OPEN JOINT-STOCK COMPANY
ENVOYS VISION DIGITAL EXCHANGE

from 16.04.2021
to 31.12.2023

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONTENT

ACCOUNTING AUDIT INNOVATION

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INDEPENDENT AUDITOR'S REPORT

To the Management of "ENVOYS VISION DIGITAL EXCHANGE" OJSC

Opinion

We have audited the financial statements of ENVOYS VISION DIGITAL EXCHANGE Open Joint Stock Company (hereinafter referred to as the "Company"), which includes statements of financial position from 16.04.2021 to 31.12.2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the years ended on that date, as well as notes to the financial statements, including a description of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company from 16.04.2021 to 31.12.2023, and its results of operations, cash flows during the year ended on this date, in accordance with International Financial Reporting Standards (IFRS).

Basis for expression of opinion

We conducted our audit in accordance with the 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 in accordance with the "Code of Ethics for Professional Accountants" of the International Ethics Standards Board for Accountants' (IESBA) and the ethical requirements that are relevant to our audit of financial statements in the Kyrgyz Republic, and we have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Issues

The key audit issues are those that, in accordance with our professional judgment, were of the greatest importance in the audit of the current period's financial statements. These issues relate to the financial statements as a whole, and have been reflected in our opinion on these statements, and we do not express a separate opinion on these matters.

Responsibilities of management and those in authority

The Company's management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS, the legislation of the Kyrgyz Republic and for the system of internal control that management determines is necessary to allow the preparation of financial statements free from material misstatements 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; disclosure of business going concern issues in accordance with the going concern accounting principle, except when management intends to liquidate the company, cease its activities or when it has no real alternative other than liquidation and termination of operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objeactives are to obtain reasonable assurance that the financial statements are free from material misstatement due to fraud or error and to provide an auditor's report that reflects our opinion. Reasonable assurance represents a high degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement, if any. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect users' economic decisions taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess risks of material misstatement of the financial statements due to fraud or error, plan and execute audit procedures based on the assessed risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or circumvention of internal controls;
- obtain an understanding of the internal control relevant to the audit in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may raise significant doubts about the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we shall draw attention in our auditor's report to the relevant disclosures in the financial statements or, if such disclosures are inappropriate, 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 appropriateness of the accounting policies applied and the reasonableness of management's accounting estimates and related disclosures;
- evaluate the overall presentation of the financial statements, their structure and content, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that is achieves fair presentation.

We have communicated to those in charge of management matters relating to the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identified during our audit.

We have also disclosed to those in charge that we have complied with all relevant ethical requirements for independence and have disclosed to them all matters and other matters that may reasonably be considered to affect the auditor's independence and, where necessary, all appropriate safeguards.

LLC "ACCOUNTING AUDIT INNOVATION"
IRN No. 2104125 dated 19.10.2023 in the Unified State Register of Audit Organizations Admitted to the Audit of Public Interest Entities.
License No. 0043 (GK) dated September 28, 2010,
Reg. Certificate (re-registration) No 59270-3301-OOO
Min. Just. Kyrgyz Republic dated April 10, 2019
Kyrgyz Republic, Bishkek,
Moskovskaya Street, 1, tel. (312) 43-04-28

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Begmatova K.S., General Director
IRN No. 11095 dated 07.09.2023 in the Unified State Register of Auditors;
Auditor's Qualification Certificate No. 0072 dated 19.10. 2009

April 15, 2024
Bishkek, Kyrgyz Republic

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 16.04.2021 TO 31.12.2023

The following statement, which should be read in conjunction with the description of the independent auditors' responsibilities contained in the independent auditors' report, is made in order to delineate the responsibilities of the auditors and management in relation to the financial statements of "ENVOYS VISION DIGITAL EXCHANGE" OJSC (hereinafter referred to as the "Company"). The Company's management is responsible for the preparation of financial statements that reliably reflect, in all material aspects, the financial position from 16.04.2021 to 31.12.2023, the results of operations, cash flows of the Company for the year ended as of the specified date, in accordance with the requirements of International Financial Reporting Standards (IFRS).

In preparing the financial statements, management is responsible for:

- selection of appropriate accounting principles and their consistent application;
- application of reasonable estimates and calculations;
- compliance with IFRS requirements and disclosure of all material deviations from IFRS in the disclosures to the financial statements;
- preparation of financial statements on the assumption that the Company will continue to operate in the foreseeable future, except where such an assumption is unlawful;
- accounting in accordance with the legislation of the Kyrgyz Republic and IFRS.

Management is also responsible for:

- development, implementation and maintenance of an effective and reliable internal control system in all divisions of the Company;
- maintaining an accounting system that allows at any time to prepare information on the Company's financial position with a sufficient degree of accuracy and to ensure that financial statements comply with IFRS;
- taking measures within its competence to ensure the safety of the Company's assets;
- detecting and preventing fraud and other irregularities.

These financial statements for the period from 16.04.2021 to 31.12.2023 were approved by management on February 28, 2024.

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Chairman of the Board
Shabdanov A.S.

February 28, 2024

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

STATEMENT OF FINANCIAL POSITION
for the period from 16.04.2021 to 31.12.2023

	Note.	Year 2023	Year 2022	Year 2021
ASSETS				
Current assets				
Cash and cash equivalents	5	51 633	46 545	141
Loans issued	6	92 202	38 498	
Accounts receivable	7	78 744	4 299	
Inventories	8	114 275	1	
Advances issued	9	48 497	26 434	
Non-current assets				
Fixed assets (net)	10	361	92	160
Intangible assets (net)	11	245 225	250 325	255 000
TOTAL ASSETS		**630 937**	**366 193**	**255 301**
LIABILITIES AND EQUITY				
Short-term liabilities				
Invoices payable	12	31 381	6	
Accrued liabilities	13	202 142	699	
Taxes payable	14	837	73	
Short-term accrued liabilities	15	(15)	20	
Other short-term liabilities	16	14 769	273	
Long-term liabilities				
Long-term liabilities	17	79 480	94 104	
Capital				
Share capital	18	255 000	255 000	255 000
Retained earnings (loss)	18	47 343	16 018	301
TOTAL LIABILITIES AND EQUITY		**630 937**	**366 193**	**255 301**

Chairman of the Board
Shabdanov A.S.

Chief Accountant
Niyazova A.M.

