Markets Equities Special Purpose Company Limited	October 29, 2019
4	iX US 500 Equities Special Purpose Company Limited	October 29, 2019
5	iX US Aggregated Bonds Special Purpose Company Limited	October 29, 2019
6	iX High Yield Corporate Bond Special Purpose Company Limited	April 30, 2020
7	iX US High Dividend Special Purpose Company Limited	April 30, 2020
8	iX US Short-Term Treasury Special Purpose Company Limited	April 30, 2020
9	iX Gold Special Purpose Company Limited	April 30, 2020
10	Global Fund A Special Purpose Company Limited	September 16, 2020
11	Fund of Initial Public Offerings Special Purpose Company Limited	November 18, 2020
12	iX NASDAQ 100 Equities SPC Limited	February 26, 2021
13	FF IUIF Fixed Income USD SPC Limited	August 10, 2021
14	Qazaqstan Equity Passive SPC Limited	May 06, 2021
15	Qazaqstan Equity Active SPC Limited	May 24, 2021
16	Kaz Financials SPC Limited	September 06, 2021
17	iX Bitcoin SPC Limited	August 10, 2021
18	iX Islamic SPC Limited.	December 14, 2021
19	iX China Equities SPC Limited.	December 14, 2021
20	iX US Real Estate SPC Limited.	May 18, 2022

Annual Report

This Annual Report is produced in accordance with the requirements of AIFC legislation in respect of each Special Purpose Company mentioned on the title page.

This Annual Report is prepared and executed by AIX FM Limited, acting in a capacity of a Director of each Special Purpose Company, as described herein.

iX Brent Oil Special Purpose Company Limited

Overview of the Company

iX Brent Oil Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 191040900244, incorporated under the Acting Law of the AIFC on October 29, 2019 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining Exchange Traded Notes (“**ETNs**”), the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in United States Brent Oil Fund LP (NYSE Arca ticker symbol: “**BNO**”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Standard Articles for iX Brent Oil SPC Limited as of October 22, 2019 (“articles of association of the Company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on October 29, 2019.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association of the Company shall be entitled to own and (or) hold only those assets which are permitted for such ownership and (or) holding under the prospectus (as may be amended from time to time) issued by the Company in connection with its issuance of exchange traded notes.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company as of December 2021:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;

- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX Global Emerging Markets Bonds Special Purpose Company Limited

Overview of the Company

iX Global Emerging Markets Bonds Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 191040900264, incorporated under the Acting Law of the AIFC on October 29, 2019 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares J.P. Morgan \$ EM Bond UCITS ETF (LSE ticker symbol: “JPEA”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Standard Articles for iX Global Emerging Markets Bonds SPC Limited as of October 22, 2019 (“articles of association of the Company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on October 29, 2019.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association of the Company shall be entitled to own and (or) hold only those assets which are permitted for such ownership and (or) holding under the prospectus (as may be amended from time to time) issued by the Company in connection with its issuance of exchange traded notes.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited - Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;

- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX Global Emerging Markets Equities Special Purpose Company Limited

Overview of the Company

iX Global Emerging Markets Equities Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 191040900284, incorporated under the Acting Law of the AIFC on October 29, 2019 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs”, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares Core MSCI EM IMI UCITS ETF (LSE ticker symbol: “EIMI”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Standard Articles for iX Global Emerging Markets Equities SPC Limited as of October 22, 2019 (“articles of association of the Company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on October 29, 2019.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association of the Company shall be entitled to own and (or) hold only those assets which are permitted for such ownership and (or) holding under the prospectus (as may be amended from time to time) issued by the Company in connection with its issuance of exchange traded notes.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;

- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX US 500 Equities Special Purpose Company Limited

Overview of the Company

iX US 500 Equities Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 191040900274, incorporated under the Acting Law of the AIFC on October 29, 2019 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares Core S&P 500 UCITS ETF (LSE ticker symbol: “CSPX”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Standard Articles for iX US 500 Equities SPC Limited as of October 22, 2019 (“articles of association of the Company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on October 29, 2019.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association of the Company shall be entitled to own and (or) hold only those assets which are permitted for such ownership and (or) holding under the prospectus (as may be amended from time to time) issued by the Company in connection with its issuance of exchange traded notes.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;

- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX US Aggregated Bonds Special Purpose Company Limited

Overview of the Company

iX US Aggregated Bonds Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 191040900254, incorporated under the Acting Law of the AIFC on October 29, 2019 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares US Aggregate Bond UCITS ETF (LSE ticker symbol: “IUAA”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Standard Articles for iX US Aggregated Bonds SPC Limited as of October 22, 2019 (“articles of association”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on October 29, 2019.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association of the Company shall be entitled to own and (or) hold only those assets which are permitted for such ownership and (or) holding under the prospectus (as may be amended from time to time) issued by the Company in connection with its issuance of exchange traded notes.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;

- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX High Yield Corporate Bond Special Purpose Company Limited

Overview of the Company

iX High Yield Corporate Bond Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 200440900240, incorporated under the Acting Law of the AIFC” on April 30, 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares iBoxx \$ High Yield Corporate Bond ETF (NYSE Arca ticker symbol: “HYG”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority, and Articles for iX High Yield Corporate Bond SPC Limited as of April 27, 2020 (“articles of association of the Company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on April 30, 2020.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Ltd, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Bitcoin SPC Limited;
 - iX Islamic SPC Limited;

- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX US High Dividend Special Purpose Company Limited

Overview of the Company

iX US High Dividend Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 200440900230, incorporated under the Acting Law of the AIFC on April 30, 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares Core High Dividend ETF (NYSE Arca ticker symbol: “HDV”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles for iX US High Dividend SPC Limited as of April 27, 2020 (“articles of association of the company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on April 30, 2020.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Bitcoin SPC Limited;
 - iX Islamic SPC Limited;

- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX US Short-Term Treasury Special Purpose Company Limited

Overview of the Company

iX US Short-Term Treasury Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 200440900250, incorporated under the Acting Law of the AIFC on April 30, 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in Vanguard Short-Term Treasury ETF (Nasdaq ticker symbol: “VGSB”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles for iX US Short-Term Treasury SPC Limited as of April 27, 2020 (“articles of association of the Company”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on April 30, 2020.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Bitcoin SPC Limited;
 - iX Islamic SPC Limited;

- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX Gold Special Purpose Company Limited

Overview of the Company

iX Gold Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 200440900260, incorporated under the Acting Law of the AIFC on April 30, 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares Gold Trust (NYSE Arca ticker symbol: “IAU”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Articles for iX Gold SPC Limited as of April 27, 2020 (“articles of association”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on April 30, 2020.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging

arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) the financing of the shareholder or another special purpose company;

(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Bitcoin SPC Limited;
 - iX Islamic SPC Limited;

- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

Global Fund A Special Purpose Company Limited

Overview of the Company

Global Fund A Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 200940900178, incorporated under the Acting Law of the AIFC on September 16, 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETN, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying Fund.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying Fund

As of the date of this Annual Report, the Company is allowed to hold only units in the Interval Mutual Fund “CenterCredit-Valyutniy” and cash.

Advisor

BCC Invest JSC is acting as an Adviser to the Company. In this role BCC Invest JSC is responsible for the recommendations on the investment strategy of the Company, including the recommendation on Permitted Assets (as such term is defined in the Prospectus of BCC Global Exchange Traded Notes).

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles for Global Fund A SPC Limited as of September 8, 2020 (“articles of association”). The Articles of Association of the Company has been amended by the Special Resolution of the Incorporator on September 23, 2020. The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on September 16, 2020.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;

(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(d) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Bitcoin SPC Limited;
 - iX Islamic SPC Limited;
 - iX China Equities SPC Limited;

- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the units of the Underlying Fund, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying Fund, the Company are not providing any planned or expected results of operations for the future years.

Fund of Initial Public Offerings Special Purpose Company Limited

Overview of the Company

Fund of Initial Public Offerings Special Purpose Company Limited (“**Company**”) is a special purpose company, registration number 201140900163, incorporated under the Acting Law of the AIFC on November 18, 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying Fund.

Detailed information about the ETNs, issued by the Company, is given in the Fund of Initial Public Offerings SPC Limited Prospectus, published on the website of Astana International Exchange Limited.

Underlying Fund

As of the date of this Annual Report, the Company is allowed to hold only units in a closed-end unit investment fund of market financial instruments “Fund of Initial Public Offerings” and cash.

Investment Advisor

Freedom Finance Joint Stock Company is acting as an Investment Adviser to the Company. In this role Freedom Finance is responsible for the determination of the investment strategy of the Company, including the decision on Permitted Assets (as such term is defined in the Fund of Initial Public Offerings SPC Limited Prospectus).

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles of Association of the Fund of Initial Public Offerings SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on November 18, 2020.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;

(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;

- Qazaqstan Equity Passive SPC Limited;
- Qazaqstan Equity Active SPC Limited;
- Kaz Financials SPC Limited;
- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the units of the Underlying Fund, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying Fund, the Company are not providing any planned or expected results of operations for the future years.

iX NASDAQ 100 Equities SPC Limited

Overview of the Company

iX NASDAQ 100 Equities SPC Limited (“**Company**”) is a special purpose company, registration number 210240900364, incorporated under the Acting Law of the AIFC on February 27, 2021 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in Invesco QQQ Shares (NASDAQ ticker symbol: “QQQ”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Articles for iX NASDAQ 100 Equities SPC Limited as of February 22, 2021 (“articles of association”).

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on February 27, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

- (d) the financing of the shareholder or another special purpose company;
- (e) any other activity approved in writing by the Registrar of Companies of the AIFC; and
- (f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Bitcoin SPC Limited;
 - iX Islamic SPC Limited;
 - iX China Equities SPC Limited;
 - iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

FF IUIF Fixed Income USD SPC Limited

Overview of the Company

FF IUIF Fixed Income USD SPC Limited (“**Company**”) is a special purpose company, registration number 210840900207, incorporated under the Acting Law of the AIFC on August 10, 2021 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying Fund.

Detailed information about the ETNs, issued by the Company, is given in the FF IUIF Fixed Income USD SPC Limited Prospectus, published on the website of Astana International Exchange Limited.

Underlying Fund

As of the date of this Annual Report, the Company is allowed to hold only units in an interval unit investment fund "Fixed Income USD" and cash.

Investment Advisor

Freedom Finance Global PLC is acting as an Investment Adviser to the Company. In this role Freedom Finance Global PLC is responsible for the determination of the investment strategy of the Company, including the decision on Permitted Assets (as such term is defined in the FF IUIF Fixed Income USD SPC Limited Prospectus).

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles of Association of the FF IUIF Fixed Income USD SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on August 10, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;

(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;

- Qazaqstan Equity Passive SPC Limited;
- Qazaqstan Equity Active SPC Limited;
- Kaz Financials SPC Limited;
- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the units of the Underlying Fund, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying Fund, the Company are not providing any planned or expected results of operations for the future years.

Qazaqstan Equity Passive SPC Limited

Overview of the Company

Qazaqstan Equity Passive SPC Limited (“**Company**”) is a special purpose company, registration number 210540900038, incorporated under the Acting Law of the AIFC on May 06, 2021 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated in the AIFC as a passive investment vehicle that seeks to track the performance of a benchmark index that measures the investment return of various equities and/or depositary receipts of Kazakhstani companies.

Detailed information about the ETNs, issued by the Company, is given in the Qazaqstan Equity Passive SPC Limited Prospectus, published on the website of Astana International Exchange Limited.

Investment strategy

As of the date of this Annual Report, the company employs a passive investment approach designed to track the performance of the AIX Qazaq Index, comprising of the stocks of large and medium Kazakhstani companies. The Index is a group of securities that satisfy specified market capitalization and other eligibility requirements and whose overall performance is intended to be used as a standard to measure the investment performance of Kazakhstani equity market.

Investment Manager

Halyk Finance JSC is acting as an Investment Manager to the Company. In this role Halyk Finance JSC is responsible for the rebalancing of the assets of the Company to comply with the Index.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles of Association of the Qazaqstan Equity Passive SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on May 06, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;

(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;

- FF IUIF Fixed Income USD SPC Limited;
- Qazaqstan Equity Active SPC Limited;
- Kaz Financials SPC Limited;
- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the stocks of large and medium Kazakhstani companies, and all future developments and expected results of operations of the Company are fully depend on the future performance of such stocks, the Company are not providing any planned or expected results of operations for the future years.

Qazaqstan Equity Active SPC Limited

Overview of the Company

Qazaqstan Equity Active SPC Limited (“**Company**”) is a special purpose company, registration number 210540900048, incorporated under the Acting Law of the AIFC on May 24, 2021 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated in the AIFC as an actively-managed investment vehicle that seeks to outperform the investment results of a benchmark index that measures the investment return of various equities and/or depositary receipts of Kazakhstani companies.

Detailed information about the ETNs, issued by the Company, is given in the Qazaqstan Equity Active SPC Limited Prospectus, published on the website of Astana International Exchange Limited.

Investment strategy

As of the date of this Annual Report, the Company seeks to achieve its investment objective by investing primarily in various exchange-traded common stocks or debt securities of Kazakhstani companies that the Investment Manager believes have potential for earnings or revenue growth. Such securities owned by the Company and time of purchase and sale are carefully chosen by the Investment Manager, based on its experience and knowledge of the market.

Investment Manager

The investment activity of the Company is managed by Halyk Finance JSC, acting in accordance with the Investment Management Agreement and in return for the investment management and performance fees.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles of Association of the Qazaqstan Equity Active SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on May 24, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;

(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;

- FF IUIF Fixed Income USD SPC Limited;
- Qazaqstan Equity Passive SPC Limited;
- Kaz Financials SPC Limited;
- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the securities of large and medium Kazakhstani companies, and all future developments and expected results of operations of the Company are fully depend on the future performance of such stocks, the Company are not providing any planned or expected results of operations for the future years.

Kaz Financials SPC Limited

Overview of the Company

Kaz Financials SPC Limited (“**Company**”) is a special purpose company, registration number 210940900052, incorporated under the Acting Law of the AIFC on September 06, 2021 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated in the AIFC, whose sole assets are shares and/or depositary receipts of Kazakhstani financial institutions and cash.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Investment strategy

As of the date of this Annual Report, the Company seeks to provide investors a return linked to the performance of the securities issued by Kazakhstani financial institutions by holding mainly shares of such financial institutions in its assets.

Advisor

BCC Invest JSC is acting as an Adviser to the Company. In this role BCC Invest JSC is responsible for the recommendations on the investment strategy of the Company, including the recommendation on Permitted Assets (as such term is defined in the Kaz Financials SPC Limited Prospectus).

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and Articles for Global Fund A SPC Limited as of August 25, 2021 (“articles of association”).

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on September 06, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;

(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;

- iX Bitcoin SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the stocks of Kazakhstani financial institutions, and all future developments and expected results of operations of the Company are fully depend on the future performance of such stocks, the Company are not providing any planned or expected results of operations for the future years.

iX Bitcoin SPC Limited

Overview of the Company

iX Bitcoin SPC Limited (“**Company**”) is a special purpose company, registration number 210840900198, incorporated under the Acting Law of the AIFC on August 10, 2021 (under the initial name of iX Balanced Portfolio SPC Limited) with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in ProShares Bitcoin Strategy ETF (NYSE trading ticker: “BITO”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Articles for iX Bitcoin SPC Limited as of August 02, 2021 (“articles of association”). Initially, the Company was registered under the name of iX Balanced Portfolio SPC Limited; later, on October 26, 2021, the name of the Company has been changed to iX Bitcoin SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on August 10, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;

- Kaz Financials SPC Limited;
- iX Islamic SPC Limited;
- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX Islamic SPC Limited

Overview of the Company

iX Islamic SPC Limited (“**Company**”) is a special purpose company, registration number 211240900268, incorporated under the Acting Law of the AIFC on December 14, 2021 (under the initial name of Portfolio 1 SPC Limited) with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares MSCI World Islamic UCITS ETF (LSE trading ticker: “ISWD”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Articles for iX Islamic SPC Limited as of May 13, 2022 (“articles of association”). Initially, the Company was registered under the name of Portfolio 1 SPC Limited; later, on May 18, 2022, the name of the Company has been changed to iX Islamic SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on December 14, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit

of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Islamic SPC Limited;

- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX China Equities SPC Limited

Overview of the Company

iX China Equities SPC Limited (“**Company**”) is a special purpose company, registration number 211240900258, incorporated under the Acting Law of the AIFC on December 14, 2021 (under the initial name of Portfolio 2 SPC Limited) with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in iShares MSCI China A ETF (US Cboe BZX trading ticker: “CNYA”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Articles for iX China Equities SPC Limited as of May 13, 2022 (“articles of association”). Initially, the Company was registered under the name of Portfolio 2 SPC Limited; later, on May 18, 2022, the name of the Company has been changed to iX China Equities SPC Limited.

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on December 14, 2021.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit

of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

(d) any other activity approved in writing by the Registrar of Companies of the AIFC; and

(e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Islamic SPC Limited;

- iX China Equities SPC Limited;
- iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

iX US Real Estate SPC Limited

Overview of the Company

iX US Real Estate SPC Limited (“**Company**”) is a special purpose company, registration number 220540900307, incorporated under the Acting Law of the AIFC on May 18, with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Main business purpose

The Company is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable its holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Detailed information about the ETNs, issued by the Company, is given in the corresponding Prospectus, published on the website of Astana International Exchange Limited.

Underlying ETF

As of the date of this Annual Report, the Company is allowed to hold only shares in Vanguard Real Estate ETF (NYSE trading ticker: “VNQ”) and cash.

Legal form

The Company is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the Board of Directors of the Astana Financial Services Authority and the Articles for iX US Real Estate SPC Limited as of May 13, 2022 (“articles of association”).

The Registrar of Companies of the AIFC has issued a certificate of incorporation with respect to the Company on May 18, 2022.

Articles of association of the Company

The articles of association of the Company provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):

- (a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
- (b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and Shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
- (c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;

- (d) any other activity approved in writing by the Registrar of Companies of the AIFC; and
- (e) any activity ancillary to an activity mentioned in paragraphs (a) to (d).

In addition, in accordance with the articles of association, the Company may conduct any other lawful activity for which companies may be incorporated under the Company Regulations.

Board of Directors

AIX FM Ltd, a wholly-owned subsidiary of Astana International Exchange Limited, acts as the sole Director and Secretary of the Company. The appointment of AIX FM Ltd, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Connected Persons

In accordance with AIFC legislation, following individuals and/or legal entities are considered as the Connected Persons of the Company:

- 1) AIX FM Limited;
- 2) Director of AIX FM Limited – Zharas Mussabekov;
- 3) Astana International Exchange Limited group:
 - Astana International Exchange Limited;
 - Astana International Exchange Central Securities Depository Limited;
 - Astana International Exchange Registrar Limited;
 - Astana International Exchange Market Liquidity Services Limited;
 - AIX FM Limited;
 - iX Brent Oil SPC Limited;
 - iX Global Emerging Markets Bonds SPC Limited;
 - iX Global Emerging Markets Equities SPC Limited;
 - iX US 500 Equities SPC Limited;
 - iX US Aggregated Bonds SPC Limited;
 - iX High Yield Corporate Bond Special Purpose Company Limited;
 - iX US High Dividend Special Purpose Company Limited;
 - iX US Short-Term Treasury Special Purpose Company Limited;
 - iX Gold Special Purpose Company Limited;
 - Global Fund A Special Purpose Company Limited;
 - Fund of Initial Public Offerings Special Purpose Company Limited;
 - iX NASDAQ 100 Equities SPC Limited;
 - FF IUIF Fixed Income USD SPC Limited;
 - Qazaqstan Equity Passive SPC Limited;
 - Qazaqstan Equity Active SPC Limited;
 - Kaz Financials SPC Limited;
 - iX Islamic SPC Limited;
 - iX China Equities SPC Limited;
 - iX US Real Estate SPC Limited.

Results of operations during 2022 financial year

This Annual Report include the audited financial statements of the Company for the financial year ended on December 31, 2022.

Audited financial statements include:

- a review of the operations during the year and the results of those operations;
- details of any significant changes in the Company's state of affairs during the financial year;
- details relating to the Company's principal activities during the year and any significant changes in the nature of those activities during the year.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Future performance

Taking into account that the major part of the assets of the Company is represented by the investments in the shares of the Underlying ETF, and all future developments and expected results of operations of the Company are fully depend on the future results of operations of the Underlying ETF, the Company are not providing any planned or expected results of operations for the future years.

AIX FM Limited

Management Company

All Special Purpose Companies have appointed AIX FM Limited, a wholly-owned subsidiary of Astana International Exchange Limited, as the Management Company. AIX FM Ltd (the “**Management Company**”) and/or its affiliates is responsible for the provision of certain services and has a right to receive the management fee pursuant to the Management Agreement.

All Special Purpose Companies are run operationally by the Management Company under the Management Agreement. The Management Company outsources some of its functions from the Astana International Exchange Ltd.

The Management Company is the sole shareholder and incorporator for all Special Purpose Companies. The Management Company was incorporated by the AIFC as a private company on 2 October 2019 with an initial share capital of US\$1,500,000.

Sole shareholder of the Management Company

Astana International Exchange Limited is the sole shareholder of the Management Company. The following entities are the shareholders of the Astana International Exchange Limited: Astana International Financial Centre Authority JSC (71.89%), Shanghai Stock Exchange (21.18%), Nasdaq Technology AB (2.71%), China-Kazakhstan Production Capacity Cooperation Fund Co., Ltd. (4.22%). On March 2023 Goldman Sachs International sold 3.46% shares to AIFC Authority JSC in accordance with the terms of put-option confirmation.

On March 2023 the Board of Directors decided to decrease the share capital for 1 million USD with further realization of 100% shares in AIX FM.

The majority shareholder of Astana International Exchange Limited, Astana International Financial Centre Authority JSC, is a joint stock company incorporated under the laws of Kazakhstan and its legal status is defined in Article 11 of the Constitutional Law of Kazakhstan “On the Astana International Financial Centre” No. 438-V ZRK, dated 7 December 2015.

Only Director of the Management Company

Mr. Zharas Mussabekov as a sole Director of AIX FM Limited was appointed by a resolution of the sole shareholder on May 05, 2021.

The business address of the Director of AIX FM Limited is: Mangilik El, building 55/19, block C 3.4. Astana, Kazakhstan.

There is no potential or current conflict of interests between the personal interests of the director of AIX FM Limited and that of the duties such director owes to the issuers or the business interests of the issuers. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which the director of AIX FM Limited was or is currently their director.

Zharas Mussabekov has over 10 years of experience in financial services, he led the Fund Operations division at AIX. Previously he led the Treasury Department at the National Company Kazakhstan Railways. Mr. Mussabekov also worked in the Baiterek National Management Holding at corporate finance and was involved in raising funds from the National Fund and the Republican budget. As an employee of the Development Bank of Kazakhstan, he participated in the Bank’s borrowings at debt capital markets and worked at the Bank’s Treasury. Zharas started

his career as an auditor at Deloitte in Financial Services Industry. He has the degree of a Bachelor of Finance at Eurasian National University name after of L.N. Gumilyov.

The Director's commitments include directorship in Astana International Exchange Market Liquidity Services Limited.

Subsequent Events

There were no material events in the Company's activities after December 31, 2022, that has significantly affected or may significantly affect Company's operations in future financial years or the Company's state of affairs in future financial years.

Report from the Director

The Director of AIX FM Limited, being the Director of the Special Purpose Companies (the “**Director**”) submits its annual report together with the audited financial statements for the Special Purpose Companies (the “**SPCs**”) for the year ended 31 December 2021.

Going Concern

The SPCs’ forecasts and projections, taking account of reasonably possible changes in its performance, show that the SPCs should be able to operate for an indefinite period of time and there is no material uncertainty in its future operations.

The Director believes that the SPCs’ strategy and business models are aligned to its principal business purpose.

The Director has a reasonable expectation that the SPCs have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Corporate Governance

The Director is committed to maintaining the highest standards of corporate governance and is accountable to shareholders for the governance of the SPC’s affairs. The SPCs are subject to the governance standards set out in the AIFC legislation.

The Director has considered the principles and recommendations of the applicable legislation and have put in place a framework for corporate governance which it believes is appropriate for the SPCs.

The framework for the corporate governance is not fully in compliance with applicable legislation, but given the limited scope of operations of SPCs and its passive investment approach, in opinion of the Director, such framework allows to the SPCs to achieve compliance with the outcomes intended by the applicable legislation, and thereby contribute to prudent and sound management of the SPCs.

Compliance

The Director has made the appropriate disclosures in this report to ensure the SPCs meet their continuing obligations pursuant to the AIFC legislation.

The SPCs have no employees. The Director recognizes that the holders of ETNs issued by the SPCs invest into debt securities and considers that the governance structure and operational processes in place for the SPCs are suitable for a Special Purpose Company.

The Director considers that the SPCs have complied with the relevant provisions contained within the applicable legislation throughout this accounting period.

Director’s responsibilities

The Director has responsibility for ensuring that the SPCs keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the SPCs and which enable it to ensure that the financial statements comply with applicable legislation and relevant accounting standards. It is the Director’s responsibility to present a balanced and understandable assessment

of the SPC's financial position. The Director is also responsible for safeguarding the assets of the SPCs and for taking reasonable steps in the prevention and detection of fraud and other irregularities.

The Director have access to the advice and services of the Company Secretary and external legal counsel.

Committees of the Board

The Company has no committees established due to the SPCs' limited scope of operations and the nature of a Special Purpose Companies.

Internal Control and Risk Management

The Director is responsible for the risk management and internal controls of the SPCs and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of the SPCs.

The system is designed to manage rather than eliminate the risk of failure to achieve the SPC's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss and relies on the operating controls established by the service providers. The Director is also responsible for overseeing the management of the most significant risks through the regular review of risk exposures and related key controls.

The Director reviews the SPCs' principal risks and the control processes over the risks identified. The control processes cover financial, operational, compliance and risk management. There is a monitoring and reporting process to review these controls, which has been in place throughout the financial year under review and up to the date of this report. The Director can confirm that they have carried out a robust assessment of the principal risks facing the SPCs, including those that would threaten its business model, future performance, solvency and liquidity, which are identified and explored in greater detail within the section 'Financial Risk Management' which forms part of the financial statements. This section also explains how these risks are being managed and mitigated.

The Director is responsible for establishing and maintaining adequate internal control and risk management systems of the SPCs in relation to the financial reporting process. The SPCs have procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual financial statements. The annual financial statements of the SPCs are required to be approved by the Director and filed with Astana International Exchange Limited.

Monitoring and review activities

There are procedures designed for monitoring the system of internal control and risk management and to capture and evaluate any failings or weaknesses. Should a case be categorised by the Director as significant, procedures exist to ensure that necessary action is taken to remedy the failings.

Review of effectiveness

The Director has reviewed the effectiveness of the internal control and risk management systems (including financial, operational and compliance controls) for the financial year under review and up to the date of approval of the financial statements. The Director is not aware of any significant

failings or weaknesses in internal control arising during this review. Had there been any such failings or weaknesses, the Director confirms that necessary action would have been taken to remedy them.

Remuneration

The SPCs are Special Purpose Companies and have no employees. The Director believes that the principles relating to remuneration do not apply to the SPCs.

No Director past or present has any entitlement to pensions, and the SPCs have not awarded any share options or long-term performance incentives to any of them. No element of Directors' remuneration is performance-related.

No Directors are entitled to receive any remuneration for their services.

Directors' and Secretary's Interests

None of the Directors, the Company Secretary, or their families hold or held any beneficial interests in the SPCs or ETNs issued by the SPCs at 31 December 2022 or during the year to the date of this report.

Zharas Mussabekov,
Director,



**Global Fund A SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report**

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of Global Fund A SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements-----	5-18

GLOBAL FUND A SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of Global Fund A SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of Global Fund A SPC Limited

Opinion

We have audited the financial statements of **Global Fund A SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudajbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government Audit
 of the Ministry of Finance of the Republic of Kazakhstan
 on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



GLOBAL FUND A SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		118	29
Financial assets at fair value through profit or loss	4	42,733	44,149
Other assets		50	138
Total assets		42,901	44,316
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		-	-
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	42,733	44,149
Other liabilities		167	166
Total liabilities		42,900	44,315
Total equity and liabilities		42,901	44,316

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements

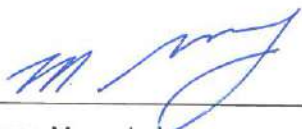


GLOBAL FUND A SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(4,459)	(372)
Net gain/(loss) from changes in fair value of financial liabilities	5	4,459	372
Dividends income on financial assets		2,682	2,169
Remunerations repaid on financial liabilities		(2,682)	(2,169)
Operating income		-	-
Administrative expenses	6	(2,439)	(1,167)
Other income	7	2,439	1,167
Net gain/(loss) from foreign currencies		-	-
Profit before income tax expense		-	-
Income tax expense		-	-
Profit for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



GLOBAL FUND A SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Cash receipts from BCC Invest JSC		2,527	1,029
Cash reimbursement to Shareholder		(809)	(958)
Listing expenses and bank services		(1,628)	(43)
Net cash flows used in operating activities		90	28
Investing activities			
Dividends received from financial assets		2,616	2,166
Net cash flows from investing activities		2,616	2,166
Financing activities			
Dividends paid		(2,649)	(2,166)
Net cash flows from financing activities		(2,649)	(2,166)
Net increase/(decrease) in cash and cash equivalents			
		57	28
Effect of exchange rates changes on cash and cash equivalents		32	—
Cash and cash equivalents, at the beginning of the year		29	1
Cash and cash equivalents, at the end of the year		118	29

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director



GLOBAL FUND A SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



1. General information

Global Fund A SPC Limited (hereinafter the "Company") was registered on 16 September 2020 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 200940900178 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)

New and amended standards and interpretations (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding'. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



GLOBAL FUND A SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Mutual Fund "CenterCredit Currency"	US Dollar	960,2415	42,733	96,02415	44,149
		960,2415	42,733	96,02415	44,149

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with BCC Invest JSC (Kazakhstan).

Changes in financial assets are as follow:

	1 January	Dividend accrued and not received/ (received)	Changes in fair value	Foreign exchange	31 December
2022	44,149	(17)	(4,459)	3,060	42,733
2021	43,390	10	(372)	1,121	44,149

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
Global Fund A SPC Limited	US Dollar	1,000	42,733	1,000	44,149
		1,000	42,733	1,000	44,149

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the BCC Invest JSC.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 17 November 2030.

Changes in financial liabilities are as follow:

	1 January	Coupon accrued but not repaid/(repaid)	Changes in fair value	Foreign exchange	31 December
2022	44,149	(17)	(4,459)	3,060	42,733
2021	43,390	10	(372)	1,121	44,149

6. Administrative expenses

	2022	2021
Listing expenses	1,295	135
Audit	809	937
Bank service	335	74
Reimbursement to the Shareholder	—	—
	2,439	1,167



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Other income

Other income is a reimbursement of administrative expenses by BCC Invest JSC according to advisory agreement in amount of 2,439 thousand tenge (from date of establishment to 31 December 2021: 1,167 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Administrative expenses		
AIX FM Ltd.	–	(21)
AIX Ltd.	(1,295)	(135)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Commitments and contingencies (continued)

Taxation (continued)

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	118	29
Financial assets at fair value through profit or loss	42,733	44,149
Other assets	50	138
Financial liabilities		
Financial liabilities at fair value through profit or loss	(42,733)	(44,149)
Other liabilities	(167)	(166)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	118	29
Financial assets at fair value through profit or loss	42,733	44,149
Other assets	50	138

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
Eurasian Bank JSC	Kazakhstan	B2/Positive	42,733	–
Bereke Bank JSC	Kazakhstan	BBB/Stable	117	44,177
Bank Center Credit JSC	Kazakhstan	B+/Stable	1	–
China Construction Bank	China	A/Stable	–	1

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds. Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	118	–	118	FX
Financial assets at fair value through profit or loss	42,733	42,733	–	Equity Price, FX
Other assets	50	–	50	FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(42,733)	(42,733)	–	Equity Price, FX
Other liabilities	(167)	–	(167)	FX
2021				
Financial assets				
Cash and cash equivalents	29	–	29	FX
Financial assets at fair value through profit or loss	44,149	44,149	–	Equity Price, FX
Other assets	138	–	138	FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(44,149)	(44,149)	–	Equity Price, FX
Other liabilities	(166)	–	(166)	FX



GLOBAL FUND A SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	4,273	4,415
Financial liabilities at fair value through profit or loss	(4,273)	(4,415)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	42,733	44,149
Financial liabilities at fair value through profit or loss	(42,733)	(44,149)
Level 2		
Cash and cash equivalents	118	29
Other assets	50	138
Other liabilities	(167)	(166)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX China Equities SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX China Equities SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-18

IX CHINA EQUITIES SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX China Equities SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX China Equities SPC Limited

Opinion

We have audited the financial statements of **iX China Equities SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015


 Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

State Audit License No. 18013076
 issued by the Committee for Internal Government Audit
 of the Ministry of Finance of the Republic of Kazakhstan
 on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX CHINA EQUITIES SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022
Assets		
Cash and cash equivalents		3,592
Financial assets at fair value through profit or loss	4	91,125
Total assets		94,717
Equity		
Share capital		1
Retained earnings/(accumulated loss)		-
Total equity		1
Liabilities		
Financial liabilities at fair value through profit or loss	5	94,653
Other liabilities		63
Total liabilities		94,716
Total equity and liabilities		94,717

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov
Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX CHINA EQUITIES SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022
Net gain/(loss) from changes in fair value of financial assets	4	(3,577)
Net gain/(loss) from changes in fair value of financial liabilities	5	2,797
Dividends income on financial assets		2,333
Operating income		1,553
Administrative expenses	6	(988)
Other income	7	223
Net gain/(loss) from foreign currencies		(788)
Profit before income tax expense		-
Income tax expense		-
Profit for the year		-
Other comprehensive income for the year		-
Total comprehensive income for the year		-

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX CHINA EQUITIES SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022
Operating activities		
Bank services		(13)
Other receipts		13
Net cash flows used in operating activities		-
Investing activities		
Dividends received from financial assets		1,629
Net cash flows from investing activities		1,629
Financing activities		
Placement of Exchange Traded Notes		2,013
Contributions of equity		1
Net cash flows from investing activities		2,014
Net increase/(decrease) in cash and cash equivalents		3,643
Effect of exchange rates changes on cash and cash equivalents		(51)
Cash and cash equivalents, at the beginning of the year		-
Cash and cash equivalents, at the end of the year		3,592

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX CHINA EQUITIES SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Contributions of equity	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



1. General information

iX China Equities SPC Limited (hereinafter the "Company") was registered on 14 December 2021 as a Special Purpose Company (under the initial name of Portfolio 2 SPC Limited and renamed to its current name on May 18, 2022) at the Astana International Financial Centre (AIFC) under the identification number 211240900258 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022.



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

*Subsequent measurement (continued)**Financial assets at fair value through other comprehensive income (continued)*

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX CHINA EQUITIES SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of ordinary shares.

Issuer	Currency	31 December 2022	
		Number of shares	Market value
IX China Equities BR	US Dollar	6,309	91,125
		6,309	91,125

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

Changes in financial assets are as follow:

	Date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	–	95,490	(3,577)	(787)	91,125

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022	
		Number of ETNs	Market value
IX China Equities SPC Limited	US Dollar	42,890	94,653
		42,890	94,653

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 3 June 2032.

Changes in financial liabilities are as follow:

	Date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	–	97,488	(2,797)	(38)	94,653

6. Administrative expenses

	2022
Withholding tax	700
Custodian service	210
Management fee	65
Bank service	13
	988

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 223 thousand tenge.



8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the year ended 31 December 2022 were as follows:

	2022
Administrative expenses	
AIX FM Ltd.	(65)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022
Financial assets	
Cash and cash equivalents	3,592
Financial assets at fair value through profit or loss	91,125
Financial liabilities	
Financial liabilities at fair value through profit or loss	(94,653)
Other liabilities	(63)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022
Cash and cash equivalents	3,592
Financial assets at fair value through profit or loss	91,125

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022
First Heartland Jusan Bank	Kazakhstan	B1/Positive	94,717

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	3,592	—	3,592	FX
Financial assets at fair value through profit or loss	91,125	91,125	—	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(94,653)	(94,653)	—	Equity Price, FX
Other liabilities	(63)	—	(63)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022
Financial assets at fair value through profit or loss	9,113
Financial liabilities at fair value through profit or loss	(9,456)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Fair Value of financial instruments (continued)

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022
Financial instruments	
Level 1	
Financial assets at fair value through profit or loss	91,125
Financial liabilities at fair value through profit or loss	(94,653)
Level 2	
Cash and cash equivalents	3,592
Other liabilities	(63)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



**iX Bitcoin SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report**

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of IX Bitcoin SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-19

IX BITCOIN SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Management of iX Bitcoin SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director


Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX Bitcoin SPC Limited

Opinion

We have audited the financial statements of **iX Bitcoin SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.


Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX BITCOIN SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		3,458	918
Financial assets at fair value through profit or loss	4	68,072	37,400
Total assets		71,530	38,318
Equity			
Share capital		1	–
Retained earnings/(accumulated loss)		–	–
Total equity		1	–
Liabilities			
Financial liabilities at fair value through profit or loss	5	71,465	38,312
Other liabilities		64	6
Total liabilities		71,529	38,318
Total equity and liabilities		71,530	38,318

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX BITCOIN SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Net gain/(loss) from changes in fair value of financial assets	4	(84,341)	(4,816)
Net gain/(loss) from changes in fair value of financial liabilities	5	85,110	4,822
Operating income		769	6
Administrative expenses	6	(2,225)	(6)
Other income	7	1,456	—
Net gain/(loss) from foreign currencies		—	—
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the period		—	—
Other comprehensive income for the period		—	—
Total comprehensive income for the period		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX BITCOIN SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Operating activities			
Cash reimbursement to Shareholder		(695)	—
Bank services		(13)	—
Net cash flows used in operating activities		(708)	—
Financing activities			
Contributions of equity		1	—
Placement of Exchange Traded Notes		2,923	921
Net cash flows from financing activities		2,924	921
Net increase/(decrease) in cash and cash equivalents		2,216	921
Effect of exchange rates changes on cash and cash equivalents		324	(3)
Cash and cash equivalents, at the beginning of the period		918	—
Cash and cash equivalents, at the end of the period		3,458	918

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director



IX BITCOIN SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Total comprehensive income for the period	–	–	–
As at 31 December 2021	–	–	–
Contribution of equity	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements.