February 28, 2024

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

STATEMENT OF COMPREHENSIVE INCOME
For the period from 16.04.2021 to 31.12.2023

	Note.	Year 2023	Year 2022	Year 2021
Sales revenue	19	66 709	2 623	
Cost of sales	20	(17 200)	(15)	
Gross profit		**49 509**	**2 608**	
Operating expenses				
General administrative expenses	20	(26 073)	(5 544)	
Total operating expenses		**(26 073)**	**(5 544)**	
Profit (loss) from operating activities		**23 436**	**(2 936)**	
Income and expenses from non-operating activities				
Other income /(expenses)	21	7 887	18 653	301
Total income and expenses from non-operating activities		**7 887**	**18 653**	**301**
Profit (loss) before tax		**31 323**	**15 717**	**301**
Income tax expense				
Profit (loss) for the period		**31 323**	**15 717**	**301**
Earnings per share, soms	22	0,00123	0,00062	0,00001
Weighted average number of ordinary shares, thousand shares		**25 500 000**	**25 500 000**	**25 500 000**

Chairman of the Board
Shabdanov A.S.

Chief Accountant
Niyazova A.M.

February 28, 2024

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

CASH FLOW STATEMENT

For the period from 16.04.2021 to 31.12.2023

Cash flows by type of activity	Year 2023	Year 2022	Year 2021
OPERATIONS			
Funds received from the sale of products, works, services	5 582 616	1 113	650
Other cash receipts	150 380	(14 664)	454
Money paid to suppliers for goods and services	(5 714 195)	(26 456)	(1 133)
Operating expenses paid	(9 535)	(257)	
Cash income tax payments			
Other cash outflows	(2 893)	(116)	
Net cash from operating activities	**6 373**	**(40 380)**	**(29)**
INVESTMENT ACTIVITIES			
Repayment of representative cash loans, bonds receivable			
Cash paid on purchase of property, plant and equipment, intangible assets and other non-current assets			170
Cash received from the sale of property, plant and equipment, intangible assets and other non-current assets			
Provision of cash loans	1 809	(24 317)	
Net cash generated by investing activities	**1 809**	**(24 317)**	**170**
FINANCIAL ACTIVITIES			
Founders' Contribution (Share Capital)			
Cash, from the receipt of credits and loans		107 664	
Cash paid to repay loans and borrowings			
Other payments from financing activities			
Net cash attributable to financing activities		**107 664**	
Unrealised foreign exchange gains and losses	(3 095)	3 437	
Net change in cash position	**5 087**	**46 404**	**141**
Cash at the beginning of the year	46 546	141	
Cash at the end of the year	51 633	46 545	141

Chairman of the Board Shabdanov A.S.

Chief Accountant Niyazova A.M.

February 28, 2024

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

STATEMENT OF CHANGES IN EQUITY
from 16.04.2021 to 31.12.2023

	Share capital	Retained earnings (loss)	Total Equity
Balance as at 31 December 2022	**255 000**	**16 018**	**271 018**
Changes in accounting policies and correction of material errors			
Profit (loss) for the reporting period		31 325	**31 325**
Increase of the authorized capital			
Additional paid-up capital			
Dividends			
Balance as of December 31, 2023	**255 000**	**47 343**	**302 343**
Balance as at 31 December 2021	**255 000**	**301**	**255 301**
Changes in accounting policies and correction of material errors			
Profit (loss) for the reporting period		15 717	**15 717**
Increase of the authorized capital			
Additional paid-up capital			
Dividends			
Balance as at 31 December 2022	**255 000**	**16 018**	**271 018**
Balance as at 31 December 2020			
Changes in accounting policies and correction of material errors			
Profit (loss) for the reporting period		301	**301**
Increase of the authorized capital	255 000		**255 000**
Additional paid-up capital			
Dividends			
Balance as at 31 December 2021	**255 000**	**301**	**255 301**

Chairman of the Board
Shabdanov A.S.

Chief Accountant
Niyazova A.M.

February 28, 2024

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

NOTES TO THE FINANCIAL STATEMENTS

Note 1. GENERAL INFORMATION

Open Joint Stock Company "ENVOYS VISION DIGITAL EXCHANGE" (hereinafter referred to as the Company), registered with the Ministry of Justice of the Kyrgyz Republic, on April 16, 2021 (Certificate of State Registration) No. 196960-3300-OAO, code OKPO 30967047, legal address of the Company: Bishkek сшен, Razakov St., 19.

The company is the founder of the Closed Joint-Stock Company "SHERP"

The number of traded shares of the Company is 25,500,000,000 ordinary registered shares.

Persons owning at least 5% of the authorized capital are the folowing:

List of shareholders of the Company	Number of shares	Share of authorized capital, %	Amount, som
Savvin Aleksandr Viktorovich	5 434 560 000	21,31	54 345 600
Asia Capital LLC	3 056 940 001	11,99	30 569 400
Shabdanov Almazbek Sultanovich	10 760 999 999	42,2	107 610 000
Kadyraliev Munarbek Nurbekovich	5 100 000 000	20	51 000 000

Subject and objectives of the activity

The main purpose of the Company's activities is to make a profit.
The main activity of the Company is the Management of Financial Markets.
Other activities:

- provision of services in the securities market;
- trading in stocks, bonds, derivatives, currencies, money market instruments, as well as virtual assets, precious metals and other commodities;
- virtual asset service provider;
- any activities not prohibited by the legislation of the Kyrgyz Republic.

To carry out the activities provided for by the Articles of Association, the Company has the following valid licenses:

- License series OT No. 0001 dated 08/25/2021, issued by the State Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Finance of the Kyrgyz Republic to organize trade in the securities market;

- License series DP No. 0002 dated 08/25/2021, issued by the State Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Finance of the Kyrgyz Republic to carry out depository activities in the securities market;

- License series BA No. 0003 dated 10.11.2022, issued by the State Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Commerce of the Kyrgyz Republic for the activities of virtual assets (crypto exchange);

- License series BA No. 0002 dated 10.11.2022, issued by the State Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Commerce of the Kyrgyz Republic for the implementation of virtual assets (crypto exchanger).

The Company carries out its activities on the principles of a market economy and acts in accordance with the laws and regulations of the Kyrgyz Republic and the Charter of the Company.

Note 2. BASIC PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS

Basic Principles of Reporting

The Company maintains accounting records and prepares financial statements in accordance with the Law of the Kyrgyz Republic "On Accounting" No. 76 dated April 29, 2002 and International Financial Reporting Standards (hereinafter referred to as IFRS).

These financial statements have been prepared on the basis of accounting records that include the measurement of items at historical cost, followed by adjustments and reclassifications, in order to present information in accordance with IFRS.