1. General information

iX Bitcoin SPC Limited (hereinafter the "Company") was registered on 10 August 2021 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 210840900198 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX BITCOIN SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Bitcoin Strategy ETF	US Dollar	14,107	68,072	2,997	37,400
		14,107	68,072	2,997	37,400

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During 2022, 11,110 shares with a value of 107,225 thousand tenge and cash of 2,923 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (from date of establishment to 31 December 2021: 2,997 shares with a value of 42,367 thousand tenge and cash of 921 thousand tenge).

Changes in financial assets are as follow:

	1 January / date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	37,400	107,225	(84,341)	7,788	68,072
2021	—	42,367	(4,816)	(151)	37,400

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
IX Bitcoin SPC Limited	US Dollar	14,107	71,465	2,997	38,312
		14,107	71,465	2,997	38,312

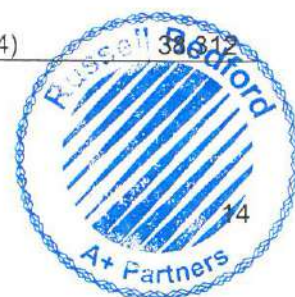
Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During 2022, the Company made creation of 11,110 ETNs in amount of 110,201 thousand tenge (from date of establishment to 31 December 2021: 2,997 ETNs in amount of 43,288 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 9 December 2031.

Changes in financial liabilities are as follow:

	1 January / date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	38,312	110,201	(85,110)	8,062	71,465
2021	—	43,288	(4,822)	(154)	38,312



IX BITCOIN SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	From date of establishment to 31 December 2021
Management fee	769	6
Audit	959	—
Custodian service	472	—
Bank services	13	—
CIT for non-resident	12	—
	2,225	6

7. Other income

Other income is a reimbursement of administrative expenses by Parent Company according to ETN sale-purchase agreement in amount of 1,456 thousand tenge.

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	From date of establishment to 31 December 2021
Placement of ETN		
AIX MLS Ltd.	(110,201)	(43,288)
Administrative expenses		
AIX FM Ltd.	(769)	(6)

The outstanding balances at 31 December 2022 and 2021 were as follows:

	31 December 2022	31 December 2021
Financial liabilities at fair value through profit and loss		
AIX MLS Ltd.	24,469	17,797
	24,469	17,797

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.



9. Commitments and contingencies (continued)**Operating environment (continued)**

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

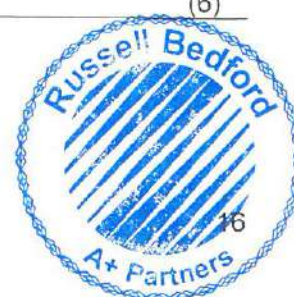
The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	3,458	918
Financial assets at fair value through profit or loss	68,072	37,400
Financial liabilities		
Financial liabilities at fair value through profit or loss	(71,465)	(38,312)
Other liabilities	(64)	(6)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	3,458	918
Financial assets at fair value through profit or loss	68,072	37,400

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	68,072	–
Bank Center Credit JSC	Kazakhstan	B+/Stable	3,458	–
Raiffeisenbank	Russia	No rating	–	37,400
China Construction Bank	China	A/Stable	–	918

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds. Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Market risk (continued)

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	3,458	–	3,458	
Financial assets at fair value through profit or loss	68,072	68,072	–	Equity Price
Financial liabilities				
Financial liabilities at fair value through profit or loss	(71,465)	(71,465)	–	Equity Price
Other liabilities	(64)	–	(64)	
2021				
Financial assets				
Cash and cash equivalents	918	–	918	
Financial assets at fair value through profit or loss	37,400	37,400	–	Equity Price
Financial liabilities				
Financial liabilities at fair value through profit or loss	(38,312)	(38,312)	–	Equity Price
Other liabilities	(6)	–	(6)	

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	6,807	3,740
Financial liabilities at fair value through profit or loss	(7,147)	(3,831)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Fair Value of financial instruments (continued)

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	68,072	37,400
Financial liabilities at fair value through profit or loss	(71,465)	(38,312)
Level 2		
Cash and cash equivalents	3,458	918
Other liabilities	(64)	(6)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



FF IUIF Fixed Income USD SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of FF IUIF Fixed Income USD SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements-----	5-19

FF IUIF FIXED INCOME USD SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Management of FF IUIF Fixed Income USD SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of FF IUIF Fixed Income USD SPC Limited

Opinion

We have audited the financial statements of **FF IUIF Fixed Income USD SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

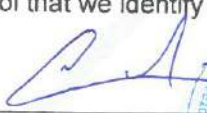
Auditor's Responsibilities for the Audit of the Financial Statements


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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023

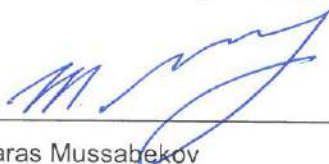


FF IUIF FIXED INCOME USD SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		9	7
Financial assets at fair value through profit or loss	4	1,338,028	240,212
Other assets		210	–
Total assets		1,338,247	240,219
Equity			
Share capital		1	–
Retained earnings/(accumulated loss)		–	(38)
Total equity		1	(38)
Liabilities			
Financial liabilities at fair value through profit or loss	5	1,338,028	240,212
Other liabilities		218	45
Total liabilities		1,338,246	240,257
Total equity and liabilities		1,338,247	240,219

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements

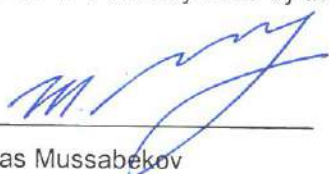


FF IUIF FIXED INCOME USD SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Net gain/(loss) from changes in fair value of financial assets	4	109,018	1,254
Net gain/(loss) from changes in fair value of financial liabilities	5	(109,018)	(1,254)
Dividends income on financial assets		35,362	18,137
Remunerations repaid on financial liabilities		(35,362)	(18,137)
Operating income		—	—
Administrative expenses	6	(4,078)	(933)
Other gain	7	4,116	895
Profit before income tax expense		38	(38)
Income tax expense		—	—
Profit for the period		38	(38)
Other comprehensive income for the period		—	—
Total comprehensive income for the period		38	(38)

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


Zharas Mussabekov
Director

Notes on pages from 5 to 19 are the integral part of these financial statements



FF IUIF FIXED INCOME USD SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Operating activities			
Reimbursement of expenses		3,906	895
Custody fee		(1,624)	–
Listing expenses and bank services		(1,322)	(80)
Management fee		–	(808)
Audit services		(958)	–
Net cash flows from operating activities		2	7
Investing activities			
Dividends received from financial assets		41,903	1,561
Net cash flows from investing activities		41,903	1,561
Financing activities			
Dividends paid		(41,903)	(1,561)
Net cash flows used in financing activities		(41,903)	(1,561)
Net increase/(decrease) in cash and cash equivalents		2	7
Effect of exchange rates changes on cash and cash equivalents		–	–
Cash and cash equivalents, at the beginning of the period		7	–
Cash and cash equivalents, at the end of the period		9	7

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



FF IUIF FIXED INCOME USD SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Total comprehensive income for the period	–	(38)	(38)
As at 31 December 2021	–	(38)	(38)
Contribution of equity	1	–	1
Total comprehensive income for the period	–	38	38
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

FF IUIF Fixed Income USD SPC Limited (hereinafter the "Company") was registered on 10 August 2021 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 210840900207 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



FF IUIF FIXED INCOME USD SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Freedom Finance JSC	US Dollar	18,653	1,338,028	3,403	240,212
		18,653	1,338,028	3,403	240,212

All financial assets are units in mutual fund acquired in the transaction with Freedom Finance JSC.

During 12 months of 2022, 15,250 shares with a value of 925,751 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 3,403 shares with a value of 219,600 thousand tenge).

Changes in financial assets are as follow:

	1 January / date of establishment	ETF/ETN exchange	Dividend received	Dividend accrued, but not received	Changes in fair value	Foreign exchange	31 December
2022	240,212	925,751	(6,541)	—	109,018	69,588	1,338,028
2021	—	219,600	—	16,576	1,254	2,782	240,212

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
FF IUIF Fixed Income USD SPC Limited	US Dollar	18,653	1,338,028	3,403	240,212
		18,653	1,338,028	3,403	240,212

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the Freedom Finance JSC.

During 12 months of 2022, the Company made creation of 15,250 ETNs in amount of 925,751 thousand tenge (2021: 3,403 ETNs in amount of 219,600 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 7 September 2051.

Changes in financial liabilities are as follow:

	1 January / date of establishment	ETF/ETN exchange	Coupon paid	Coupon accrued, but not paid	Changes in fair value	Foreign exchange	31 December
2022	240,212	925,751	(6,541)	—	109,018	69,588	1,338,028
2021	—	219,600	—	16,576	1,254	2,782	240,212



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	From date of establishment to 31 December 2021
Listing expenses	1,295	808
Custodian service	1,790	110
Audit services	958	—
Bank services	35	15
	4,078	933

7. Other income

Other gain is a reimbursement of administrative expenses by Freedom Finance JSC according to advisory agreement in amount of 4,116 thousand tenge (from the date of establishment to December 31, 2021: 895 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	From date of establishment to 31 December 2021
Administrative expenses		
AIX Ltd.	(1,295)	(808)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.



9. Commitments and contingencies (continued)**Legal processes and actions**

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	9	7
Financial assets at fair value through profit or loss	1,338,028	240,212
Other assets	210	–
Financial liabilities		
Financial liabilities at fair value through profit or loss	(1,338,028)	(240,212)
Other liabilities	(218)	(45)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	9	7
Financial assets at fair value through profit or loss	1,338,028	240,212
Other assets	210	—

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
Halyk bank JSC	Kazakhstan	Baa2/Stable	1,338,037	240,219

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 29-30 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Market risk (continued)

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	9	–	9	–
Financial assets at fair value through profit or loss	1,338,028	1,338,028	–	Equity Price
Other assets	210	–	210	–
Financial liabilities				
Financial liabilities at fair value through profit or loss	(1,338,028)	(1,338,028)	–	Equity Price
Other liabilities	(218)	–	(218)	–
2021				
Financial assets				
Cash and cash equivalents	7	–	7	–
Financial assets at fair value through profit or loss	240,212	240,212	–	Equity Price
Financial liabilities				
Financial liabilities at fair value through profit or loss	(240,212)	(240,212)	–	Equity Price
Other liabilities	(45)	–	(45)	–

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	133,803	24,021
Financial liabilities at fair value through profit or loss	(133,803)	(24,021)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Fair Value of financial instruments (continued)

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	1,338,028	240,212
Financial liabilities at fair value through profit or loss	(1,338,028)	(240,212)
Level 2		
Cash and cash equivalents	9	7
Other assets	210	—
Other liabilities	(218)	(45)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



Fund of Initial Public Offerings SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of Fund of Initial Public Offerings SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-18

FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of Fund of Initial Public Offerings SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of Fund of Initial Public Offerings SPC Limited

Opinion

We have audited the financial statements of **Fund of Initial Public Offerings SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP




 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC LLP



Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		–	5
Financial assets at fair value through profit or loss	4	151,814	230,374
Other assets		–	–
Total assets		151,814	230,379
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		–	–
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	151,813	230,373
Other liabilities		–	5
Total liabilities		151,813	230,378
Total equity and liabilities		151,814	230,379

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements.




FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(89,401)	(9,700)
Net gain/(loss) from changes in fair value of financial liabilities	5	89,401	9,941
Operating income		–	241
Administrative expenses	6	(2,105)	(2,231)
Other income	7	2,105	2,231
Net gain/(loss) from foreign currencies		–	(241)
Profit before income tax expense		–	–
Income tax expense		–	–
Profit for the year		–	–
Other comprehensive income for the year		–	–
Total comprehensive income for the year		–	–

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Cash receipts from Freedom Finance JSC		2,105	2,676
Cash reimbursement to Shareholder		(809)	(958)
Listing expenses and bank services		(1,301)	(1,714)
Net cash flows used in operating activities		(5)	4
Net increase/(decrease) in cash and cash equivalents		(5)	4
Effect of exchange rates changes on cash and cash equivalents		—	—
Cash and cash equivalents, at the beginning of the year		5	1
Cash and cash equivalents, at the end of the year		—	5

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Fund of Initial Public Offerings SPC Limited (hereinafter the "Company") was registered on 18 November 2020 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 201140900163 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)

New and amended standards and interpretations (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
A closed-end unit investment fund of market financial instruments "Fund of Initial Public Offerings"	US Dollar	18,000	151,814	18,000	230,374
		18,000	151,814	18,000	230,374

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with Freedom Finance JSC (Kazakhstan).

Changes in financial assets are as follow:

	1 January	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	230,374	—	(89,401)	10,841	151,814
2021	233,242	—	(9,700)	6,832	230,374

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Fund of initial Public Offerings SPC Limited	US Dollar	18,000	151,813	18,000	230,373
		18,000	151,813	18,000	230,373

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the Freedom Finance JSC.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 30 August 2034.

Changes in financial liabilities are as follow:

	1 January	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	230,373	—	(89,401)	10,841	151,813
2021	233,242	—	(9,941)	7,072	230,373

6. Administrative expenses

	2022	2021
Listing expenses	1,295	1,266
Audit	809	937
Reimbursement to the Shareholder	—	21
Bank service	1	—
	2,105	2,224



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Other income

Other income is a reimbursement of administrative expenses by Freedom Finance JSC according to ETN sale-purchase agreement in amount of 2,105 thousand tenge (2021: 2,231 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Administrative expenses		
AIX FM Ltd.	—	(21)
AIX Ltd.	(1,295)	(1,266)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.



9. Commitments and contingencies (continued)**Taxation (continued)**

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	–	5
Financial assets at fair value through profit or loss	151,814	230,374
Other assets	–	–
Financial liabilities		
Financial liabilities at fair value through profit or loss	(151,813)	(230,373)
Other liabilities	–	(5)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	–	5
Financial assets at fair value through profit or loss	151,814	230,374

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's:

Bank	Location	Rating	31 December 2022	31 December 2021
Freedom Finance	Kazakhstan	B-/Positive	151,814	230,374
Bank Center Credit JSC	Kazakhstan	B+/Stable	–	4
China Construction Bank	China	A/Stable	–	1

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds. Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	–	–	–	FX
Financial assets at fair value through profit or loss	151,814	151,814	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(151,813)	(151,813)	–	Equity Price, FX
Other liabilities	–	–	–	FX
2021				
Financial assets				
Cash and cash equivalents	5	–	5	FX
Financial assets at fair value through profit or loss	230,374	230,374	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(230,373)	(230,373)	–	Equity Price, FX
Other liabilities	(5)	–	(5)	Equity Price, FX



FUND OF INITIAL PUBLIC OFFERINGS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	15,181	23,037
Financial liabilities at fair value through profit or loss	(15,181)	(23,037)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	151,814	230,374
Financial liabilities at fair value through profit or loss	(151,813)	(230,373)
Level 2		
Cash and cash equivalents	–	5
Other liabilities	–	(5)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



**iX US Aggregated Bonds SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report**

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX US Aggregated Bonds SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-18

IX US AGGREGATED BONDS SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX US Aggregated Bonds SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX US Aggregated Bonds SPC Limited

Opinion

We have audited the financial statements of **iX US Aggregated Bonds SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP




Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP



Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023




IX US AGGREGATED BONDS SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		12	235
Financial assets at fair value through profit or loss	4	91,190	97,625
Total assets		91,202	97,860
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	91,181	97,838
Other liabilities		20	21
Total liabilities		91,201	97,859
Total equity and liabilities		91,202	97,860

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX US AGGREGATED BONDS SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(13,212)	(1,937)
Net gain/(loss) from changes in fair value of financial liabilities	5	13,448	2,157
Operating income		236	220
Administrative expenses	6	(1,402)	(1,458)
Other income	7	1,166	1,216
Net gain/(loss) from foreign currencies		—	22
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the year		—	—
Other comprehensive income for the year		—	—
Total comprehensive income for the year		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX US AGGREGATED BONDS SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(223)	(221)
Bank services		(13)	
Net cash flows used in operating activities		(236)	(221)
Investing activities			
Selling of exchange traded funds		—	242
Net cash flows from investing activities		—	242
Net increase/(decrease) in cash and cash equivalents		(236)	21
Effect of exchange rates changes on cash and cash equivalents		13	4
Cash and cash equivalents, at the beginning of the year		235	210
Cash and cash equivalents, at the end of the year		12	235

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX US AGGREGATED BONDS SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	-	1
Total comprehensive income for the year	-	-	-
As at 31 December 2021	1	-	1
Total comprehensive income for the year	-	-	-
As at 31 December 2022	1	-	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX US AGGREGATED BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

IX US Aggregated Bonds SPC Limited (hereinafter the "Company") was registered on 29 October 2019 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 191040900254 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX US AGGREGATED BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares US Aggregated Bond UCITS ETF	US Dollar				
		39,038	91,190	39,038	97,625
		39,038	91,190	39,038	97,625

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

25 November 2021 the Company sold 97 ETF in amount of 243 thousand tenge. According to prospectus, in the event the Company has insufficient cash to pay management fee or other expenses, the Company may sell ETF shares in order to cover such expenses.

Changes in financial assets are as follow:

	1 January	ETF sales	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	97,625	—	—	(13,212)	6,777	91,190
2021	97,322	(243)	—	(1,937)	2,483	97,625

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iX US Aggregated Bonds SPC Limited	US Dollar				
		39,135	91,181	39,135	97,838
		39,135	91,181	39,135	97,838

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 December 2029.

Changes in financial liabilities are as follow:

	1 January	Cash Inflow	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	97,838	—	—	(13,448)	6,791	91,181
2021	97,531	—	—	(2,157)	2,464	97,838



IX US AGGREGATED BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	236	242
Custodian service	342	279
Bank services	13	—
CIT for non-residents	2	—
	1,402	1,458

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,166 thousand tenge (2021: 1,216 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Administrative expenses		
AIX FM Ltd.	(236)	(242)
Other income		
AIX FM Ltd.	1,166	1,216

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.



9. Commitments and contingencies (continued)**Taxation**

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	12	235
Financial assets at fair value through profit or loss	91,190	97,625
Financial liabilities		
Financial liabilities at fair value through profit or loss	(91,181)	(97,838)
Other liabilities	(20)	(21)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	12	235
Financial assets at fair value through profit or loss	91,190	97,625

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.