In accordance with IFRS, the Company is guided by the following key assumptions:

- The results of transactions and other events are recognised when they occur (rather than when cash is received or disbursed) and are accounted for and recorded in the financial statements in the reporting periods in which they occur;
- The financial statements are prepared on the assumption that the Company has neither the intention nor the need to liquidate or significantly reduce the scope of operations in the foreseeable future.

Presentation of financial statements

The Company's financial statements include the following types of reporting:

- Statement of Financial Position;
- Statement of Comprehensive Income
- Cash Flow Statement (direct method);
- Statement of changes in equity;
- Notes to the financial statements.

The financial statements are presented consecutively from 16.04.2021 to 31.12.2023 and 31 December 2022, for each numerical reporting indicator, comparable indicators of the previous reporting year are given. Each material item in the financial statements is disclosed and presented separately, while non-material items are grouped.

The functional currency, as well as the currency of presentation of financial statements, is the national currency - the Kyrgyz som.

Note 3. BASIC PRINCIPLES OF ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank account balances.

Financial assets and liabilities

Financial assets and liabilities include cash and cash equivalents, financial investments, receivables, borrowings and payables to suppliers and contractors.
The Company recognises financial assets and financial liabilities when it becomes a party to the contract with respect to the financial instrument.
The Company derecognises financial assets when claims on cash flows on a financial instrument expire or are transferred and when significant risks and rewards associated with holding assets are transferred.

Accounts receivable and loans issued

At initial recognition, receivables and loans issued are measured at cost, that is, at the fair value of cash expected to be receivable, taking into account transaction costs that are directly identifiable to the transaction. All assets are recognised at the date of transfer to the Company and the right to receive cash on these assets.

Inventories

Inventories for the Company are assets in the form of materials and low-value wear and tear items (LVI) intended for use in carrying out activities. The Company imposes the following restrictions on LVI:

- The service life is less than 1 year.
- The cost is below 10,000 soms.

Inventories are accounted for at the lower of cost and net possible realisable value. The net possible selling price is defined as the estimated selling price in the ordinary course of business, less the estimated cost of completing production and the estimated cost of selling.
The actual cost of inventory is the cost of acquisition, which includes the cost of purchase, import duties and other taxes (other than VAT), processing costs, and transportation and other costs directly attributable to the acquisition, delivery and conditioning of inventory, less trade discounts and returns. Inventory accounting is carried out according to the weighted average method.

Virtual Assets

A virtual asset is a set of data in electronic digital form, having a value, which is a digital expression of value and/or a means of certifying property and/or non-property rights, which is created, stored and circulated using distributed ledger technology or similar technology and is not a monetary unit (currency), means of payment and security (paragraph 2 of Article 4 of the Law "On Virtual Assets";

The Company accounts for virtual assets as a commodity held for sale in the ordinary course of business in accordance with IAS 2 “Inventories” and in accordance with the recommendations of the International Accounting Standards Board (IASB).

- In initial recognition, virtual assets acquired (received) from other entities are accounted for at the time of receipt and recognised at cost (initial valuation).

The actual cost of virtual assets includes the purchase price and other additional costs associated with the purchase. The valuation of virtual assets uses up-to-date price data on cryptocurrency exchanges or other reliable sources of information.
For tax purposes, virtual assets are not recognized as goods, as they do not fall under the definition of goods according to Article 32 of the Tax Code of the Kyrgyz Republic.

- The measurement of virtual assets at the time of their sale/disposal is carried out according to the FIFO method, without revaluation at the reporting date at fair value, since the value is approximately equal to the market value.

Virtual assets previously recorded in the accounting accounts are to be recognized as an expense at the time of sale/disposal.

Fixed assets

Basis of assessment

Fixed assets are accounted for at historical cost, including, where appropriate, the net present value of the cost of dismantling and disposing of the asset at the end of its useful life. Property, plant and equipment are reported at depreciable cost, taking into account accumulated depreciation.

At each date of the statement of financial position, an analysis is carried out for a decrease in the estimated economic benefit from the ownership of fixed assets compared to their carrying amount, and the need to increase (create) or decrease the provision for estimated impairment of fixes assets is assessed. If a potential increase or decrease in the expected economic benefit is detected, the allowance for impairment of the cost of property, plant and equipment or its decrease, under appropriate conditions, is fully included in the statement of comprehensive income in the period in which these indicators were identified.

Depreciation

Depreciation is accrued on a monthly basis from the date the fixed asset objects are put into operation.

Each significant component of an item of property, plant and equipment is depreciated on a straight-line basis, which is recognised in profit or loss for the period.

In relation to the fixed assets used, for accounting purposes, the Company has adopted a straight-line method of calculating depreciation.

Disposal and liquidation

Gain or loss on the disposal or fixed assets is defined as the difference between the revenue from their sale and the residual value, and is included in the statement of comprehensive income.

Costs of modernization, reconstruction, repair and maintenance

The costs of reconstruction and modernization of property, plant and equipment are capitalised. Maintenance and repair costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Intangible assets

Intangible assets are accounted for at their original cost (cost).

Intangible assets are represented by software, which are subsequently accounted for at cost less accumulated depreciation.

Gain or loss on disposal or disposal of intangible assets is defined as the difference between the proceeds from the sale and the residual value and is included in the ~~statement of comprehensive~~ income.

Accounts payable

Receivables on short-term and long-term liabilities under loan agreements, liabilities to the Company's personnel and persons performing work and services for the Company are initially recorded at fair value. Subsequently, such receivables are carried at amortised cost, and the corresponding difference between cost and repayment cost is recognised in the statement of comprehensive income over the term of borrowing from using the effective interest rate method.

Employee Benefits

Employee benefits include salaries, vacations and other benefits that are recognised when the employee liability arises.

Pension liabilities

In relation to its employees, the Company makes all mandatory payments to the Social Fund of the Kyrgyz Republic, which are calculated as a percentage of the amount of wages before withholding taxes. These expenses are reflected in the statement of comprehensive income.

Deductions in accordance with the scheme of established pension contributions are recognized as expenses in the period in which they were made.

The Company does not have additional pension schemes, except for participation in the state pension system of the Kyrgyz Republic. The Company does not apply other systems of benefits provided to employees after retirement or other significant benefits that require accrual.

Provisions

Provisions are recognised when the Company has a direct legal or temporary liability as a result of past events and it is probable that the repayment of this liability will require certain costs in the future, and it is possible to reliably estimate the amount of this liability.

Provisions are determined and revalued annually, and are included in the financial statements at estimated net present value using the discount rates applicable to the Company at the date of each financial statement.

Changes in provisions over time or due to changes in discount rates are allocated to financial items in the statement of comprehensive income. Other changes in provisions related to a change in the expected method of settlement of the liability or a change in the liability itself are accounted for as changes in accounting estimates in the period in which they occur. On the precautionary principle, such liabilities are recognized as expenses as they are determined.

Lease

The determination of whether an agreement is a lease or contains signs of a lease is based on an analysis of the content of the agreement as of the date of commencement of the lease relationship. An agreement is a lease or contains signs of a lease if the performance of the agreement depends on the use of a particular asset (or assets) and the right to use the asset or assets is transferred from one party to another as a result of the agreement, even if that asset (or those assets) is not explicitly specified in the agreement.

Taxation

The Company uses the following terms and definitions of Articles 4 and 174 of the Tax Code of the Kyrgyz Republic in its taxation.

- debt security - a security that is a loan agreement that fixes the relationship between the issuer - the organization that issued the debt security, and the investor - the entity that purchased this security and which has the right to return the loan amount and interest due on this loan;
- income on debt securities - discount or coupon (taking into account the discount or premium from the cost of the initial placement and/or the cost of acquisition); promissory note payments;
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- derivative securities are securities certifying rights in relation to the underlying asset of these derivative securities. Derivative securities include options, swaps, forwards, futures, depositary receipts, warrants and other securities recognized as derivative securities in accordance with the legislation of the Kyrgyz Republic. Underlying assets can be standardized consignments of goods, securities, currencies and financial instruments;
- financial services are transactions carried out or purchased by taxpayers of the Kyrgyz Republic, including:
  - transactions with shares, bonds and other securities, payment cards, as well as excise stamps, except for services to ensure the safety of securities;
  - transactions with participatory interests in the capital of business partnerships and companies;
- for a professional participant of the securities market, a financial service is the operations provided for by the legislation of the Kyrgyz Republic for the relevant type of professional activity in the securities market;
- securities - shares, debt securities, derivative securities, Islamic securities and other objects of property law recognized as securities in accordance with the legislation of the Kyrgyz Republic;
- interest income - income from debt claims of any kind, including income on loans, bonds, securities, promissory notes and other types of claims, including income received under financial lease agreements and Islamic finance agreements;
- interest expense - expense on debt obligations of any kind, including expenses on bonds, Islamic securities, promissory notes and other types of liabilities, including expenses incurred under financial lease agreements and Islamic finance agreements;
- sale of a virtual asset is the exchange of a virtual asset for national or foreign currency. The exchange of one virtual asset for another virtual asset is not recognized as its sale;

Income tax is the sum of current and deferred tax.

The amount of income tax expenses in the current period is determined taking into account the amount of taxable profit received for the year. Taxable profit differs from net income in the statement of comprehensive income because it does not include items of income or expenses that were taxable or deductible for tax purposes in other years, and excludes items that are not taxable or taxable for tax purposes. Income tax expenses are accrued using the tax rates and tax legislation in force as of the reporting date.

Deferred tax represents income tax claims or liabilities and is recorded by the ~~Company using the~~ statement of comprehensive income liability method in respect of temporary differences between

tax accounting data and data included in the financial statements. Deferred tax liabilities are generally recognised for all temporary differences that increase taxable profit, while deferred tax claims are recognised on the basis of the likelihood of future taxable profit from which temporary differences accepted for tax purposes can be deducted.
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 a benefit from the realization of a tax claim will be sufficient to recover all or part of the asset.
Deferred tax assets or liabilities are calculated using the tax rates and tax laws that are expected to apply during the period of repayment of the debt or disposal of the asset.

To calculate income tax, the Company's total annual income in accordance with Article 212 of the Tax Code of the Kyrgyz Republic includes:
- revenue from the sale of goods, works, services, except for revenue from the sale of fixed assets included in the tax group for tax depreciation purposes;
- income in the amount of the value of the asset received free of charge, including virtual assets;
- proceeds from the sale of debt securities excluding coupon less the acquisition cost, taking into account the amortization of discount and/or premium as of the date of sale for public interest entities;
- the amount of excess of revenue from the sale of virtual assets over the cost of their acquisition;

According to subparagraph 19 of clause 1 of Article 236 of the Tax Code of the Kyrgyz Republic, the amount of excess of the acquisition cost of virtual assets over the proceeds from their sale is not subject to deduction from the total annual income of the Company.

The Company also takes into account Article 231 of the Tax Code of the Kyrgyz Republic Losses arising from the sale of securities:

"1. Loss from the sale of securities shall be:

1) for securities, except for debt securities, a negative difference between the cost of sale and the cost of acquisition;

2) for debt securities:

a) for a public interest entity, the negative difference between the selling cost and the acquisition cost, taking into account the depreciation of the discount and/or premium as of the date of sale.

2. Losses arising from the sale of securities shall be compensated at the expense of income received from the sale of other securities.

3. If the losses specified in paragraph 2 of this Article cannot be compensated in the year in which they occurred, they shall be prolonged for a period of up to 5 years and compensated at the expense of income from the sale of securities during these 5 years.

Sales Tax

• Sales tax arising from the purchase of assets or services is not reimbursed by the tax authority, sales tax is recognized as part of the cost of acquiring the asset or part of the expense item;

• Accounts receivable and payable are recorded on the basis of sales tax.

To calculate the sales tax base, the Company uses Clause 6 of Article 366 of the Tax Code of the Kyrgyz Republic "When selling shares, shares in an organization, currency, virtual assets, fixed assets, goods in accordance with Islamic financing, the tax base is the proceeds from their sale minus the cost of acquisition.

Value Added Tax

- Value-added tax arising from the purchase of assets or services is offset against the future disposal of assets and services or recognised as part of the cost of acquiring an asset or part of an expense;
- Accounts receivable and payable are recorded taking into account the amount of value added tax.
- The sale of a virtual asset is not subject to value added tax.

Recognition of income and expenses

Income is an increase in economic benefits during the accounting period, occurring in the form of an inflow or increase in assets, or a decrease in liabilities, which is expressed in an increase in capital.

An expense is a decrease in economic benefits during the accounting period, occurring in the form of a disposal of assets or an increase in liabilities that results in a decrease in capital. Expenses are recognised in the statement of profit or loss and other comprehensive income on the basis of the correspondence of the costs incurred to the receipts for specific items of income. If economic benefits are expected to occur over several accounting periods and the relationship to income can only be traced as a whole or indirectly, the expense is recognised on the basis of the systematic and gradual allocation method - depreciation.