IX US AGGREGATED BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	91,191	–
Bank Center Credit	Kazakhstan	B+/Stable	11	–
Raiffeisenbank	Russia	No rating	–	97,625
China Construction Bank	China	A/Stable	–	235

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	12	–	12	FX
Financial assets at fair value through profit or loss	91,190	91,190	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(91,181)	(91,181)	–	Equity Price, FX
Other liabilities	(20)	–	(20)	FX
2021				
Financial assets				
Cash and cash equivalents	235	–	235	FX
Financial assets at fair value through profit or loss	97,625	97,625	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(97,838)	(97,838)	–	Equity Price, FX
Other liabilities	(21)	–	(21)	FX



10. Financial risk management (continued)**Currency risk**

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	9,119	9,762
Financial liabilities at fair value through profit or loss	(9,118)	(9,783)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	91,190	97,625
Financial liabilities at fair value through profit or loss	(91,181)	(97,838)
Level 2		
Cash and cash equivalents	12	235
Other liabilities	(20)	(21)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX Global Emerging Markets Bonds SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX Global Emerging Markets Bonds SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-18

IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX Global Emerging Markets Bonds SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX Global Emerging Markets Bonds SPC Limited

Opinion

We have audited the financial statements of **iX Global Emerging Markets Bonds SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		399	418
Financial assets at fair value through profit or loss	4	91,667	105,050
Total assets		92,066	105,468
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	92,062	105,463
Other liabilities		3	4
Total liabilities		92,065	105,467
Total equity and liabilities		92,066	105,468

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(20,499)	(2,230)
Net gain/(loss) from changes in fair value of financial liabilities	5	20,589	2,281
Operating income		90	51
Administrative expenses	6	(1,200)	(1,259)
Other income	7	1,152	1,208
Net gain/(loss) from foreign currencies		(42)	—
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the year		—	—
Other comprehensive income for the year		—	—
Total comprehensive income for the year		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(48)	(48)
Net cash flows used in operating activities		(48)	(48)
Net increase/(decrease) in cash and cash equivalents		(48)	(48)
Effect of exchange rates changes on cash and cash equivalents		29	12
Cash and cash equivalents, at the beginning of the year		418	454
Cash and cash equivalents, at the end of the year		399	418

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



1. General information

IX Global Emerging Markets Bonds SPC Limited (hereinafter the "Company") was registered on 29 October 2019 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 191040900264 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares J.P Morgan USD EM Bond UCITS ETF	US Dollar	40,710	91,667	40,710	105,050
		40,710	91,667	40,710	105,050

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

Changes in financial assets are as follow:

	1 January	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	105,050	–	(20,499)	7,116	91,667
2021	104,647	–	(2,230)	2,633	105,050

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iX Global Emerging Markets Bonds SPC Limited	US Dollar	40,710	92,062	40,710	105,463
		40,710	92,062	40,710	105,463

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 December 2029.

Changes in financial liabilities are as follow:

	1 January	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	105,463	–	(20,589)	7,188	92,062
2021	105,100	–	(2,281)	2,644	105,463

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	48	52
Custodian service	341	270
CIT for non-residents	2	
	1,200	1,259



7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,152 thousand tenge (2021: 1,208 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Administrative expenses		
AIX FM Ltd.	(48)	(52)
Other income		
AIX FM Ltd.	1,152	1,208

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Commitments and contingencies (continued)

Taxation (continued)

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	399	418
Financial assets at fair value through profit or loss	91,667	105,050
Financial liabilities		
Financial liabilities at fair value through profit or loss	(92,062)	(105,463)
Other liabilities	(3)	(4)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	399	418
Financial assets at fair value through profit or loss	91,667	105,050

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	91,667	
Bank Center Credit JSC	Kazakhstan	B+/Stable	399	
Raiffeisenbank	Russia	No rating		105,050
China Construction Bank	China	A/Stable		418



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

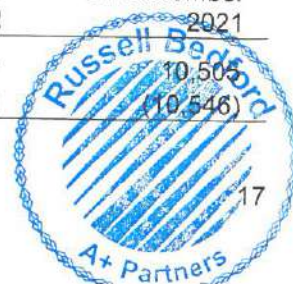
Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	399	–	399	FX
Financial assets at fair value through profit or loss	91,667	91,667	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(92,062)	(92,062)	–	Equity Price, FX
Other liabilities	(3)	–	(3)	FX
2021				
Financial assets				
Cash and cash equivalents	418	–	418	FX
Financial assets at fair value through profit or loss	105,050	105,050	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(105,463)	(105,463)	–	Equity Price, FX
Other liabilities	(4)	–	(4)	

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	9,167	10,505
Financial liabilities at fair value through profit or loss	(9,206)	(10,546)



IX GLOBAL EMERGING MARKETS BONDS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	91,667	105,050
Financial liabilities at fair value through profit or loss	(92,062)	(105,463)
Level 2		
Cash and cash equivalents	399	418
Other liabilities	(3)	(4)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX US High Dividend SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX US High Dividend SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-19

IX US HIGH DIVIDEND SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX US High Dividend SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX US High Dividend SPC Limited

Opinion

We have audited the financial statements of **iX US High Dividend SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.


Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP



Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015


 Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP



State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX US HIGH DIVIDEND SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		500	249
Financial assets at fair value through profit or loss	4	298,282	227,239
Total assets		298,782	227,488
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	298,677	227,400
Other liabilities		104	87
Total liabilities		298,781	227,487
Total equity and liabilities		298,782	227,488

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX US HIGH DIVIDEND SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	4,875	19,174
Net gain/(loss) from changes in fair value of financial liabilities	5	(3,776)	(18,634)
Dividends income on financial assets		10,049	5,202
Remunerations repaid on financial liabilities		(8,403)	(4,409)
Operating income		2,745	1,333
Administrative expenses	6	(2,459)	(2,410)
Other income	7	1,272	1,383
Net (loss)/gain from foreign currencies		(51)	1
Profit before income tax expense		1,507	307
Income tax expense		(1,507)	(307)
Profit for the year		–	–
Other comprehensive income for the year		–	–
Total comprehensive income for the year		–	–

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX US HIGH DIVIDEND SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(1,062)	(444)
Other payments		(89)	(11)
Net cash flows used in operating activities		(1,151)	(455)
Investing activities			
Dividends received from financial assets		8,450	5,214
Selling of exchange traded funds	4	1,218	256
Net cash flows from investing activities		9,668	5,470
Financing activities			
Placement of exchange traded notes	5	80	106
Dividends paid		(8,334)	(5,193)
Net cash flows used in financing activities		(8,254)	(5,087)
Net increase/(decrease) in cash and cash equivalents		263	(72)
Effect of exchange rates changes on cash and cash equivalents		(12)	(14)
Cash and cash equivalents, at the beginning of the year		249	335
Cash and cash equivalents, at the end of the year		500	249

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX US HIGH DIVIDEND SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



1. General information

IX US High Dividend SPC Limited (hereinafter the "Company") was registered on 30 April 2020 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 200440900230 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies**New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)**Standards issued but not yet effective (continued)***Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)**Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding'. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX US HIGH DIVIDEND SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares Core High Dividend ETF	US Dollar	6,185	298,282	5,211	227,239
		6,185	298,282	5,211	227,239

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During the 12 months 2022, 1,000 shares with a value of 48,351 thousand tenge and cash of 80 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 2,826 shares with a value of 116,352 thousand tenge and cash of 106 thousand tenge).

In 2022, the Company sold 26 ETF in amount of 1,218 thousand tenge (2021: 6 ETF in amount of 256 thousand tenge). According to prospectus, in the event the Company has insufficient cash to pay management fee or other expenses, the Company may sell ETF shares in order to cover such expenses.

Changes in financial assets are as follow:

	1 January	ETF sales	ETF/ETN exchange	Coupon accrued but not received	Changes in fair value	Foreign exchange	31 December
2022	227,239	(1,218)	48,351	-	4,875	19,035	298,282
2021	88,975	(256)	116,352	(805)	19,174	3,799	227,239

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX US High Dividend SPC Limited	US Dollar	62,232	298,677	52,181	227,400
		62,232	298,677	52,181	227,400

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During the 12 months 2022 the Company made additional creation of 10,051 ETNs in amount of 48,431 thousand tenge (2021: 28,271 ETNs in amount of 116,458 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 October 2030.



IX US HIGH DIVIDEND SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Financial liabilities at fair value through profit or loss (continued)

Changes in financial liabilities are as follow:

	1 January	Cash Inflow	ETF/ETN exchange	Coupon accrued but not paid	Changes in fair value	Foreign exchange	31 December
2022	227,400	80	48,351	–	3,776	19,070	298,677
2021	89,309	106	116,352	(766)	18,634	3,765	227,400

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	1,100	541
Withholding tax	24	517
Custodian service	446	390
Bank service	80	25
	2,459	2,410

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,272 thousand tenge (2021: 1,383 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Placement of ETN		
AIX MLS Ltd.	(48,431)	(116,458)
Administrative expenses		
AIX FM Ltd.	(1,100)	(541)
Other income		
AIX FM Ltd.	1,272	1,383

The Company has no staff and is entirely managed by parent company AIX FM Ltd.



9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.



IX US HIGH DIVIDEND SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	500	249
Financial assets at fair value through profit or loss	298,282	227,239
Financial liabilities		
Financial liabilities at fair value through profit or loss	(298,677)	(277,400)
Other liabilities	(104)	(87)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	500	249
Financial assets at fair value through profit or loss	298,282	227,239

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	298,282	–
Bank Center Credit JSC	Kazakhstan	B+/Stable	500	9
Raiffeisenbank	Russia	No rating	–	227,239
China Construction Bank	China	A/Stable	–	240

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds. Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.



10. Financial risk management (continued)**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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	500	–	500	FX
Financial assets at fair value through profit or loss	298,282	298,282	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(298,677)	(298,677)	–	Equity Price, FX
Other liabilities	(104)	–	(104)	FX
2021				
Financial assets				
Cash and cash equivalents	249	–	249	FX
Financial assets at fair value through profit or loss	227,239	227,239	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(227,400)	(227,400)	–	Equity Price, FX
	(87)	–	(87)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	29,828	22,724
Financial liabilities at fair value through profit or loss	(29,868)	(22,740)



10. Financial risk management (continued)**Interest rate risk**

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	298,282	227,239
Financial liabilities at fair value through profit or loss	(298,677)	(227,400)
Level 2		
Cash and cash equivalents	500	249
Other liabilities	(104)	(87)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



IX Global Emerging Markets Equities SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX Global Emerging Markets Equities SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-19

IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX Global Emerging Markets Equities SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX Global Emerging Markets Equities SPC Limited

Opinion

We have audited the financial statements of **iX Global Emerging Markets Equities SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


Shyngysbek Sarayev
Audit Partner
Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
№ MF-0000297 dated November 9, 2015


Sholpanay Kudaibergenova
General Director
Russell Bedford A+ Partners IAC LLP

State Audit License No. 18013076
issued by the Committee for Internal Government
Audit of the Ministry of Finance of the Republic of
Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
Almaty A15E2X0, Kazakhstan

17 February 2023



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		261	412
Financial assets at fair value through profit or loss	4	191,944	204,857
Total assets		192,205	205,269
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	192,152	205,214
Other liabilities		52	54
Total liabilities		192,204	205,268
Total equity and liabilities		192,205	205,269

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(42,786)	(2,381)
Net gain/(loss) from changes in fair value of financial liabilities	5	43,383	2,859
Operating income		597	478
Administrative expenses	6	(1,760)	(1,718)
Other income	7	1,163	1,240
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the year		—	—
Other comprehensive income for the year		—	—
Total comprehensive income for the year		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(598)	(423)
Net cash flows used in operating activities		(598)	(423)
Investing activities			
Selling of exchange traded funds	4	396	473
Net cash flows from investing activities		396	473
Financing activities			
Placement of exchange traded notes	4	32	160
Net cash flows from financing activities		32	160
Net increase/(decrease) in cash and cash equivalents		(170)	210
Effect of exchange rates changes on cash and cash equivalents		19	8
Cash and cash equivalents, at the beginning of the year		412	194
Cash and cash equivalents, at the end of the year		261	412

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



1. General information

IX Global Emerging Markets Equities SPC Limited (hereinafter the "Company") was registered on 29 October 2019 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 191040900284 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)

New and amended standards and interpretations (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)**Financial liabilities (continued)*****Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares Core MSCI EM IMI UCITS ETF USD	US Dollar				
		14,486	191,944	13,306	204,857
		14,486	191,944	13,306	204,857

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During the 12 months of 2022, 1,213 shares with a value of 16,054 thousand tenge and cash of 32 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 4,451 shares with a value of 69,970 thousand tenge and cash of 160 thousand tenge).

4 November 2022 the Company sold 33 ETF in the amount of 396 thousand tenge (2021: 30 ETF in amount of 473 thousand tenge). According to prospectus, in the event the Company has insufficient cash to pay management fee or other expenses, the Company may sell ETF shares in order to cover such expenses.

Changes in financial assets are as follow:

	1 January	ETF sales	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	204,857	(396)	16,054	(42,786)	14,215	191,944
2021	134,157	(473)	69,970	(2,381)	3,584	204,857

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iX Global Emerging Markets Equities SPC Limited	US Dollar	14,573	192,152	13,352	205,214
		14,573	192,152	13,352	205,214

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During the 12 months 2022 the Company made additional creation of 1,221 ETNs in amount of 16,087 thousand tenge (2021: 4,467 ETNs in amount of 70,130 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 December 2029.

Changes in financial liabilities are as follow:

	1 January	Cash Inflow	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	205,214	32	16,055	(43,383)	14,234	192,152
2021	134,350	160	69,970	(2,859)	3,593	205,214



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	598	478
Custodian service	350	303
CIT from non-residents	3	–
	1,760	1,718

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,163 thousand tenge (2021: 1,240 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Placement of ETN		
AIX MLS Ltd.	(16,087)	(70,130)
Administrative expenses		
AIX FM Ltd.	(598)	(478)
Other income		
AIX FM Ltd.	1,163	1,240

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.



9. Commitments and contingencies**Legal processes and actions**

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	261	412
Financial assets at fair value through profit or loss	191,944	204,857
Financial liabilities		
Financial liabilities at fair value through profit or loss	(192,152)	(205,214)
Other liabilities	(52)	(54)



10. Financial risk management (continued)**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	261	412
Financial assets at fair value through profit or loss	191,944	204,857

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	191,977	–
Bank Center Credit JSC	Kazakhstan	B+/Stable	228	–
Raiffeisenbank	Russia	No rating	–	204,857
China Construction Bank	China	A/Stable	–	412

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



IX GLOBAL EMERGING MARKETS EQUITIES SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Market risk (continued)

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	261	–	261	FX
Financial assets at fair value through profit or loss	191,944	191,944	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(192,152)	(192,152)	–	Equity Price, FX
Other liabilities	(52)	–	(52)	FX
2021				
Financial assets				
Cash and cash equivalents	412	–	412	FX
Financial assets at fair value through profit or loss	204,857	204,857	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(205,214)	(205,214)	–	Equity Price, FX
Other liabilities	(54)	–	(54)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	19,194	20,486
Financial liabilities at fair value through profit or loss	(19,215)	(20,521)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



10. Financial risk management (continued)**Fair Value of financial instruments (continued)**

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	191,944	204,857
Financial liabilities at fair value through profit or loss	(192,152)	(205,214)
Level 2		
Cash and cash equivalents	261	412
Other liabilities	(52)	(54)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



**iX Gold SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report**

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX Gold SPC Limited

Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5-19

IX GOLD SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX Gold SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX Gold SPC Limited

Opinion

We have audited the financial statements of **iX Gold SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022 as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.


Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC-LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015


 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC-LLP

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX GOLD SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		35	431
Financial assets at fair value through profit or loss	4	198,790	165,190
Total assets		198,825	165,621
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	198,784	165,586
Other liabilities		40	34
Total liabilities		198,824	165,620
Total equity and liabilities		198,825	165,621

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX GOLD SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	418	(3,230)
Net gain/(loss) from changes in fair value of financial liabilities	5	17	3,487
Operating income		435	257
Administrative expenses	6	(1,625)	(1,489)
Other income	7	1,189	1,262
Net gain/(loss) from foreign currencies		1	(30)
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the year		—	—
Other comprehensive income for the year		—	—
Total comprehensive income for the year		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements




IX GOLD SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(428)	(194)
Net cash flows used in operating activities		(428)	(194)
Financing activities			
Placement of exchange traded notes	5	8	244
Net cash flows from financing activities		8	244
Net increase/(decrease) in cash and cash equivalents		(420)	50
Effect of exchange rates changes on cash and cash equivalents		24	8
Cash and cash equivalents, at the beginning of the year		431	373
Cash and cash equivalents, at the end of the year		35	431

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX GOLD SPC LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



1. General information

IX Gold SPC Limited (hereinafter the "Company") was registered on 30 April 2020 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 200440900260 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares Gold Trust	US Dollar	12,422	198,790	10,990	165,190
		12,422	198,790	10,990	165,190

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During the 12 months 2022, 1,432 shares with a value of 22,332 thousand tenge and cash of 8 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 5,643 shares with a value of 84,999 thousand tenge and cash of 244 thousand tenge).

Changes in financial assets are as follow:

	1 January	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	165,190	22,332	418	10,850	198,790
2021	81,576	84,999	(3,230)	1,845	165,190

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX Gold SPC Limited	US Dollar	24,849	198,784	21,984	165,586
		24,849	198,784	21,984	165,586

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During the 12 months 2022 the Company made additional creation of 2,865 ETNs in amount of 22,341 thousand tenge (2021: 11,289 ETNs in amount of 85,243 thousand tenge)

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 October 2030.



IX GOLD SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Financial liabilities at fair value through profit or loss (continued)

Changes in financial liabilities are as follow:

	1 January	Cash Inflow	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	165,586	8	22,332	(17)	10,875	198,784
2021	81,948	244	84,999	(3,487)	1,882	165,586

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	436	227
Custody service	374	316
Other	6	9
	1,625	1,489

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,189 thousand tenge (2021: 1,262 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Placement of ETN		
AIX MLS Ltd.	(22,340)	(85,243)
Administrative expenses		
AIX FM Ltd.	(436)	(227)
Other income		
AIX FM Ltd.	1,189	1,262

The Company has no staff and is entirely managed by parent company AIX FM Ltd.



9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	35	431
Financial assets at fair value through profit or loss	198,790	165,190
Financial liabilities		
Financial liabilities at fair value through profit or loss	(198,784)	(165,586)
Other liabilities	(40)	(34)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	35	431
Financial assets at fair value through profit or loss	198,790	165,190

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B+/Positive	198,798	–
Bank Center Credit JSC	Kazakhstan	B+/Stable	27	–
Raiffeisenbank	Russia	No rating	–	165,190
China Construction Bank	China	A/Stable	–	431

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.