In order to ensure consistency between costs and revenues incurred, the financial statements are prepared on an accrual basis.

Revenue recognition

Revenue is recognised if the receipt of economic benefits by the Company is assessed as probable and if the revenue can be reliably measured regardless of the time of payment. Revenue is measured at the fair value of consideration received or receivable, subject to the terms of payment specified in the contract and net of taxes and duties. In accordance with IFRS 15, the Company recognises revenue when or as the obligation of the supplier is satisfied, i.e. when control of the goods or services constituting the obligation of the supplier is transferred to the customer.

The company prepares a statement of profit or loss and other comprehensive income, which groups income and expenses according to the purpose of expenses and discloses the main types of income.

Note 4. CHANGES IN INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting principles adopted in the preparation of the financial statements are consistent with the principles applied in the preparation of the Company's annual financial statements for the year ended December 31, 2023, except for the adoption of new stan~~dards and interpretations~~ described below, starting from January 1, 2024.

The following are the standards and interpretations as if they were applied for the first time in the 2023 financial statements and resulted in appropriate changes to the accounting disclosures and other information presented in the notes to the financial statements, if applicable.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive financial reporting standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. When IFRS 17 comes into effect, it will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life insurance and non-life insurance, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation conditions. There are a few exceptions to the scope of application. The main objective of IFRS 17 is to provide a model for accounting for insurance contracts that is more efficient and consistent for insurers. Unlike the requirements of IFRS 4, which are largely based on previous local accounting policies, IFRS 17 provides a comprehensive accounting model for insurance contracts, covering all relevant aspects of accounting. IFRS 17 is based on a common model, supplemented by the following:

- Certain modifications for direct participation insurance contracts (variable fee method).
- A simplified approach (a premium-sharing approach) is mainly for short-term contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and is required to provide comparative information. Early adoption is permitted provided that an entity also applies IFRS 9 and IFRS 15 on or before the date of first application of IFRS 17. This standard is not applicable to the Company.

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

In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as short-term or long-term. The amendments clarify the following:

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

The amendment explains that obligations should be classified as short-term or long-term, depending on the rights of the parties at the end of the reporting period. The amendment requires the following:

- A liability is classified as non-current if, at the end of the reporting period, the entity has a valid right to defer settlement for at least 12 months. The amendment no longer refers to unconditional rights, as loans are rarely unconditional (for example, because a loan agreement may contain restrictive terms).
- The assessment determines the existence of a right, but does not consider whether the organization will exercise that right. Thus, management's expectations do not affect the classification.

- The right to defer exists only if the entity complies with all applicable conditions at the reporting date. A liability is classified as short-term if, on or before the reporting date, a condition has been breached, even if, at the end of the reporting period, the creditor has been released from the obligation to comply with that condition. A liability is also classified as a short-term liability if, by conducting testing at the reporting date, the entity would hypothetically not be able to meet a condition. A loan is classified as a long-term loan if a restrictive condition on the loan is breached after the reporting date, but the entity complied with that condition at the reporting date.
- A "settlement" is defined as the extinguishment of a liability in cash, other resources representing economic benefits, or an entity's own equity instruments that are classified as equity. There is an exception for convertible instruments that can be converted into equity, but only for those instruments for which the conversion option is classified as an equity instrument that is a separate component of a combined financial instrument.

This amendment amends the guidance on the classification of liabilities as short-term and long-term. It may affect the classification of liabilities, particularly in entities that have previously taken into account management's intentions in determining the classification, as well as some liabilities that can be converted into equity. This amendment may also have an impact on entities whose restrictive testing dates do not coincide with the reporting dates. All organizations should review their existing classification in the light of this amendment and determine whether any changes are required.

These amendments should be applied retrospectively to annual periods beginning on or after 1 January 2023 in accordance with IAS 8. Early application is allowed.

Amendments to IAS 8 – Determination of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 that introduce a definition of "accounting estimates". The amendments clarify the difference between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, the document explains how organizations use measurement methods and inputs to develop accounting estimates.

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors explains how entities should distinguish between changes in accounting policies and changes in accounting estimates. This distinction is important because changes in accounting estimates apply prospectively to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events. as well as to the current period

Amendments to IAS 1 apply to annual periods beginning on or after 1 January 2023, with the possibility of early application. As the amendments to IFRS Practice Recommendation No. 2 provide non-binding guidance on the application of the definition of materiality to accounting policy information, it is not required to specify the effective date of the amendments.

The amendments are effective for annual 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 date of that period. Early application is allowed, subject to disclosure of this fact.

Amendments to IAS 1 and Practice Recommendation No. 2 on the Implementation of IFRS – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and Practice Recommendation No. 2 on the Application of IFRS Materiality Judgements, which provide guidance and examples to help entities apply materiality judgments when disclosing accounting policies. The amendments should help entities to disclose more useful information about accounting policies by replacing the requirement for entities to disclose "significant statements" of accounting policies with a requirement for disclosure of "material information" about accounting policies, and by adding guidance on how entities should apply the concept of materiality when making decisions about disclosure of accounting policies.

Paragraph 117 of the amendment defines material information about accounting policies as follows: Information about accounting policies is material if, when considered together with other information included in the entity's financial statements, it can reasonably be expected to influence the decisions made by major users of general-purpose financial statements on the basis of those financial statements."

The amendment also clarifies that accounting policy information will be considered material if, without it, users of the financial statements would not be able to understand other material information contained in the financial statements. Paragraph 117 of the amendment provides illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements.

In addition, the amendment to IAS 1 clarifies that non-material information about accounting policies is not required to be disclosed. However, if disclosed, it should not impede the understanding of material information about accounting policies.

In support of this amendment, the Board also amended Regulation 2 on IFRS practice to include guidance on how to apply the materiality concept to the disclosure of accounting policies.

Paragraph 30 of IAS 8 requires disclosure in the financial statements of standards that have been issued but have not yet become effective. Such requirements provide disclosure of known or reasonably estimated information to enable users to assess the possible impact of the application of these IFRS on the entity's financial statements.

An entity shall apply the amendments to IAS 1 for annual periods beginning on or after 1 January 2023. Early application is allowed.

The following are the new standards, amendments and clarifications that have been issued but have not yet entered into force as of the date of issue of the Company's financial statements. The Company intends to apply these standards, amendments and clarifications, if applicable, from the date of their entry into force.

Expected innovations in IFRS in 2024.
Two new standards will come into force. 4 standards will be changed.
IFRS S1 General Disclosure Requirements for Sustainability-Related Financial Information and IFRS S2 Climate-Related Disclosures:

The publication of the first two IFRS standards on sustainability disclosure is a key milestone in realizing the vision of the International Sustainability Standards Board (ISSB) to create a global framework for investor-focused sustainability reporting that local jurisdictions can build on.

Standards are designed to meet the needs of all companies, not just the most complex ones. They provide a clear picture of what kind of reporting companies need to provide in order to meet the needs of global capital markets. The new S1/S2 IFRS standards are expected to help provide investors with globally comparable information.

The first two ISSB standards, to be applied together, aim to identify and communicate the information investors need to make informed decisions – in other words, information that is expected to influence the valuations investors make about a company's future cash flows.
To achieve this goal, the first common standard, S1 General Requirements for Sustainability-Related Financial Disclosures, provides companies with a framework for reporting on all sustainability-related topics in relation to governance, strategy, risk management, and related metrics and targets.
The second standard, S2 Climate-Related Disclosures, provides more detailed guidance on how to communicate climate-related risks and opportunities.
The standards come into force on January 1, 2024, but individual jurisdictions will decide on their implementation. With the support of global organizations, a fairly rapid transition is expected in a number of jurisdictions.

Amendments to Standards
IAS 1 Presentation of Financial Statements:
In accordance with amendments to IAS 1 Presentation of Financial Statements, the classification of certain liabilities as short-term or long-term may change (e.g. convertible debt). In addition, companies may be required to provide new information on obligations that are subject to covenants.
Companies need to review their loan agreements now to determine if the classification of their liabilities (e.g., convertible debt) will change and prepare for new disclosures about certain covenants.
Under the current requirements of IAS 1, an entity classifies a liability as a short-term liability unless it has an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has abolished the requirement that the right be unconditional and instead requires that the right to defer settlement exist at the reporting date and have a content.
A company classifies a liability as non-current if it has the right to defer repayment for at least 12 months after the reporting date. This right can be granted to a company that complies with the conditions (covenants) specified in the loan agreement.
Covenants that a company must comply with earlier than the reporting date affect the classification of a liability as short-term or long-term. Covenants that a company must comply with after the reporting date do not affect the classification of the liability at that date.
The amendments came into force for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

IFRS 16 Leases:
The amendments to IFRS 16 Leases will affect how the seller-lessee accounts for variable lease payments arising in a sale-leaseback transaction. Such variable lease payments should be included in the lease liability. The new variable payment accounting model will require tenant sellers to re-evaluate and possibly recalculate leaseback transactions that have been in place since 2019.
The seller-lessee will measure the right-of-use asset at the present value calculated as the fair value of the underlying asset* (present value of expected lease payments (all variables)/value of the underlying asset). The lease liability will be measured as the present value of the expected lease payments (all variables), even though all lease payments are variable. The resulting difference, gain or loss, will be recognised in profit or loss.
In the subsequent recognition of the lease liability, the seller-lessee will reduce the lease liability as if the "lease payments" calculated at the date of the transaction had been paid. Any difference between these lease payments and the amounts actually paid will be recognised in profit or loss. The seller-lessee may define the lease payments to be deducted from the lease liability in several ways, such as "expected lease payments" or as "equal periodic payments" over the term of the lease.
The amendments came into force for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures:

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

The International Accounting Standards Board (IASB) has amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to better meet the information needs of users. The amendments introduce disclosure requirements that will increase the transparency of supplier financing mechanisms and their impact on the company's liabilities and cash flows.

The IASB amendments apply to supplier financing agreements, which are also referred to as supply chain finance, accounts payable financing, or reverse factoring.

Key amendments to IAS 7 and IFRS 7 include disclosure requirements:

- the carrying amount of the financial liabilities that are part of the supplier financing agreements and the items in which those liabilities are presented;
- the carrying amount of financial liabilities for which suppliers have already received payment from financial service providers;
- the maturity of both financial obligations that are part of these agreements and comparable trade payables that are not part of such agreements.

Under the amendments, companies must also disclose the type and impact of non-cash changes in the carrying amount of financial liabilities that are part of a supplier financing agreement.

All organizations using vendor financing agreements will be required to provide new information, provided that it is tangible.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, no comparative information is required during the first year.

Note 5. CASH AND CASH EQUIVALENTS

As of the reporting dates, the Company's cash resources amounted to:

Name	**December 31, 2023**	**December 31, 2022**	**December 31, 2021**
Cash on hand			
Cash on hand in soms	14	1	141
Cash on hand in foreign currency	5		
Cash in the bank			
Accounts in national currency	16	4	
Foreign currency accounts with local banks	51 598	23	
Accounts in foreign banks			
Available funds in bank accounts, limited to use		46 517	
Total:	**51 633**	**46 545**	**141**

Note 6. SHORT-TERM INVESTMENTS

Name	**December 31, 2023**	**December 31, 2022**	**December 31, 2021**
Short-term investments	92 202	38 498	
Total	**92 202**	**38 498**	

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

Deciphering Short-Term Investments

Short-term investments	December 31, 2023	December 31, 2022	December 31, 2021
Asia Capital	69 104		
Namba Group Ltd	22 298		
Royal Pure Gold		38 498	
RPS	800		
Total	92 202	38 498	

Note 7. ACCOUNTS RECEIVABLE

Accounts receivable as at the reporting dates are as follows:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Invoices receivable	76 853	4 224	
Accounts receivable from other transactions	1 891	75	
Total	**78 744**	**4 299**	

Note 8. INVENTORIES

Inventories as at the reporting dates were as follows:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Inventories (incl. Virtual Assets)	114 275	1	
Total	**114 275**	**1**	

Note 9. ADVANCES ISSUED

In the course of carrying out current activities, the balance of advances receivable at the reporting dates is as follows:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Inventory paid in advance	924	730	
VA paid in advance	30 421		

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

Moscow Exchange, paid in advance	17 152	25 704
Total	**48 497**	**26 434**

Note 10. FIXED ASSETS, NET

Availability and movement of fixed assets for reporting periods:

OS Group	Equipment	Office equipment	Total
Initial cost as of 01.01.2023	**170**		**170**
Acquired, retired, overhauled	147	226	373
Initial cost as of 31.12. 2023	**317**	**226**	**543**
Accumulated depreciation as of 01.01.2023	78		**78**
Accrued for 2023	68	36	**104**
Accumulated depreciation as at 31.12. 2023	146	36	**182**
Book value at December 31, 2023	171	**190**	**361**
Initial cost as of 01.01.2022	**170**		**170**
Acquired, retired, overhauled			
Initial cost as of 31.12. 2022	**170**		**170**
Accumulated depreciation as of 01.01.2022	10		**10**
Accrued for 2022	68		**68**
Accumulated depreciation as at 31.12. 2022	78		**78**
Book value at December 31, 2022	**92**		**92**
Initial cost as of 01.01. 2021			
Acquired, retired, overhauled	170		**170**
Initial cost as of 31.12. 2021	**170**		**170**
Accumulated depreciation as of 01.01. 2021			
Accrued for 2021	10		**10**
Accumulated depreciation as at 31.12. 2021	10		**10**
Book value at December 31, 2021	**160**		**160**

Depreciation and amortization of property, plant and equipment during the period was recognised in the income statement as an administrative expense.