10. Financial risk management (continued)**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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	35	—	35	FX
Financial assets at fair value through profit or loss	198,790	198,790	—	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(198,784)	(198,784)	—	Equity Price, FX
Other liabilities	(40)	—	(40)	FX
2021				
Financial assets				
Cash and cash equivalents	431	—	431	FX
Financial assets at fair value through profit or loss	165,190	165,190	—	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(165,586)	(165,586)	—	Equity Price, FX
	(34)	—	(34)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	19,879	16,519
Financial liabilities at fair value through profit or loss	(19,878)	(16,559)



10. Financial risk management (continued)**Interest rate risk**

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	198,790	165,190
Financial liabilities at fair value through profit or loss	(198,784)	(165,586)
Level 2		
Cash and cash equivalents	35	431
Other liabilities	(40)	(34)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX Islamic SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX Islamic SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements-----	5-18

IX ISLAMIC SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX Islamic SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX Islamic SPC Limited

Opinion

We have audited the financial statements of **iX Islamic SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP



Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015


 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC LLP



State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX ISLAMIC SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022
Assets		
Cash and cash equivalents		2,018
Financial assets at fair value through profit or loss	4	90,590
Total assets		92,608
Equity		
Share capital		1
Retained earnings/(accumulated loss)		-
Total equity		1
Liabilities		
Financial liabilities at fair value through profit or loss	5	92,536
Other liabilities		71
Total liabilities		92,607
Total equity and liabilities		92,608

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX ISLAMIC SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022
Net gain/(loss) from changes in fair value of financial assets	4	(3,484)
Net gain/(loss) from changes in fair value of financial liabilities	5	3,302
Dividends income on financial assets		247
Operating income		65
Administrative expenses	6	(290)
Other income	7	259
Net gain/(loss) from foreign currencies		2
Profit before income tax expense		36
Income tax expense		(36)
Profit for the year		-
Other comprehensive income for the year		-
Total comprehensive income for the year		-

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX ISLAMIC SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022
Operating activities		
Bank services		(13)
Other receipts		18
Net cash flows from operating activities		5
Investing activities		
Dividends received from financial assets		252
Net cash flows from investing activities		252
Financing activities		
Placement of Exchange Traded Notes		1,790
Contributions of equity		1
Net cash flows from investing activities		1,791
Investing activities		
Dividends received from financial assets		252
Net cash flows from investing activities		252
Net increase/(decrease) in cash and cash equivalents		2,048
Effect of exchange rates changes on cash and cash equivalents		(30)
Cash and cash equivalents, at the beginning of the year		—
Cash and cash equivalents, at the end of the year		2,018

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX ISLAMIC SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Contributions of equity	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



1. General information

iX Islamic SPC Limited (hereinafter the "Company") was registered on 14 December 2021 as a Special Purpose Company (under the initial name of Portfolio 1 SPC Limited and renamed to its current name on May 18, 2022) at the Astana International Financial Centre (AIFC) under the identification number 211240900268 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022.



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)**Standards issued but not yet effective (continued)***Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of ordinary shares.

Issuer	Currency	31 December 2022	
		Number of shares	Market value
iShares MSCI World Islamic UCITS	US Dollar	5,076	90,590
		5,076	90,590

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

Changes in financial assets are as follow:

	Date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	—	93,574	(3,484)	500	90,590

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022	
		Number of ETNs	Market value
iX Islamic SPC Limited	US Dollar	40,608	92,536
		40,608	92,536

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 3 June 2032.

Changes in financial liabilities are as follow:

	Date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	—	96,791	(3,302)	(1,133)	92,536

6. Administrative expenses

	2022
Custodian service	210
Management fee	67
Bank service	13
	290

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 259 thousand tenge.



8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the year ended 31 December 2022 were as follows:

	2022
Administrative expenses	
AIX FM Ltd.	(67)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022
Financial assets	
Cash and cash equivalents	2,018
Financial assets at fair value through profit or loss	90,590
Financial liabilities	
Financial liabilities at fair value through profit or loss	(92,536)
Other liabilities	(71)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022
Cash and cash equivalents	2,018
Financial assets at fair value through profit or loss	90,590

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022
First Heartland Jusan Bank	Kazakhstan	B1/Positive	92,608

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.



10. Financial risk management (continued)**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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	2,018	—	2,018	FX
Financial assets at fair value through profit or loss	90,590	90,590	—	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(92,536)	(92,536)	—	Equity Price, FX
Other liabilities	(71)	—	(71)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022
Financial assets at fair value through profit or loss	9,059
Financial liabilities at fair value through profit or loss	(9,254)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)**Fair Value of financial instruments (continued)**

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022
Financial instruments	
Level 1	
Financial assets at fair value through profit or loss	90,590
Financial liabilities at fair value through profit or loss	(92,536)
Level 2	
Cash and cash equivalents	2,018
Other liabilities	(71)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX NASDAQ 100 Equities SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX NASDAQ 100 Equities SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-19

IX NASDAQ 100 EQUITIES SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX NASDAQ 100 Equities SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX NASDAQ 100 Equities SPC Limited

Opinion

We have audited the financial statements of **iX NASDAQ 100 Equities SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX NASDAQ 100 EQUITIES SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		2,302	2,796
Financial assets at fair value through profit or loss	4	378,381	429,586
Total assets		380,683	432,382
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	380,575	432,265
Other liabilities		107	116
Total liabilities		380,682	432,381
Total equity and liabilities		380,683	432,382

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director



IX NASDAQ 100 EQUITIES SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Net gain/(loss) from changes in fair value of financial assets	4	(156,854)	42,453
Net gain/(loss) from changes in fair value of financial liabilities	5	158,056	(41,970)
Dividends income on financial assets		2,941	1,000
Remunerations repaid on financial liabilities		(2,457)	(850)
Operating income		1,686	633
Administrative expenses	6	(3,043)	(993)
Other income	7	1,400	360
Net gain/(loss) from foreign currencies		(43)	—
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the period		—	—
Other comprehensive income for the period		—	—
Total comprehensive income for the period		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements




IX NASDAQ 100 EQUITIES SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Operating activities			
Management fee		(1,192)	(364)
Listing expenses and bank services		(13)	(2)
Net cash flows from operating activities		(1,205)	(366)
Investing activities			
Dividends received from financial assets		2,108	397
Net cash flows from investing activities		2,108	397
Financing activities			
Placement of exchange traded notes	4	490	3,134
Dividends paid		(2,099)	(397)
Contribution of equity		—	1
Net cash flows from financing activities		(1,609)	2,738
Net increase/(decrease) in cash and cash equivalents			
		(706)	2,769
Effect of exchange rates changes on cash and cash equivalents		212	27
Cash and cash equivalents, at the beginning of the period		2,796	—
Cash and cash equivalents, at the end of the period		2,302	2,796

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements




IX NASDAQ 100 EQUITIES SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at date of establishment	–	–	–
Contribution of equity	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



1. General information

IX NASDAQ 100 Equities SPC Limited (hereinafter the "Company") was registered on 27 February 2021 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 210240900364 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies**New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)**Standards issued but not yet effective (continued)***Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX NASDAQ 100 EQUITIES SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Invesco QQQ Trust	US Dollar	3,065	378,381	2,498	429,586
		3,065	378,381	2,498	429,586

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During 12 months of 2022, 567 shares with a value of 73,216 thousand tenge and cash of 490 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (from the date of establishment to 31 December 2021: 2,498 shares with a value of 383,628 thousand tenge and cash of 3,134 thousand tenge).

Changes in financial assets are as follow:

	1 January / date of establishment	ETF/ETN exchange	Dividend accrued and not received	Changes in fair value	Foreign exchange	31 December
2022	429,586	73,216	339	(156,854)	32,094	378,381
2021	–	383,628	451	42,453	3,054	429,586

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
IX NASDAQ 100 Equities SPC Limited	US Dollar	30,650	380,575	24,980	432,265
		30,650	380,575	24,980	432,265

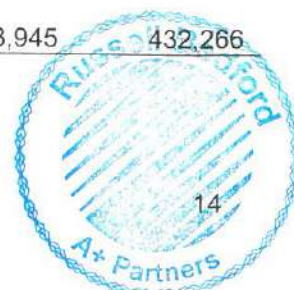
Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During 12 months of 2022, the Company made creation of 5,670 ETNs in amount of 73,706 thousand tenge (from the date of establishment to 31 December 2021: 24,980 ETNs in amount of 385,900 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 21 April 2031.

Changes in financial liabilities are as follow:

	1 January / date of establishment	Cash inflow	ETF/ETN exchange	Coupon accrued but not paid	Changes in fair value	Foreign exchange	31 December
2022	432,266	490	73,216	339	(158,056)	32,320	380,575
2021	–	3,134	382,766	451	41,970	3,945	432,266



6. Administrative expenses

	2022	From date of establishment to 31 December 2021
Management fee	1,202	482
Audit	958	–
CIT for non-residents	454	151
Custodian service	416	328
Bank services	13	32
	3,043	993

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,400 thousand tenge (2021: 360 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	From date of establishment to 31 December 2021
Placement of ETN		
AIX MLS Ltd.	(73,706)	(385,900)
Administrative expenses		
AIX FM Ltd.	(1,202)	(482)
Other income		
AIX FM Ltd.	1,400	360

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.



9. Commitments and contingencies (continued)**Legal processes and actions**

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	2,302	2,796
Financial assets at fair value through profit or loss	378,381	429,586
Financial liabilities		
Financial liabilities at fair value through profit or loss	(380,575)	(432,265)
Other liabilities	(107)	(116)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	2,302	2,796
Financial assets at fair value through profit or loss	378,381	429,586

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	378,381	—
Bank Center Credit JSC	Kazakhstan	B+/Stable	2,302	8
Raiffeisenbank	Russia	No rating	—	429,586
China Construction Bank	China	A/Stable	—	2,788

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Market risk (continued)

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	2,302	–	2,302	FX
Financial assets at fair value through profit or loss	378,381	378,381	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(380,575)	(380,575)	–	Equity Price, FX
Other liabilities	(107)	–	(107)	FX
2021				
Financial assets				
Cash and cash equivalents	2,796	–	2,796	FX
Financial assets at fair value through profit or loss	429,586	429,586	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(432,265)	(432,265)	–	Equity Price, FX
Other liabilities	(116)	–	(116)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	37,838	42,959
Financial liabilities at fair value through profit or loss	(38,058)	(43,227)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**10. Financial risk management (continued)****Fair Value of financial instruments (continued)**

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	378,381	429,586
Financial liabilities at fair value through profit or loss	(380,575)	(432,265)
Level 2		
Cash and cash equivalents	2,302	2,796
Other liabilities	(107)	(116)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



**iX Brent Oil SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report**

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX Brent Oil SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements-----	5-18

IX BRENT OIL SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX Brent Oil SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX Brent Oil SPC Limited

Opinion

We have audited the financial statements of **iX Brent Oil SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.


Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


Shyngysbek Sartayev
Audit Partner
Russell Bedford A+ Partners IAC LLP


Sholpanay Kudaibergenova
General Director
Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
№ MF-0000297 dated November 9, 2015

State Audit License No. 18013076
issued by the Committee for Internal Government
Audit of the Ministry of Finance of the Republic of
Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
Almaty A15E2X0, Kazakhstan

17 February 2023




IX BRENT OIL SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		436	599
Financial assets at fair value through profit or loss	4	212,912	147,108
Total assets		213,348	147,707
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	213,330	147,694
Other liabilities		17	12
Total liabilities		213,347	147,706
Total equity and liabilities		213,348	147,707

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX BRENT OIL SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	51,038	70,360
Net gain/(loss) from changes in fair value of financial liabilities	5	(50,555)	(70,209)
Operating income		483	151
Administrative expenses	6	(1,465)	(1,382)
Other income	7	1,244	1,230
Net gain/(loss) from foreign currencies		-	1
Profit before income tax expense		262	-
Income tax expense		(262)	-
Profit for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX BRENT OIL SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(471)	(140)
Bank services		(13)	—
Net cash flows used in operating activities		(484)	(140)
Investing activities			
Selling of exchange traded funds	4	284	—
Net cash flows from investing activities		284	—
Financing activities			
Redemption of exchange traded notes		—	(163)
Net cash flows from financing activities		—	(163)
Net increase/(decrease) in cash and cash equivalents		(200)	(303)
Effect of exchange rates changes on cash and cash equivalents		37	21
Cash and cash equivalents, at the beginning of the year		599	881
Cash and cash equivalents, at the end of the year		436	599

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX BRENT OIL SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the year	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

IX Brent Oil SPC Limited (hereinafter the "Company") was registered on 29 October 2019 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 191040900244 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



Subsequent measurement

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Cash

Income Tax

Current income tax

Deferred Tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.

IX BRENT OIL SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
United States Brent Oil Fund LP	US Dollar	16,273	212,912	16,293	147,108
		16,273	212,912	16,293	147,108

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

7 April 2022 the Company reduced number of ETF by 20 in amount of 284 thousand tenge.

Changes in financial assets are as follow:

	1 January	Redemption	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	147,108	(284)	–	51,038	15,050	212,912
2021	121,244	(48,452)	–	70,360	3,956	147,108

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX Brent Oil SPC Limited	US Dollar	16,293	213,330	16,293	147,694
		16,293	213,330	16,293	147,694

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 December 2029.

Changes in financial liabilities are as follow:

	1 January	Cash outflow/inflow	ETF/ETN exchange	Redemption	Changes in fair value	Foreign exchange	31 December
2022	147,694	–	–	–	50,555	15,081	213,330
2021	122,124	(162)	–	(48,452)	70,209	3,975	147,694

6. Administrative expenses

	2022	2021
Audit	809	937
Custodian service	411	293
Management fee	221	152
Bank services	13	–
CIT for non-residents	11	–
	1,465	1,382



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,244 thousand tenge (2021: 1,230 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
ETF selling/Redemption of ETN		
AIX MLS Ltd.	(284)	(48,452)
Administrative expenses		
AIX FM Ltd.	(221)	(152)
Other income		
AIX FM Ltd.	1,244	1,230

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Commitments and contingencies (continued)

Taxation (continued)

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	436	599
Financial assets at fair value through profit or loss	212,912	147,108
Financial liabilities		
Financial liabilities at fair value through profit or loss	(213,330)	(147,694)
Other liabilities	(17)	(12)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	436	599
Financial assets at fair value through profit or loss	212,912	147,108

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan JSC	Kazakhstan	B1/Positive	212,912	—
Bank Center Credit JSC	Kazakhstan	B+/Stable	436	—
Raiffeisenbank	Russia	No rating	—	147,108
China Construction Bank	China	A/Stable	—	599



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	436	–	436	FX
Financial assets at fair value through profit or loss	212,912	212,912	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(213,330)	(213,330)	–	Equity Price, FX
Other liabilities	(17)	–	(17)	FX
2021				
Financial assets				
Cash and cash equivalents	599	–	599	FX
Financial assets at fair value through profit or loss	147,108	147,108	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(147,694)	(147,694)	–	Equity Price, FX
Other liabilities	(12)	–	(12)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	21,291	14,711
Financial liabilities at fair value through profit or loss	(21,333)	(14,770)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	212,912	147,108
Financial liabilities at fair value through profit or loss	(213,330)	(147,694)
Level 2		
Cash and cash equivalents	436	599
Other liabilities	(17)	(12)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX US Real Estate SPC Limited
Financial Statements
for the period from 18 May to 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the period from 18 May to 31 December 2022

Independent Auditor's Report

Financial Statements of iX US Real Estate SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-18

IX US REAL ESTATE SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

The management of iX US Real Estate SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the period from 18 May 2022 to 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the period from 18 May 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX US Real Estate SPC Limited

Opinion

We have audited the financial statements of **iX US Real Estate SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from the date of establishment to 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the period from the date of establishment to 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


Shyngysbek Sartayev
Audit Partner
Russell Bedford A+ Partners IAC LLP




Sholpanay Kudalbergenova
General Director
Russell Bedford A+ Partners IAC LLP



Auditor Qualifying Certificate
№ MF-0000297 dated November 9, 2015

State Audit License No. 18013076
issued by the Committee for Internal Government
Audit of the Ministry of Finance of the Republic of
Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
Almaty A15E2X0, Kazakhstan

17 February 2023




IX US REAL ESTATE SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022
Assets		
Cash and cash equivalents		2,962
Financial assets at fair value through profit or loss	4	87,270
Total assets		90,232
Equity		
Share capital		1
Retained earnings/(accumulated loss)		—
Total equity		1
Liabilities		
Financial liabilities at fair value through profit or loss	5	90,164
Other liabilities		67
Total liabilities		90,231
Total equity and liabilities		90,232

These financial statements of the Company for the period from 18 May 2022 to 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX US REAL ESTATE SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

KZT'000	Note	From date of establishment to 31 December 2022
Net gain/(loss) from changes in fair value of financial assets	4	(2,795)
Net gain/(loss) from changes in fair value of financial liabilities	5	1,859
Dividends income on financial assets		1,242
Operating income		306
Administrative expenses	6	(367)
Other income	7	117
Net gain/(loss) from foreign currencies		(9)
Profit before income tax expense		47
Income tax expense		(47)
Profit for the period		-
Other comprehensive income for the period		-
Total comprehensive income for the period		-

These financial statements of the Company for the period from 18 May 2022 to 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX US REAL ESTATE SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

KZT'000	Note	From date of establishment to 31 December 2022
Investing activities		
Dividends received from financial assets		1,001
Net cash flows from investing activities		1,001
Financing activities		
Placement of Exchange Traded Notes		2,003
Contributions of equity		1
Net cash flows from investing activities		2,004
Net increase/(decrease) in cash and cash equivalents		3,005
Effect of exchange rates changes on cash and cash equivalents		(43)
Cash and cash equivalents, at the beginning of the period		—
Cash and cash equivalents, at the end of the period		2,962

These financial statements of the Company for the period from 18 May 2022 to 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director



IX US REAL ESTATE SPC LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022**

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Contributions of equity	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the period from 18 May 2022 to 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

1. General information

iX US Real Estate SPC Limited (hereinafter the "Company") was registered on 18 May 2022 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 220540900307 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for period from 18 May 2022 to 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022.



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)

New and amended standards and interpretations (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.

IX US REAL ESTATE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of ordinary shares.

Issuer	Currency	31 December 2022	
		Number of shares	Market value
iX US Real Estate BR	US Dollar	2,287	87,270
		2,287	87,270

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

Changes in financial assets are as follow:

	Date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	–	91,708	(2,795)	(1,643)	87,270

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022	
		Number of ETNs	Market value
iX US Real Estate SPC Limited	US Dollar	151,889	90,164
		151,889	90,164

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 10 October 2032.