Note 11. INTANGIBLE ASSETS, NET

Intangible assets owned by the Company are presented below:

Intangible assets	Software	Altogether
Initial cost as of January 1, 2023	**255 000**	**255 000**
Acquired, retired, overhauled		
Initial cost as of December 31, 2023	**255 000**	**255 000**
Accumulated depreciation as of January 1, 2023	4 675	4 675

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

Accrued for 2023	5 100	5 100
Accumulated depreciation as of December 31, 2023	9 775	9 775
Book value at December 31, 2023	**245 225**	**245 225**
Initial cost as of January 1, 2022	**255 000**	**255 000**
Acquired, retired, overhauled		
Initial cost as of December 31, 2022	**255 000**	**255 000**
Accumulated depreciation as of January 1, 2022		
Accrued for 2022	4 675	4 675
Accumulated depreciation at December 31, 2022	4 675	4 675
Book value at December 31, 2022	**250 325**	**250 325**
Initial cost as of January 1, 2021		
Acquired, retired, overhauled	255 000	255 000
Initial cost as at December 31, 2021	**255 000**	**255 000**
Accumulated depreciation as at January 1, 2021		
Accrued for 2021		
Accumulated depreciation and amortization at 31 December 2021		
Book value at December 31, 2021	**255 000**	**255 000**

Note 12. INVOICES PAYABLE

Information on short-term liabilities, namely the Company's bills payable as of the reporting dates, is given in the following tables:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Invoices payable for inventories	40	5	
Invoices payable for VA	31 341	1	
Total	**31 381**	**6**	

Note 13. SHORT-TERM LIABILITIES

Information on the Company's short-term liabilities as of the reporting dates is presented in the following tables:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Advances received			
Advances from buyers and customers	666	699	
Advances from buyers and customers of VAs	194 521		
Total:	**195 187**	**699**	
Short-term debt			
Short-term loans received	6 954		
Total:	**6 954**		

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

Total Short-term Liabilities:	**202 142**	**699**

Note 14. TAXES PAYABLE

As of the reporting dates, the taxes payable are as follows:

Taxes payable	December 31, 2023	December 31, 2022	December 31, 2021
Income tax payable	(484)		
Income tax	(7)		
VAT payable	65	73	
Sales Tax	1 265		
Other taxes	(2)		
Total	**837**	**73**	

Note 15. SHORT-TERM ACCRUED LIABILITIES

Name	December 31, 2023	December 31, 2022	December 31, 2021
Short-term accrued liabilities			
Accrued wages	(11)	17	
Total:	**(11)**	**17**	
Assessed Social Insurance Contributions			
Accrued contributions on pension contributions	(3)	2	
State Accumulative Pension Fund	(1)	1	
Total:	**(4)**	**3**	
Total Short-term Accrued Liabilities:	**(15)**	**20**	

Note 16. OTHER SHORT-TERM LIABILITIES

Name	December 31, 2023	December 31, 2022	December 31, 2021
Short-term accrued liabilities			
Accounts payable to employees and directors	334	250	
Total:	**334**	**250**	
Other liabilities			
Other liabilities on foreign exchange transactions	14 365		
Other liabilities on securities transactions	70	23	
Total:	**14 435**	**23**	

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

Total Other Short-term liabilities:	**14 769**	**273**

Note 17. LONG-TERM LIABILITIES

Name	December 31, 2023	December 31, 2022	December 31, 2021
Other long-term liabilities	79 480	94 104	
Total	**79 480**	**94 104**	

Note 18. CAPITAL

Name	December 31, 2023	December 31, 2022	December 31, 2021
Common shares	255 000	255 000	255 000
Retained earnings	47 343	16 018	301
Total:	**302 343**	**271 018**	**255 301**

Note 19. SALES REVENUE

Information on revenue from sales of goods, products, works and services is presented below:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Revenue from the sale of goods and services	2 344	2 623	
Revenue from the sale of VA	64 365		
Total	**66 709**	**2 623**	

Note 20. SELLING COSTS

Name	December 31, 2023	December 31, 2022	December 31, 2021
VA Costs	17 200	15	
General and administrative expenses	26 073	5 544	
Total	**43 273**	**5 559**	

General and administrative expenses	December 31, 2023	December 31, 2022	December 31, 2021
Payroll expenses	1 618	145	
Expenditure on social contributions	289	25	
Rental costs	2 992		
Expenses for services	7 887	~~433~~	
Expenses for banking services	3 975	35	

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

Stationery costs	61	9
Communication expenses	93	2
Expenses for VAT not accepted for offset	289	
Training expenses	55	
Public Relations Expenses	179	
International travel expenses	103	
Fines, penalties, penalties to the budget	11	1
Depreciation and amortization expense	103	68
Depreciation and amortisation expense of intangible assets	5 100	4 675
Other general and administrative expenses	543	
(-CIT) Other general and administrative expenses	2 775	151
Total	**26 073**	**5 544**

Note 21. NET NON-OPERATING INCOME/(EXPENSES)

	December 31, 2023	December 31, 2022	December 31, 2021
Income from non-operating activities			
Interest income	251	0	0
Foreign exchange gain	83539	22282	1104
Other income	29	0	0
Total:	**83 819**	**22282**	**1104**
Non-operating expenses			
Foreign exchange loss	(75 932)	(3629)	(803)
Total:	**(75 932)**	**(3 629)**	**(803)**
Net Non-operating Expenses	**7 887**	**18 653**	**301**

Note 22. EARNINGS PER SHARE

Earnings per share were calculated by dividing net income for the year by the weighted average number of ordinary shares – 25,500,000 thousand shares as of December 31, 2023; as of December 31, 2022 and December 31, 2021

	December 31, 2023	December 31, 2022	December 31, 2021
Profit (loss) for the period	31 323	15 717	301
Earnings per share, soms	0,00123	0,00062	0,00001
Weighted average number of ordinary shares, thousand shares	25 500 000	25 500 000	25 500 000

Note 23. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other or is likely to have material influence in the other's financial and operational decisions, as set out in IAS 24 Related Party Disclosures. When considering relationships with all related parties, the content of the relationship is taken into account, not just its legal form.