Changes in financial liabilities are as follow:

	Date of establishment	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	–	93,701	(1,859)	(1,678)	90,164

6. Administrative expenses

	From date of establishment to 31 December 2022
Withholding tax	229
Custodian service	70
Management fee	68
	367

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 117 thousand tenge.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the period from 18 May to 31 December 2022 were as follows:

	From date of establishment to 31 December 2022
Administrative expenses	
AIX FM Ltd.	(68)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022
Financial assets	
Cash and cash equivalents	2,962
Financial assets at fair value through profit or loss	87,270
Financial liabilities	
Financial liabilities at fair value through profit or loss	(90,164)
Other liabilities	(67)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022
Cash and cash equivalents	2,962
Financial assets at fair value through profit or loss	87,270

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022
First Heartland Jusan Bank	Kazakhstan	B1/Positive	90,232

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

10. Financial risk management (continued)

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	2,962	–	2,962	FX
Financial assets at fair value through profit or loss	87,270	87,270	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(90,164)	(90,164)	–	Equity Price, FX
Other liabilities	(67)	–	(67)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022
Financial assets at fair value through profit or loss	8,727
Financial liabilities at fair value through profit or loss	(9,016)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 18 MAY TO 31 DECEMBER 2022

10. Financial risk management (continued)

Fair Value of financial instruments (continued)

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022
Financial instruments	
Level 1	
Financial assets at fair value through profit or loss	87,270
Financial liabilities at fair value through profit or loss	(90,164)
Level 2	
Cash and cash equivalents	2,962
Other liabilities	(67)

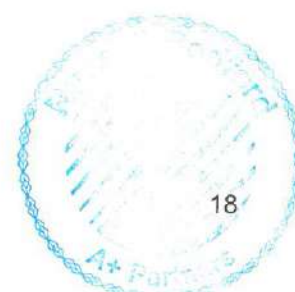
Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX US Short-Term Treasury SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX US Short-Term Treasury SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements-----	5-18

IX US SHORT-TERM TREASURY SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX US Short-Term Treasury SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX US Short-Term Treasury SPC Limited

Opinion

We have audited the financial statements of **iX US Short-Term Treasury SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX US SHORT-TERM TREASURY SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		792	80
Financial assets at fair value through profit or loss	4	86,136	84,855
Total assets		86,928	84,935
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		-	270
Total equity		1	271
Liabilities			
Financial liabilities at fair value through profit or loss	5	86,886	84,585
Other liabilities		41	79
Total liabilities		86,927	84,664
Total equity and liabilities		86,928	84,935

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov
Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX US SHORT-TERM TREASURY SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(4,487)	(1,063)
Net gain/(loss) from changes in fair value of financial liabilities	5	3,758	1,392
Dividends income on financial assets		994	567
Remunerations repaid on financial liabilities		–	(189)
Operating income		265	707
Administrative expenses	6	(1,742)	(1,610)
Other income	7	1,207	1,320
Profit / (loss) before income tax expense		(270)	417
Income tax expense		–	(147)
Profit / (loss) for the year		(270)	270
Other comprehensive income for the year		–	–
Total comprehensive income / (loss) for the year		(270)	270

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX US SHORT-TERM TREASURY SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(422)	(306)
Bank services		(13)	(4)
Net cash flows used in operating activities		(435)	(310)
Investing activities			
Dividends received from financial assets		1,124	781
Net cash flows from investing activities		1,124	781
Financing activities			
Cash remunerations on financial liabilities		–	(728)
Net cash flows from financing activities		–	(728)
Net increase/(decrease) in cash and cash equivalents		689	(257)
Effect of exchange rates changes on cash and cash equivalents		23	3
Cash and cash equivalents, at the beginning of the year		80	334
Cash and cash equivalents, at the end of the year		792	80

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX US SHORT-TERM TREASURY SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the year	–	270	270
As at 31 December 2021	1	270	271
Total comprehensive loss for the year	–	(270)	(270)
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director



1. General information

IX US Short-Term Treasury SPC Limited (hereinafter the "Company") was registered on 30 April 2020 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 200440900250 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies**New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.

IX US SHORT-TERM TREASURY SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Vanguard Short-Term Treasury ETF	US Dollar	3,220	86,136	3,220	84,855
		3,220	86,136	3,220	84,855

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

Changes in financial assets are as follow:

	1 January	ETF/ETN exchange	Dividend accrued and received	Changes in fair value	Foreign exchange	31 December
2022	84,855	–	(277)	(4,487)	6,045	86,136
2021	83,984	–	(258)	(1,063)	2,192	84,855

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX US Short-Term Treasury SPC Limited	US Dollar	32,200	86,886	32,200	84,585
		32,200	86,886	32,200	84,585

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 October 2030.

Changes in financial liabilities are as follow:

	1 January	ETF/ETN exchange	Coupon accrued and paid	Changes in fair value	Foreign exchange	31 December
2022	84,585	–	–	(3,758)	6,059	86,886
2021	84,314	–	(535)	(1,392)	2,198	84,585



IX US SHORT-TERM TREASURY SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	393	380
Custodian service	370	281
Bank service	13	7
Other	157	5
	1,742	1,610

7. Other income

Other income is a reimbursement of administrative expenses by Parent Company according to ETN sale-purchase in amount of 1,207 thousand tenge (2021: 1,320 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Administrative expenses		
AIX FM Ltd.	(393)	(380)
Other income		
AIX FM Ltd.	1,207	1,320

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.



9. Commitments and contingencies (continued)**Taxation**

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	792	80
Financial assets at fair value through profit or loss	86,136	84,855
Financial liabilities		
Financial liabilities at fair value through profit or loss	(86,886)	(84,585)
Other liabilities	(41)	(79)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	792	80
Financial assets at fair value through profit or loss	86,136	84,855

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.



10. Financial risk management (continued)

Credit risk (continued)

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	86,517	–
Bank Center Credit JSC	Kazakhstan	B+/Stable	411	62
Raiffeisenbank	Russia	No rating	–	84,855
China Construction Bank	China	A/Stable	–	18

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	792	–	792	FX
Financial assets at fair value through profit or loss	86,136	86,136	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(86,886)	(86,886)	–	Equity Price, FX
Other liabilities	(41)	–	(41)	FX
2021				
Financial assets				
Cash and cash equivalents	80	–	80	FX
Financial assets at fair value through profit or loss	84,855	84,855	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(84,585)	(84,585)	–	Equity Price, FX
Other liabilities	(79)	–	(79)	FX



IX US SHORT-TERM TREASURY SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	8,614	8,486
Financial liabilities at fair value through profit or loss	(8,689)	(8,459)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	86,136	84,855
Financial liabilities at fair value through profit or loss	(86,886)	(84,585)
Level 2		
Cash and cash equivalents	792	80
Other liabilities	(41)	(79)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



IX US 500 Equities SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX US 500 Equities SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-19

IX US 500 EQUITIES SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX US 500 Equities SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX US 500 Equities SPC Limited

Opinion

We have audited the financial statements of **iX US 500 Equities SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

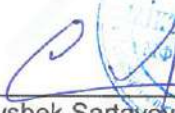
Auditor's Responsibilities for the Audit of the Financial Statements


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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


Shyngysbek Sartayev
Audit Partner
Russell Bedford A+ Partners IAC LLP


Sholpanay Kudalbergenova
General Director
Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
№ MF-0000297 dated November 9, 2015

State Audit License No. 18013076
issued by the Committee for Internal Government
Audit of the Ministry of Finance of the Republic of
Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
Almaty A15E2X0, Kazakhstan

17 February 2023



IX US 500 EQUITIES SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		739	133
Financial assets at fair value through profit or loss	4	648,525	588,570
Total assets		649,264	588,703
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	649,011	588,494
Other liabilities		252	208
Total liabilities		649,263	588,702
Total equity and liabilities		649,264	588,703

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov
Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX US 500 EQUITIES SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(123,035)	71,284
Net gain/(loss) from changes in fair value of financial liabilities	5	125,661	(70,040)
Operating income		2,626	1,244
Administrative expenses	6	(3,883)	(2,541)
Other income	7	1,256	1,298
Net gain/(loss) from foreign currencies		1	(1)
Profit before income tax expense		—	—
Income tax expense		—	—
Profit for the year		—	—
Other comprehensive income for the year		—	—
Total comprehensive income for the year		—	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX US 500 EQUITIES SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(2,561)	(1,035)
Bank services		(13)	–
Net cash flows used in operating activities		(2,574)	(1,035)
Investing activities			
Selling of exchange traded funds	4	1,381	474
Net cash flows from investing activities		1,381	474
Financing activities			
Placement of exchange traded notes	4	1,749	650
Net cash flows from financing activities		1,749	650
Net increase/(decrease) in cash and cash equivalents		556	89
Effect of exchange rates changes on cash and cash equivalents		50	6
Cash and cash equivalents, beginning of the period		133	38
Cash and cash equivalents, at the end of the period		739	133

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



IX US 500 EQUITIES SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



1. General information

IX US 500 Equities SPC Limited (hereinafter the "Company") was registered on 29 October 2019 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 191040900274 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies**New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)**Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding'. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)**Financial liabilities (continued)*****Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX US 500 EQUITIES SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares Core S&P 500 UCITS ETF	US Dollar	3,539	648,525	2,797	588,570
		3,539	648,525	2,797	588,570

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During the 12 months 2022, 749 shares with a value of 147,739 thousand tenge and cash of 1,749 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 2,043 shares with a value of 390,234 thousand tenge and cash of 650 thousand tenge).

15 September 2022 the Company sold 7 ETF in amount of 1,381 thousand tenge (2021: 3 ETF in amount of 484 thousand tenge). According to prospectus, in the event the Company has insufficient cash to pay management fee or other expenses, the Company may sell ETF shares in order to cover such expenses.

Changes in financial assets are as follow:

	1 January	ETF sales	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	588,570	(1,381)	147,739	(123,035)	36,632	648,525
2021	119,986	(474)	390,234	71,284	7,540	588,570

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX US 500 Equities SPC Limited	US Dollar	35,715	649,011	28,091	588,494
		35,715	649,011	28,091	588,494

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During the 12 months 2022 the Company made additional creation of 7,624 ETNs in amount of 149,498 thousand tenge (2021: 20,521 ETNs in amount of 390,884 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 December 2029.

Changes in financial liabilities are as follow:

	1 January	Cash Inflow	ETF/ETN exchange	Changes in fair value	Foreign exchange	31 December
2022	588,494	1,749	147,749	(125,661)	36,680	649,011
2021	120,023	650	390,234	70,040	7,547	588,494



6. Administrative expenses

	2022	2021
Management fee	2,626	1,243
Audit	809	937
Custodian service	430	361
Bank services	13	—
CIT for non-residents	5	—
	3,883	2,541

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,256 thousand tenge (2021: 1,298 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Placement of ETN		
AIX MLS Ltd.	(149,498)	(390,884)
Administrative expenses		
AIX FM Ltd.	(2,626)	(1,243)
Other income		
AIX FM Ltd.	1,256	1,298

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.



9. Commitments and contingencies (continued)**Legal processes and actions**

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	739	133
Financial assets at fair value through profit or loss	648,525	588,570
Financial liabilities		
Financial liabilities at fair value through profit or loss	(649,011)	(588,494)
Other liabilities	(252)	(208)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	739	133
Financial assets at fair value through profit or loss	648,525	588,570

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B+/Positive	648,540	–
Bank Center Credit	Kazakhstan	B+/Stable	724	–
Raiffeisenbank	Russia	No rating	–	588,570
China Construction Bank	China	A/Stable	–	133

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



IX US 500 EQUITIES SPC LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
10. Financial risk management (continued)
Market risk (continued)

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	739	–	739	FX
Financial assets at fair value through profit or loss	648,525	648,525	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(649,011)	(649,011)	–	Equity Price, FX
Other liabilities	(252)	–	(252)	FX
2021				
Financial assets				
Cash and cash equivalents	133	–	133	FX
Financial assets at fair value through profit or loss	588,570	588,570	–	Equity Price, FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(588,494)	(588,494)	–	Equity Price, FX
	(208)	–	(208)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	64,852	58,857
Financial liabilities at fair value through profit or loss	(64,901)	(58,849)



10. Financial risk management (continued)**Interest rate risk**

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	648,525	588,570
Financial liabilities at fair value through profit or loss	(649,011)	(588,494)
Level 2		
Cash and cash equivalents	739	133
Other liabilities	(252)	(208)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



iX High Yield Corporate Bond SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of iX High Yield Corporate Bond SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows-----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements-----	5-18

IX HIGH YIELD CORPORATE BOND SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of iX High Yield Corporate Bond SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of iX High Yield Corporate Bond SPC Limited

Opinion

We have audited the financial statements of **iX High Yield Corporate Bond SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



IX HIGH YIELD CORPORATE BOND SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		356	520
Financial assets at fair value through profit or loss	4	164,091	138,223
Other assets		1	5
Total assets		164,448	138,748
Equity			
Share capital		1	1
Retained earnings/(accumulated loss)		—	—
Total equity		1	1
Liabilities			
Financial liabilities at fair value through profit or loss	5	164,372	138,680
Other liabilities		75	67
Total liabilities		164,447	138,747
Total equity and liabilities		164,448	138,748

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements




IX HIGH YIELD CORPORATE BOND SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Net gain/(loss) from changes in fair value of financial assets	4	(23,562)	(114)
Net gain/(loss) from changes in fair value of financial liabilities	5	24,287	583
Dividends income on financial assets		7,434	3,912
Remunerations repaid on financial liabilities		(6,200)	(3,299)
Operating income		1,959	1,082
Administrative expenses	6	(2,044)	(2,033)
Other income	7	1,202	1,314
Net gain/(loss) from foreign currencies		1	3
Profit before income tax expense		1,118	366
Income tax expense		(1,118)	(366)
Loss for the year		–	–
Other comprehensive income for the year		–	–
Total comprehensive loss for the year		–	–

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX HIGH YIELD CORPORATE BOND SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	2021
Operating activities			
Management fee		(711)	(406)
Bank commissions		(90)	(4)
Net cash flows used in operating activities		(801)	(410)
Investing activities			
Dividends received from financial assets		6,301	3,592
Selling of exchange traded funds	4	442	413
Net cash flows from investing activities		6,743	4,005
Financing activities			
Placement of exchange traded notes	5	81	189
Dividends paid		(6,212)	(3,592)
Net cash flows used in financing activities		(6,131)	(3,403)
Net (decrease)/increase in cash and cash equivalents		(189)	192
Effect of exchange rates changes on cash and cash equivalents		25	8
Cash and cash equivalents, at the beginning of the year		520	320
Cash and cash equivalents, at the end of the year		356	520

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 18 are the integral part of these financial statements



IX HIGH YIELD CORPORATE BOND SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at 31 December 2020	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2021	1	–	1
Total comprehensive income for the period	–	–	–
As at 31 December 2022	1	–	1

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director

Notes on pages from 5 to 18 are the integral part of these financial statements



9. Commitments and contingencies (continued)**Legal processes and actions (continued)**

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	356	520
Financial assets at fair value through profit or loss	164,091	138,223
Other assets	1	5
Financial liabilities		
Financial liabilities at fair value through profit or loss	(164,372)	(138,680)
Other liabilities	(75)	(67)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	356	520
Financial assets at fair value through profit or loss	164,091	138,223

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.



10. Financial risk management (continued)**Credit risk (continued)**

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
First Heartland Jusan Bank	Kazakhstan	B1/Positive	164,091	—
Bank Center Credit JSC	Kazakhstan	B+/Stable	356	4
Raiffeisenbank	Russia	No rating	—	138,223
China Construction Bank	China	A/Stable	—	516

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds. Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	356	—	356	FX
Financial assets at fair value through profit or loss	164,091	164,091	—	Equity Price, FX
Other assets	1	—	1	FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(164,372)	(164,372)	—	Equity Price, FX
Other liabilities	(75)	(75)	—	FX
2021				
Financial assets				
Cash and cash equivalents	520	—	520	FX
Financial assets at fair value through profit or loss	138,223	138,223	—	Equity Price, FX
Other assets	5	—	5	FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(138,680)	(138,680)	—	Equity Price, FX
Other liabilities	(67)	(67)	—	FX



1. General information

IX High Yield Corporate Bond SPC Limited (hereinafter the "Company") was registered on 30 April 2020 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 200440900240 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies**New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



IX HIGH YIELD CORPORATE BOND SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
iShares iBoxx \$ High Yield Corporate Bond ETF	US Dollar	4,817	164,091	3,679	138,223
		4,817	164,091	3,679	138,223

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

During the 12 months 2022, 1,151 shares with a value of 39,559 thousand tenge and cash of 81 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 1,326 shares with a value of 49,925 thousand tenge and cash of 189 thousand tenge).

10 November 2022 the Company sold 13 ETFs in the amount of 442 thousand tenge (2021: 11 ETFs in the amount of 413 thousand tenge). According to prospectus, in the event the Company has insufficient cash to pay management fee or other expenses, the Company may sell ETF shares in order to cover such expenses.

Changes in financial assets are as follow:

	1 January	ETF sales	ETF/ETN exchange	Dividend accrued and received	Changes in fair value	Foreign exchange	31 December
2022	138,223	(442)	39,559	—	(23,562)	10,313	164,091
2021	87,126	(413)	49,925	(300)	(114)	1,999	138,223

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX High Yield Corporate Bond SPC Limited	US Dollar	48,550	164,372	36,962	138,680
		48,550	164,372	36,962	138,680

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During the 12 months 2022 the Company made additional creation of 11,588 ETNs in amount of 39,641 thousand tenge (2021: 13,322 ETNs in amount of 50,114 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 5 October 2030.

Changes in financial liabilities are as follow:

	1 January	Cash inflow	ETF/ETN exchange	Coupon accrued and paid	Changes in fair value	Foreign exchange	31 December
2022	138,680	81	39,560	—	(24,287)	10,338	164,372
2021	87,442	189	49,925	(300)	(583)	2,007	138,680



IX HIGH YIELD CORPORATE BOND SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	2021
Audit	809	937
Management fee	725	469
Custodian service	386	325
Withholding tax	7	259
Bank service	117	43
	2,044	2,033

7. Other income

Other income is a reimbursement of administrative expenses by Parent company according to ETN sale-purchase agreement in amount of 1,202 thousand tenge (2021: 1,314 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Placement of ETN		
AIX MLS Ltd.	(39,641)	(50,114)
Administrative expenses		
AIX FM Ltd.	(725)	(469)
Other income		
AIX FM Ltd.	1,202	1,314

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.



10. Financial risk management (continued)**Currency risk**

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	16,409	13,822
Financial liabilities at fair value through profit or loss	(16,437)	(13,868)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	164,091	138,223
Financial liabilities at fair value through profit or loss	(164,372)	(138,680)
Level 2		
Cash and cash equivalents	356	520
Other assets	1	5
Other liabilities	(75)	(67)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



**Kaz Financials SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report**

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of Kaz Financials SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-19

KAZ FINANCIALS SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of Kaz Financials SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of Kaz Financials SPC Limited

Opinion

We have audited the financial statements of **Kaz Financials SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.


Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


Shyngysbek Sartayev
Audit Partner

Russell Bedford A+ Partners IAC LLP


Sholpanay Kudaibergenova
General Director

Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
№ MF-0000297 dated November 9, 2015

State Audit License No. 18013076
issued by the Committee for Internal Government
Audit of the Ministry of Finance of the Republic of
Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
Almaty A15E2X0, Kazakhstan

17 February 2023




KAZ FINANCIALS SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		137	74
Financial assets at fair value through profit or loss	4	148,612	108,465
Other assets		192	748
Total assets		148,941	109,287
Equity			
Share capital		1	–
Retained earnings/(accumulated loss)		2	–
Total equity		3	–
Liabilities			
Financial liabilities at fair value through profit or loss	5	148,612	108,541
Other liabilities		326	746
Total liabilities		148,938	109,287
Total equity and liabilities		148,941	109,287

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements

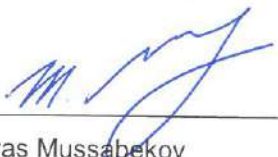


KAZ FINANCIALS SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Net gain/(loss) from changes in fair value of financial assets	4	40,147	7,968
Net gain/(loss) from changes in fair value of financial liabilities	5	(40,147)	(7,968)
Dividends income on financial assets			75
Remunerations repaid on financial liabilities		—	(75)
Operating income		—	—
Administrative expenses	6	(4,116)	(748)
Other income	7	4,118	748
Profit before income tax expense		2	—
Income tax expense		—	—
Profit for the period		2	—
Other comprehensive income for the period		—	—
Total comprehensive income for the period		2	—

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



KAZ FINANCIALS SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Operating activities			
Cash receipts from the Management Company		4,674	—
Listing expenses and bank services		(1,889)	(1)
Management fee		(2,372)	—
Custodian fee		(276)	—
Net cash flows used in operating activities		137	(1)
Investing activities			
Dividends received from financial assets		—	75
Net cash flows from investing activities		—	75
Financing activities			
Contributions of equity		1	—
Dividends paid		(75)	—
Net cash flows from investing activities		(74)	—
Net increase/(decrease) in cash and cash equivalents		63	74
Effect of exchange rates changes on cash and cash equivalents		74	—
Cash and cash equivalents, at the beginning of the period		—	—
Cash and cash equivalents, at the end of the period		137	74

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 19 are the integral part of these financial statements



KAZ FINANCIALS SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Total comprehensive income for the period	–	–	–
As at 31 December 2021	–	–	–
Contributions of equity	1	–	1
Total comprehensive income for the period	–	2	2
As at 31 December 2022	1	2	3

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



 Zharas Mussabekov
 Director

Notes on pages from 5 to 19 are the integral part of these financial statements



1. General information

Kaz Financials SPC Limited (hereinafter the "Company") was registered on 6 September 2021 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 210940900052 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)

New and amended standards and interpretations (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding'. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (continued)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



KAZ FINANCIALS SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of ordinary shares.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Kaspi.kz JSC	KZT	203,867	130,475	203,867	81,139
Halyk Savings Bank of Kazakhstan JSC	KZT	101,150	12,792	101,150	18,914
Bank CenterCredit JSC	KZT	161	5,345	161	8,412
		305,178	148,612	305,178	108,465

All financial assets are units in ordinary shares acquired in the transaction with BCC Invest JSC (Kazakhstan).

Changes in financial assets are as follow:

	1 January / date of establishment	Shares/ ETN exchange	Changes in fair value	31 December
2022	108,465	–	40,147	148,612
2021	–	100,497	7,968	108,465

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
Kaz Financials SPC Limited	KZT	10,000	148,612	10,000	108,541
		10,000	148,612	10,000	108,541

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the BCC Invest JSC.

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 13 November 2031.

Changes in financial liabilities are as follow:

	1 January / date of establishment	Shares/ ETN exchange	Dividends accrued / paid	Changes in fair value	31 December
2022	108,541	–	(75)	40,147	148,612
2021	–	100,497	75	7,969	108,541



KAZ FINANCIALS SPC LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022****6. Administrative expenses**

	2022	From date of establishment to 31 December 2021
Management fee	1,656	186
Listing expenses	1,295	561
Audit	809	—
Custodian fee	323	—
Bank service	33	1
	4,116	748

7. Other income

Other income is a reimbursement of administrative expenses by BCC Invest JSC according to advisory agreement in amount of 4,118 thousand tenge (2021: 748 thousand tenge).

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the year ended 31 December 2022 and 2021 were as follows:

	2022	From date of establishment to 31 December 2021
Administrative expenses		
AIX FM Ltd.	(1,656)	(186)
AIX Ltd.	(1,295)	(561)

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Commitments and contingencies (continued)

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	137	74
Financial assets at fair value through profit or loss	148,612	108,465
Other assets	192	748
Financial liabilities		
Financial liabilities at fair value through profit or loss	(148,612)	(108,541)
Other liabilities	(326)	(746)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Credit risk (continued)

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	137	74
Financial assets at fair value through profit or loss	148,612	108,465
Other assets	192	748

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's/ Moody's:

Bank	Location	Rating	31 December 2022	31 December 2021
Eurasian Bank JSC	Kazakhstan	B2/Positive	148,612	–
Bereke Bank JSC	Kazakhstan	BBB/Stable	137	108,539

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



KAZ FINANCIALS SPC LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
10. Financial risk management (continued)
Market risk (continued)

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	137	–	137	FX
Financial assets at fair value through profit or loss	148,612	148,612	–	Equity Price, FX
Other assets	192	–	192	FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(148,612)	(148,612)	–	Equity Price, FX
Other liabilities	(326)	–	(326)	FX
2021				
Financial assets				
Cash and cash equivalents	74	–	74	FX
Financial assets at fair value through profit or loss	108,465	108,465	–	Equity Price, FX
Other assets	748	–	748	FX
Financial liabilities				
Financial liabilities at fair value through profit or loss	(108,541)	(108,541)	–	Equity Price, FX
Other liabilities	(746)	–	(746)	FX

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	14,861	10,847
Financial liabilities at fair value through profit or loss	(14,861)	(10,854)



10. Financial risk management (continued)**Interest rate risk**

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	148,612	108,465
Financial liabilities at fair value through profit or loss	(148,612)	(108,541)
Level 2		
Cash and cash equivalents	137	74
Other assets	192	748
Other liabilities	(326)	(746)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



Qazaqstan Equity Active SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of Qazaqstan Equity Active SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-20

QAZAQSTAN EQUITY ACTIVE SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of Qazaqstan Equity Active SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of Qazaqstan Equity Active SPC Limited

Opinion

We have audited the financial statements of **Qazaqstan Equity Active SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP



Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015


 Sholpanay Kudalbergenova
 General Director
 Russell Bedford A+ Partners IAC LLP



State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



QAZAQSTAN EQUITY ACTIVE SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		1,829	1,197
Financial assets at fair value through profit or loss	4	693,935	883,620
Other assets		2,932	-
Total assets		698,696	884,817
Equity			
Share capital		1	-
Retained earnings/(accumulated loss)		(4,026)	(3,830)
Total equity		(4,025)	(3,830)
Liabilities			
Financial liabilities at fair value through profit or loss	5	695,960	887,320
Income tax expenses		3,847	757
Other liabilities		2,914	570
Total liabilities		702,721	888,648
Total equity and liabilities		698,696	884,817

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 20 are the integral part of these financial statements




QAZAQSTAN EQUITY ACTIVE SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Net gain/(loss) from changes in fair value of financial assets	4	(306,554)	27,017
Net gain/(loss) from changes in fair value of financial liabilities	5	296,647	(31,892)
Dividends income on financial assets		44,137	3,133
Remunerations repaid on financial liabilities		(44,137)	(3,133)
Operating loss		(9,323)	(4,875)
Administrative expenses	6	(7,426)	(4,659)
Finance income		396	—
Other income		3,668	857
Net gain/(loss) from foreign currencies		17,143	5,604
Loss before income tax expense		3,874	(3,073)
Income tax expense	7	(4,070)	(757)
Loss for the period		(196)	(3,830)
Other comprehensive income for the period		—	—
Total comprehensive loss for the period		(196)	(3,830)

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

QAZAQSTAN EQUITY ACTIVE SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Operating activities			
Management fee		(1,253)	(501)
Reimbursement of expenses		—	62
Custodian, bank and other expenses		(3,092)	(2,793)
Other payments		(981)	—
Interest received from REPO		397	—
Net cash flows used in operating activities		(4,929)	(3,232)
Investing activities			
Purchase of financial assets		(266,199)	(868,621)
Proceeds from sale of financial assets		175,088	20,131
Dividends received from financial assets		38,354	3,179
Net cash flows used in investing activities		(52,757)	(845,311)
Financial activities			
Placement of exchange traded notes		64,997	852,260
Dividends paid		(4,963)	—
Contributions of equity		1	—
Net cash flows from financial activities		60,035	852,260
Net increase/(decrease) in cash and cash equivalents		2,349	3,717
Effect of exchange rates changes on cash and cash equivalents		(1,717)	(2,520)
Cash and cash equivalents, at the beginning of the period		1,197	—
Cash and cash equivalents, at the end of the period		1,829	1,197

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 20 are the integral part of these financial statements

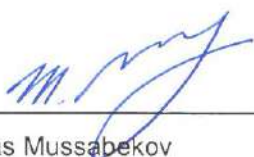


QAZAQSTAN EQUITY ACTIVE SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Total comprehensive loss for the period	–	(3,830)	(3,830)
As at 31 December 2021	–	(3,830)	(3,830)
Contributions of equity	1	–	1
Total comprehensive loss for the period	–	(196)	(196)
As at 31 December 2022	1	(4,026)	(4,025)

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 20 are the integral part of these financial statements



1. General information

Qazaqstan Equity Active SPC Limited (hereinafter the "Company") was registered on 24 May 2021 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 210540900048 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)**Financial liabilities (continued)*****Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



QAZAQSTAN EQUITY ACTIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of ordinary shares and GDRs.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Polymetal International PLC	GBP	24,745	33,811	21,520	164,633
Halyk Bank JSC	KZT	817,555	107,097	-	-
Halyk Bank JSC	USD	7,750	39,799	19,622	139,801
Kazatomprom NC JSC	USD	9,317	121,298	8,408	133,424
KazTransOil JSC	KZT	79,540	58,966	118,127	128,695
KazMunaiGaz JSC	KZT	5,428	50,355	-	-
Kaspi.kz JSC	USD	3,570	118,427	2,484	124,421
Kazakhtelecom JSC	KZT	2,989	84,334	3,148	112,370
Central Asia Metals PLC	GBP	53,135	79,848	53,135	80,276
		1,004,029	693,935	226,444	883,620

All financial assets are units in ordinary shares and GDRs which acquired on amount received from AIX MLS Ltd.

During 12 months of 2022, 64,997 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 852,260 thousand tenge). According to Investment Management Agreement between the Company and Halyk Finance JSC ("Investment Manager"), it should generally invest at least 70% of its assets in the component securities of the benchmark index (AIX Qazaq Index).

Changes in financial assets are as follow:

	1 January / date of establishment	Dividends accrued but not received	Shares purchased	Shares sold	Changes in Fair Value	Foreign exchange	31 December
2022	883,620	6,839	266,199	(175,088)	(306,554)	18,919	693,935
2021	-	-	868,621	(20,131)	27,017	8,113	883,620

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
Qazaqstan Equity Active SPC Limited	KZT	216,088	695,960	200,000	887,320
		216,088	695,960	200,000	887,320

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

On 1 November 2022, the Company made creation of 16,088 ETNs in amount of 64,997 thousand tenge (2021: 200,000 ETNs in amount of 852,260 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 8 September 2031.

Changes in financial liabilities are as follow:

	1 January / date of establishment	Underlying asset/ ETN exchange	Dividends accrued but not paid	Changes in fair value	31 December
2022	887,320	64,997	40,290	(296,647)	695,960
2021	-	852,260	3,168	31,892	887,320



QAZAQSTAN EQUITY ACTIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Administrative expenses

	2022	From date of establishment to 31 December 2021
Management fee to Investment Manager	4,337	1,382
Listing expenses	1,295	795
Audit	958	-
Management fee to Shareholder	607	691
Transaction fee	410	-
Custody	270	-
Broker services	89	191
(Reversal)/ Accrual of bank services	(540)	1,600
	7,426	4,659

7. Income tax

	2022	From date of establishment to 31 December 2021
Current income tax expenses	(4,070)	(757)
Deferred tax expenses	-	-
	(4,070)	(757)

Reconciliation of the current tax rate

	2022	From date of establishment to 31 December 2021
Profit before income tax expenses	3,874	(3,073)
At statutory income tax rate of 20%	(775)	615
Tax effect of non-deductible differences	(1,313)	(397)
Unrecognised deferred tax assets	(1,982)	(975)
	(4,070)	(757)

Deferred tax assets and liabilities

	2022	From date of establishment to 31 December 2021
Financial assets at fair value through profit or loss	(61,311)	5,403
Financial liabilities at fair value through profit or loss	59,329	(6,378)
Unrecognised deferred tax assets	1,982	975
Recognised deferred tax	-	-

The movement of unrecognized deferred tax assets was as follows:

	2022	From date of establishment to 31 December 2021
Deferred tax at the date of establishment	-	-
Recognised in the profit and loss	1,982	975
Unrecognised deferred tax at the end of the period	(1,982)	(975)

Deferred tax assets are not recognized due to the uncertainty of their realization.

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the year ended 31 December 2022 and 2021 were as follows:

	2022	From date of establishment to 31 December 2021
Administrative expenses		
AIX Ltd.	(1,295)	(795)
AIX FM Ltd.	(607)	(691)
Other gain		
AIX FM Ltd.	3,022	857
ETN Placement		
AIX MLS Ltd.	(64,997)	(852,260)

The outstanding balances at 31 December 2022 were as follows:

	31 December 2022	31 December 2021
Financial liabilities at fair value through profit and loss		
AIX FM Ltd.	11,009	5,636
AIX MLS Ltd.	529,117	742,696
	540,126	748,332

The Company has no staff and is entirely managed by parent company AIX FM Ltd.

9. Commitments and contingencies**Operating environment**

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.



9. Commitments and contingencies (continued)**Legal processes and actions (continued)**

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	1,829	1,197
Financial assets at fair value through profit or loss	693,935	883,620
Other assets	2,932	—
Financial liabilities		
Financial liabilities at fair value through profit or loss	(695,960)	(887,320)
Other liabilities	(2,914)	(570)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	1,829	1,197
Financial assets at fair value through profit or loss	693,935	883,620
Other assets	2,932	—



10. Financial risk management (continued)**Credit risk (continued)**

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's:

Bank	Location	Rating	31 December 2022	31 December 2021
Bank Center Credit	Kazakhstan	B+/Stable	582,105	–
Bereke Bank JSC	Kazakhstan	BBB/Stable	113,659	884,817

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.



10. Financial risk management (continued)**Market risk (continued)**

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	1,829	–	1,829	–
Financial assets at fair value through profit or loss	693,935	693,935	–	Equity Price
Other assets	2,932	–	2,932	–
Financial liabilities				
Financial liabilities at fair value through profit or loss	(695,960)	(695,960)	–	Equity Price
Other liabilities	(2,914)	–	(2,914)	–
2021				
Financial assets				
Cash and cash equivalents	1,197	–	1,197	–
Financial assets at fair value through profit or loss	883,620	883,620	–	Equity Price
Financial liabilities				
Financial liabilities at fair value through profit or loss	(887,320)	(887,320)	–	Equity Price
Other liabilities	(570)	–	(570)	–

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	69,393	88,362
Financial liabilities at fair value through profit or loss	(69,596)	(88,732)

Interest rate risk

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



10. Financial risk management (continued)**Fair Value of financial instruments (continued)**

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	693,935	883,620
Financial liabilities at fair value through profit or loss	(695,960)	(887,320)
Level 2		
Cash and cash equivalents	1,829	1,197
Other assets	2,932	-
Other liabilities	(2,914)	(570)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies**New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Qazaqstan Equity Passive SPC Limited
Financial Statements
for the year ended 31 December 2022
with Independent Auditor's Report

Contents

Statement of Management's Responsibility for the Preparation and
Approval of the Financial Statements for the year ended 31 December 2022

Independent Auditor's Report

Financial Statements of Qazaqstan Equity Passive SPC Limited

Statement of Financial Position-----	1
Statement of Comprehensive Income-----	2
Statement of Cash Flows -----	3
Statement of Changes in Equity-----	4
Notes to the Financial Statements -----	5-20

QAZAQSTAN EQUITY PASSIVE SPC LIMITED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of Qazaqstan Equity Passive SPC Limited (hereinafter the "Company") is responsible for the preparation of financial statements that present fairly in all material respects the financial position of the Company as at 31 December 2022, as well as its financial performance, cash flows and changes in equity for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, the management of the Company is responsible for:

- selecting appropriate accounting principles and applying them consistently;
- presentation, including accounting policies, in the way that ensures appropriate, reliable, compatible and intelligible information;
- making additional disclosures where compliance with IFRS requirements is not enough for the readers of the financial statements to understand the effect that any particular transactions, as well as other events and conditions, have on the Company's financial position and financial performance; and
- estimating the Company's ability to continue as a going concern in foreseeable future.

The management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

These financial statements for the year ended 31 December 2022 were approved for issuance by the management of the Company on **February 17, 2023**.

On behalf of the management of the Company:

Director



Zharas Mussabekov

Astana, Kazakhstan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and the Management of Qazaqstan Equity Passive SPC Limited

Opinion

We have audited the financial statements of **Qazaqstan Equity Passive SPC Limited** (hereinafter the "Company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly present in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company within the meaning of the *Code of Ethics for Professional Accountants* of the International Ethics Standards Board of Accountants (the Code) and ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan. We have also fulfilled our other responsibilities in accordance with these ethical requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

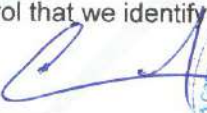
Auditor's Responsibilities for the Audit of the Financial Statements


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 auditor's 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 the International Standards on Auditing (ISA) 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 ISA, we exercise professional judgment 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. Detection risk of 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 auditor's 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 auditor's 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.

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.


 Shyngysbek Sartayev
 Audit Partner
 Russell Bedford A+ Partners IAC LLP


 Sholpanay Kudaibergenova
 General Director
 Russell Bedford A+ Partners IAC LLP

Auditor Qualifying Certificate
 № MF-0000297 dated November 9, 2015

State Audit License No. 18013076
 issued by the Committee for Internal Government
 Audit of the Ministry of Finance of the Republic of
 Kazakhstan on 3 July 2018

202 Al-Farabi Ave.,
 Almaty A15E2X0, Kazakhstan

17 February 2023



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

KZT'000	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		6,533	2,576
Financial assets at fair value through profit or loss	4	704,533	883,661
Other assets		3,486	–
Total assets		714,552	886,237
Equity			
Share capital		1	–
Retained earnings/(accumulated loss)		(3,900)	(5,505)
Total equity		(3,899)	(5,505)
Liabilities			
Financial liabilities at fair value through profit or loss	5	711,640	890,525
Income tax expenses		3,313	647
Other liabilities		3,498	570
Total liabilities		718,451	891,742
Total equity and liabilities		714,552	886,237

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:



Zharas Mussabekov

Director

Notes on pages from 5 to 20 are the integral part of these financial statements




QAZAQSTAN EQUITY PASSIVE SPC LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Net gain/(loss) from changes in fair value of financial assets	4	(280,131)	31,153
Net gain/(loss) from changes in fair value of financial liabilities	5	270,796	(35,586)
Dividends income on financial assets		36,816	4,895
Remunerations repaid on financial liabilities		(33,221)	(4,897)
Operating loss		(5,740)	(4,435)
Administrative expenses	6	(7,534)	(5,023)
Finance income		503	—
Other income		3,947	857
Net gain/(loss) from foreign currencies		13,806	3,743
Income/(loss) before income tax expense		4,982	(4,858)
Income tax expense	7	(3,377)	(647)
Income/(loss) for the period		1,605	(5,505)
Other comprehensive income for the period		—	—
Total comprehensive income/(loss) for the period		1,605	(5,505)

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director

Notes on pages from 5 to 20 are the integral part of these financial statements



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Note	2022	From date of establishment to 31 December 2021
Operating activities			
Management fee		(1,240)	(499)
Reimbursement of expenses		—	62
Interest received from REPO		503	—
Corporate income tax repaid		(711)	—
Custodian, bank and other expenses		(2,874)	(3,161)
Net cash flows used in operating activities		(4,322)	(3,598)
Investing activities			
Purchase of financial assets		(290,722)	(645,781)
Proceeds from sale of financial assets		215,435	55,812
Dividends received from financial assets		31,396	4,390
Net cash flows used in investing activities		(43,891)	(585,579)
Financial activities			
Placement of exchange traded notes		65,013	594,496
Dividends paid		(6,789)	—
Contributions of equity		1	—
Net cash flows from financial activities		58,225	594,496
Net increase/(decrease) in cash and cash equivalents		10,012	5,319
Effect of exchange rates changes on cash and cash equivalents		(6,055)	(2,743)
Cash and cash equivalents, at the beginning of the period		2,576	—
Cash and cash equivalents, at the end of the period		6,533	2,576

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:


 Zharas Mussabekov
 Director



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

KZT'000	Share capital	Retained earnings	Total equity
As at the date of establishment	–	–	–
Contributions of equity	–	–	–
Total comprehensive income for the period	–	(5,505)	(5,505)
As at 31 December 2021	–	(5,505)	(5,505)
Contributions of equity	1	–	1
Total comprehensive income for the period	–	1,605	1,605
As at 31 December 2022	1	(3,900)	(3,899)

These financial statements of the Company for the year ended 31 December 2022 were approved for issue on 17 February 2023 by the Management of the Company:

Zharas Mussabekov

Director

Notes on pages from 5 to 20 are the integral part of these financial statements



1. General information

Qazaqstan Equity Passive SPC Limited (hereinafter the "Company") was registered on 6 May 2021 as a Special Purpose Company at the Astana International Financial Centre (AIFC) under the identification number 210540900048 in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" and the legislation of AIFC. Company operates under the legislation of AIFC, which is a financial hub based in Astana, Kazakhstan.

The sole shareholder is AIX FM Limited, which is, in turn, owned and managed by Astana International Exchange Limited (AIX Limited), a private company registered at AIFC. The owners of AIX Limited are AIFC Authority JSC – 68.43%, Shanghai Stock Exchange – 21.18% and others. The ultimate owner is the Government of the Republic of Kazakhstan represented by National Bank of the Republic of Kazakhstan.

Legal address of the Company is: 55/19, Mangilik El Ave., Block C 3.4, Expo Center, Astana, Republic of Kazakhstan.

As a Special Purpose Company, the activity of the Company is mostly limited to issuing exchange traded notes and holding foreign financial assets received for the sale of the former. Exchange traded notes are then placed on AIX stock exchange and mirror the market value of Company's financial assets.

The financial statements of the Company for year ended 31 December 2022 were approved for release by the management of the Company on 17 February 2023.

2. Basis of preparation

Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter "IFRIC"), IASB.

Basis for measurement

These financial statements have been prepared on a historical cost basis adjusted for the initial recognition of financial instruments at fair value, except for financial instruments that have been measured at fair value.

Functional and presentation currency

The functional currency of the Company is the Kazakhstani tenge (hereinafter "KZT" or "tenge"), which, being the key currency of the Company's activities, best reflects the economic substance of most of the transactions carried out by the Company and related circumstances affecting its activities. The Kazakhstani tenge is also the presentation currency for the purposes of these financial statements.

All financial statements have been rounded to the nearest thousand tenge.

Exchange rates

Weighted average exchange rates established on the National Bank of Republic of Kazakhstan ("NBRK") are used as official exchange rates in the Republic of Kazakhstan.

As at 31 December 2022, the currency exchange rate of NBRK was 462.65 tenge to 1 US dollar. This rate was used for translation of monetary assets and liabilities denominated in US Dollar at 31 December 2022 (2021: denominated in US dollar, which was 431.67 tenge).



2. Basis of preparation (continued)

Going Concern

The financial statements of the Company have been prepared in accordance with the going concern principle, which involves the sale of assets and the settlement of liabilities and contractual obligations in the ordinary course of business.

The Company's ability to sell its assets, as well as its future activities, may be significantly affected by the current and future economic conditions in Kazakhstan.

These financial statements do not contain any adjustments that would be required if the Company were not able to continue on a going concern basis.

The management of the Company expects that the Company will continue as a going concern and in the process of making this assessment the management took into account the current intentions and financial position of the Company.

Significant Accounting Judgments, Estimates and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxation

In assessing tax risks, management considers as possible liabilities certain areas of tax positions that the Company is not able to challenge or does not believe that it is able to successfully challenge if assessed by tax authorities. Such definitions involve significant judgments and may change as a result of changes in tax laws and regulations, the determination of expected results from tax revenues and the results of tax audits by tax authorities.

AIFC tax exemption

Until 1 January 2066, in accordance with paragraph 3 of article 6 of the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre", companies which fall into the list of specific activities are exempt from corporate income tax on income received from providing the financial services in the AIFC among AIFC participants. Management estimated that Company's activity doesn't fall into that list. Accordingly, the Company calculates income tax according to Kazakhstan tax legislation.

Financial instruments fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a voluntary transaction between market participants at the measurement date. When measuring fair value of financial instruments, the Company takes into account quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Financial assets' fair value is determined according to market value on active financial exchange markets.

The market value of financial liabilities (exchange traded notes) is calculated as a cost of Company's financial assets less Company's expenses.



3. Summary of significant accounting policies

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.



3. Summary of significant accounting policies (continued)**New and amended standards and interpretations (continued)***IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. This standard is not applicable to the Company.



3. Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

The Company is permitted to hold only cash and shares as its assets.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding'. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include financial assets at fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with no recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit and loss.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Company's financial assets at amortised cost include cash at bank.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Subsequent measurement (continued)******Financial assets at fair value through other comprehensive income (continued)***

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

At the reporting date, the Company has no financial assets (debt instruments) measured at fair value through other comprehensive income.

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under 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 financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

At the reporting date, the Company has no financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.



3. Summary of significant accounting policies (continued)**Financial assets (continued)*****Derecognition (continued)***

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For funds in credit institutions (cash and cash equivalents), the Company calculated expected credit losses for a 12-month period. The 12-month expected credit losses are part of the lifetime credit losses, which are expected credit losses that arise as a result of defaults on the financial instrument, possible within 12 months after the reporting date. However, in the event of a significant increase in the credit risk of a financial instrument since its initial recognition, the provision is estimated at an amount equal to the lifetime expected credit losses.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include financial liabilities at fair value through profit or loss.



3. Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit and loss;
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash

Cash reported in the statement of financial position includes cash on current bank accounts.

Income Tax

Income tax expense includes current income tax payable and deferred income tax.

Current income tax

Current income tax is the tax payable on the taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income, as it includes neither income and expenses taxable or deductible in other reporting periods, nor amounts that will never be taxable or deductible. Company's current income tax liabilities are calculated at the tax rate effective as at the date of the statement of financial position.

Deferred Tax

Deferred tax is recognised for differences between present value of assets and liabilities in the financial statements and relevant amounts recognised to measure taxable profit, and is calculated using the liability method. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised when the temporary difference arises from goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realised or the liability is settled.



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of ordinary shares and GDRs.

Issuer	Currency	31 December 2022		31 December 2021	
		Number of shares	Market value	Number of shares	Market value
Polymetal International PLC	GBP	18,444	25,201	17,254	131,997
Bank Center Credit JSC	KZT	69,633	44,691	73,869	29,716
Halyk Bank JSC	KZT	69,798	9,143	134,232	24,927
Halyk Bank JSC	USD	17,430	89,510	13,943	99,340
Kazatomprom NC JSC	KZT	4,106	52,752	4,106	65,586
Kazatomprom NC JSC	USD	3,800	49,472	4,106	65,740
KazTransOil JSC	KZT	91,901	68,129	105,608	115,056
Kaspi.kz JSC	USD	3,399	112,765	2,652	132,836
Kcell JSC	KZT	58,485	100,742	—	—
Kazakhtelecom JSC	KZT	2,716	76,631	3,469	123,829
Central Asia Metals PLC	GBP	50,239	75,497	62,639	94,634
		389,951	704,533	421,878	883,661

All financial assets are units in ordinary shares and GDRs which acquired on amount received from AIX MLS Ltd.

During 12 months of 2022, 65,013 thousand tenge were received by the Company for the sale of ETNs, issued by the Company (2021: 594,496 thousand tenge). According to Investment Management Agreement between the Company and Halyk Finance JSC ("Investment Manager"), it should generally invest at least 90% of its assets in the component securities of the benchmark index (AIX Qazaq Index) and reproduce its movement.

Changes in financial assets are as follow:

	1 January / Date of establishment	Shares purchased	Shares sold	Dividends accrued and not received	Shares received	Changes in Fair Value	Foreign exchange	31 December
2022	883,661	290,722	(215,435)	5,896	—	(280,131)	19,820	704,533
2021	—	645,781	(55,812)	583	256,919	31,153	5,037	883,661

5. Financial liabilities at fair value through profit or loss

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
Qazaqstan Equity Passive SPC Limited	KZT	215,901	711,640	200,000	890,525
		215,901	711,640	200,000	890,525

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the Company and sold to the related party AIX MLS Ltd.

During 12 months of 2022, the Company made creation of 15,901 ETNs in amount of 65,013 thousand tenge (2021: 200,000 ETNs in amount of 849,977 thousand tenge).

The ETNs are unsecured and can be redeemed by the Company prior to maturity, which is 8 September 2031.



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Financial liabilities at fair value through profit or loss (continued)

Changes in financial liabilities are as follow:

	1 January / date of establishment	Underlying asset/ ETN exchange	Dividends accrued, but not paid	Changes in fair value	31 December
2022	890,525	65,013	26,898	(270,796)	711,640
2021	—	849,977	4,962	35,586	890,525

6. Administrative expenses

	2022	From date of establishment to 31 December 2021
Management fee to Investment Manager	4,433	1,379
Listing expenses	1,295	795
Audit	958	—
Management fee to Shareholder	626	689
Transaction fee	455	—
Custody fee	270	—
Broker service	139	129
(Reversal)/ Accrual of Bank service	(642)	2,031
	7,534	5,023

7. Income tax

	2022	From date of establishment to 31 December 2021
Current income tax expenses	(3,377)	(647)
Deferred tax expenses	—	—
	(3,377)	(647)

Reconciliation of the current tax rate

	2022	From date of establishment to 31 December 2021
Profit before income tax expenses	4,982	(4,858)
At statutory income tax rate of 20%	(996)	972
Tax effect of non-deductible differences	(514)	(732)
Unrecognised deferred tax assets	(1,867)	(887)
	(3,377)	(647)

Deferred tax assets and liabilities

	2022	From date of establishment to 31 December 2021
Financial assets at fair value through profit or loss	(56,026)	6,231
Financial liabilities at fair value through profit or loss	54,159	(1,146)
Unrecognised deferred tax assets	1,867	887
Recognised deferred tax	—	—



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Income tax (continued)

The movement of unrecognized deferred tax assets was as follows:

	2022	From date of establishment to 31 December 2021
Deferred tax at the date of establishment	—	—
Recognised in the profit and loss	1,867	887
Unrecognised deferred tax at the end of the period	(1,867)	(887)

Deferred tax assets are not recognized due to the uncertainty of their realization.

8. Related Party Transactions

The parties, one of which is in the position to exercise control over the other, may have significant influence on operational and financial decisions of the other party, or which are under joint control, are considered related. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The major transactions with related parties for the year ended 31 December 2022 and 2021 were as follows:

	2022	From date of establishment to 31 December 2021
Administrative expenses		
AIX Ltd.	(1,295)	(795)
AIX FM Ltd.	(626)	(689)
Other gain		
AIX FM Ltd.	3,123	857
ETN Placement		
AIX MLS Ltd.	(65,013)	(849,977)

The outstanding balances at 31 December 2022 were as follows:

	31 December 2022	31 December 2021
Financial liabilities at fair value through profit and loss		
AIX FM Ltd.	7,040	3,719
AIX MLS Ltd.	557,184	750,829
	564,224	754,548

The Company has no staff and is entirely managed by parent company AIX FM Ltd.



9. Commitments and contingencies

Operating environment

The Company's activities are carried out in the Republic of Kazakhstan. The Republic of Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The economy of Kazakhstan has been negatively impacted by a decline in oil prices. The Tenge interest rates remained high. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Company's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Legal processes and actions

In the ordinary course of business, the Company may constitute as a target of different legal processes and actions. The Company evaluates the likelihood of significant liabilities with due account for particular circumstances and reflects relevant provision in the financial statements only when it is likely that an outflow of resources will be required to settle liabilities and the amount of liability can be reliably estimated.

The Company Management believes that actual liabilities, if any, will not affect the current financial position and financial performance of the Company. Due to the circumstances stated above no provisions were formed in these financial statements.

Taxation

The Company currently has a Constitutional Statute on AIFC and a Tax Code of the Republic of Kazakhstan that regulates main taxation matters. Tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations. Differences in the interpretation of Kazakhstan laws and regulations of the Company and Kazakh authorities may lead to the accrual of additional taxes, fines and penalties.

Kazakhstan legislation and taxation practices are in a state of continuous development, and therefore subject to varying interpretations and frequent changes that may have retroactive effect. In some cases, in order to determine the taxable base, tax legislation refers to IFRS provisions, while interpretation of the relevant provisions of IFRS by Kazakhstan tax authorities may differ from the accounting policies, judgments and estimates applied by management in preparing these financial statements, which can lead to origination of additional tax liabilities of the Company. Tax authorities may conduct a retrospective audit during five years after the end of the tax year.

The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position will be sustained.

10. Financial risk management

The Company's operations are exposed to various financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on unpredictability of financial risks and is aimed at minimising the potential adverse impact on the Company's financial performance. The Company does not use derivative financial instruments to hedge its risk exposure.



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

Categories of financial instruments

	31 December 2022	31 December 2021
Financial assets		
Cash and cash equivalents	6,533	2,576
Financial assets at fair value through profit or loss	704,533	883,661
Other assets	3,486	–
Financial liabilities		
Financial liabilities at fair value through profit or loss	(711,640)	(890,525)
Other liabilities	(3,498)	(570)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company is exposed to credit risk from its operating activities. Maximum credit risk exposure is shown below:

	31 December 2022	31 December 2021
Cash and cash equivalents	6,533	2,576
Financial assets at fair value through profit or loss	704,533	883,661
Other assets	3,486	–

Credit risk associated with balances of the accounts in financial institutions is controlled by the Company's management in accordance with the Company's cash management policy. The maximum extent of the Company's sensitivity to the credit risk arising from the default of financial institutions is equal to the carrying amount of these financial assets.

The following table shows the balance of financial assets in banks at the reporting date using the credit ratings of Standard and Poor's:

Bank	Location	Rating	31 December 2022	31 December 2021
Bank Center Credit	Kazakhstan	B+/Stable	610,368	–
Bereke bank JSC	Kazakhstan	BBB/Stable	100,698	886,237

Liquidity risk

The liquidity risk management objective is to ensure that the Company always has adequate funds. Due to the dynamic nature of the operating activities, the Company seeks to maintain flexibility of financing by ensuring sufficient funds.

Financial liabilities at fair value through profit or loss should be paid within 9-10 years after the reporting date.



QAZAQSTAN EQUITY PASSIVE SPC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Financial risk management (continued)

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 exchange rates and equity prices.

Market risk limits are set and continuously reviewed by the parent company AIX Ltd. As a part of their established market risk management process, the market risk department also monitors early signs of possible changes in market conditions such as: anticipated and actual changes to interest rates; socioeconomic factors driving mortgage prepayment behaviors; and economic and geopolitical factors driving currency and equity price movements. Market risk limits are ultimately approved by the AIX Ltd. Board of Directors.

At an operational level, market risk is primarily managed by AIX Ltd., which is responsible for ensuring that the Company's exposures are in compliance with market risk limits approved by the AIX Ltd. Board of Directors and to take adequate actions when necessary.

Company's total market risk exposure as follows:

	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
2022				
Financial assets				
Cash and cash equivalents	6,533	—	6,533	—
Financial assets at fair value through profit or loss	704,533	704,533	—	Equity Price
Other assets	3,486	—	3,486	—
Financial liabilities				
Financial liabilities at fair value through profit or loss	(711,640)	(711,640)	—	Equity Price
Other liabilities	(3,498)	—	(3,498)	—
2021				
Financial assets				
Cash and cash equivalents	2,576	—	2,576	—
Financial assets at fair value through profit or loss	883,661	883,661	—	Equity Price
Financial liabilities				
Financial liabilities at fair value through profit or loss	(890,525)	(890,525)	—	Equity Price
Other liabilities	(570)	—	(570)	—

Currency risk

A 10% strengthening of financial instruments' market equity prices as at 31 December would have the following effect on the capital and profit/(loss) before tax. This analysis was performed based on the assumption that all other variables remain unchanged.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss	70,453	88,366
Financial liabilities at fair value through profit or loss	(71,164)	(89,053)



10. Financial risk management (continued)**Interest rate risk**

As at the reporting date, the Company has no assets or liabilities with floating interest rates, therefore Management does not disclose analysis of sensitivity to changes in interest rates.

Fair Value of financial instruments

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value measurement at the end of reporting period by level of the fair value hierarchy:

	31 December 2022	31 December 2021
Financial instruments		
Level 1		
Financial assets at fair value through profit or loss	704,533	883,661
Financial liabilities at fair value through profit or loss	(711,640)	(890,525)
Level 2		
Cash and cash equivalents	6,533	2,576
Other assets	3,486	–
Other liabilities	(3,498)	(570)

Management believes that the inputs it uses to determine fair value of financial assets and liabilities at fair value belongs to Level 1 inputs, as its shares are traded on reputed international stock exchanges. All financial assets at amortized cost belong to Level 2 inputs due to short-term nature.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the participants and benefits to other stakeholders as well as to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to the participants, ensure return on the participants' investment, issue new capital and sell assets in order to reduce the debt.

11. Subsequent events

There were no material events after the reporting date.