(The amounts in the tables are expressed in thousands of Kyrgyz soms)

The following related parties are highlighted:

Full name of the legal entity or full name	Ground on which a party is found to be bound	Share of the related party in the authorized capital of the Company, %
Asia Capital LLC	Shareholder	11,99
Shabdanov Almazbek Sultanovich	Shareholder, Chairman of the Management Board	42,20

The Company's transactions with related parties as of the reporting dates are as follows:

Name	December 31, 2023	December 31, 2022	December 31, 2021
Asia Capital LLC			
Short-term investments	69 104		
Invoices receivable for VA	76 784	2 056	
Advances to buyers and customers of VAs	38 928		
Other liabilities on foreign exchange transactions	14 210		
Shabdanov Almazbek Sultanovich			
Accounts payable to employees and directors	322	250	
Other non-current liabilities	79 480	94 104	

Total amount of remuneration to key management personnel (thousand soms):

	December 31, 2023	December 31, 2022	December 31, 2021
Short-term remuneration (remuneration, taxes accrued on it and other mandatory payments)	260	54	8

Note 24. FINANCIAL INSTRUMENTS

Significant Accounting Policies

Details of the significant accounting policies and policies applied, including the recognition criteria and basis for the recognition of income and expenses, for each class of financial assets and financial liabilities, are disclosed in note 3.

Categories of Financial Instruments

The carrying amounts of financial assets and financial liabilities for each category are as follows:

Financial assets	December 31, 2023	December 31, 2022	December 31, 2021

Short-term investments	92 202	38 498	
Accounts receivable	78 744	4 224	
Cash and cash equivalents	51 633	46 545	141
Total:	**222 579**	**89 267**	**141**

Financial liabilities	**December 31, 2023**	**December 31, 2022**	**December 31, 2021**
Invoices payable	31 381	6	
Accounts payable	216 911	972	
Long-term liabilities	79 480	94 104	
Total:	**327 772**	**95 082**	

Note 25. CONTINGENT ASSETS AND LIABILITIES

Trials

In the course of carrying out ordinary business activities, claims and lawsuits may be filed against the Company with the judicial authorities. The Company's management believes that the liabilities under such claims and lawsuits, if any, will not have a material negative impact on the Company's financial position or results of future operations.

Legislation regulating the Company's activities

In the opinion of the management, the Company complies in all material respects with the relevant requirements of tax legislation and other regulatory requirements governing the Company's activities in the Kyrgyz Republic. According to the management, from 16.04.2021 to 31.12.2023, the relevant provisions of the legislation were integrated correctly.

These are the Law of the Kyrgyz Republic "On Virtual Assets" dated 21.01.2022, the Law of the Kyrgyz Republic "On Amendments to Certain Legislative Acts in the Field of Virtual Assets" dated 05.08. 2022, and the laws according to which:

- virtual assets are classified as objects of civil rights (Civil Code of the Kyrgyz Republic);
- virtual asset service providers are included in the list of financial institutions (the Law of the Kyrgyz Republic "On Combating the Financing of Terrorist Activities and Legalization (Laundering) of Criminal Proceeds");
- The activities of virtual asset services are classified as licensed (Law of the Kyrgyz Republic "On the Licensing and Permitting System in the Kyrgyz Republic").

Amendments to the Tax Code of the Kyrgyz Republic are described in Note No. 3.

Nevertheless, due to the fact that legal documents regulating the activities of the Company, namely virtual assets, appeared in the Kyrgyz Republic only since 2022 and in the Kyrgyz Republic the process of establishing virtual assets in the legal field is only underway, in this regard, there are no accurate recommendations for accounting at the level of regulatory regulation. There is still a risk that the relevant authorities may interpret the disputed legal provisions in a different way or there will be arbitration practice that contradicts the position of the Company, which may have a significant impact on the financial position of the Company, if the relevant authorities are able to prove the legitimacy of their position.

Note 26. FINANCIAL RISK MANAGEMENT

Overview of the main approaches

The use of financial instruments exposes the Company to the following types of risks:
- liquidity risk;
- market risk;
- Currency risk.

Below you will find information on the Company's exposure to each of these risks, the Company's objectives, and its policies and procedures for assessing and managing these risks.

Exposure to liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulties in meeting its financial obligations under normal conditions and under stress.

A company engaged in the activity of virtual asset services has a liquidity risk associated with the lack of collateral, since virtual assets do not have material collateral.

To limit this risk, management manages assets taking into account liquidity risk and monitors future cash flows and liquidity on a daily basis.

Market Risk

Market risk is the risk that changes in market prices, such as the exchange rates of a virtual asset, interest rates and share prices, will have a negative impact on the Company's earnings or on the value of its financial instruments.

Currency risk

The Company carries out certain transactions denominated in foreign currency. Consequently, there is exposure to exchange rate fluctuations.

A company engaged in the activities of virtual asset services has market and currency risk:

- due to the lack of real value of virtual assets due to the fact that they are usually not pegged to any currency or other asset, which gives rise to high risks of volatility (price change over time) of their exchange rate and loss of value;
- risks in settlements with virtual assets that arise from their features, including due to the lack of a supervisory center and a supervisory authority.

The purpose of market and currency risk management is to control the Company's exposure to risks and keep it within acceptable limits, while achieving the optimization of investment returns.

In this regard, the Company will form valuation (clarifying) reserves:

- *allowance for impairment of financial investments;*
- *allowance for doubtful debts;*
- *allowance for impairment of inventories.*

In accounting, all these provisions have the following objectives: to reduce the asset by the amount of the provision and to reflect the impairment in the expenses of the relevant reporting period. In the financial statements, all assets and liabilities are reflected in the real valuation, but in the income statement, expenses increase and, as a result, profits decrease.

Note 27. EVENTS AFTER THE REPORTING DATE

Since the date of approval of the financial statements, no events have occurred that would affect the amounts in the financial statements submitted.

Chairman of the Board
Shabdanov A.S.

Chief Accountant
Niyazova A.M.

February 23, 2024