

ENVOYS VISION DIGITAL EXCHANGE OJSC
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**OPEN JOINT-STOCK COMPANY
ENVOYS VISION DIGITAL EXCHANGE**

December 31
2024

**FINANCIAL STATEMENTS PREPARED IN
ACCORDANCE WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

ENVOYS VISION DIGITAL EXCHANGE OJSC

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We have audited the financial statements of ENVOYS VISION DIGITAL EXCHANGE (hereinafter the "Company") which include statements of financial position as at December 31, 2024, the statement of profit or loss and other comprehensive income, a statement of changes in equity, and a statement of cash flows for the year then ended, as well as notes to the financial statements, including a description of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its results of operations, cash flows during the year then ended in accordance with International Financial Reporting Standards (IFRS).

Asks for Opinions

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under these standards are further described in the "Auditor's Responsibility for the Audit of 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 other requirements relating to our audit of financial statements in the Republic of Bulgaria and have fulfilled other ethical responsibilities in accordance with these requirements and the BSRBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for expressing our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were most important in the audit of the financial statements of the current period. These matters were addressed in the context of audit of the financial statements as a whole and have been reflected in our opinion on the financial statements and we do not provide a separate opinion on these matters.

Responsibilities of management and those charged with governance

The Company's management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS, the laws of the Republic of Bulgaria and for the internal control system that management determines is necessary to allow the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is also 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



INDEPENDENT AUDITOR'S REPORT

To the Management of OJSC ENVOYS VISION DIGITAL EXCHANGE

Opinion

We have audited the financial statements of Open Joint Stock Company ENVOYS VISION DIGITAL EXCHANGE (hereinafter the "Company"), which include statements of financial position as at December 31, 2024, the statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows for the year then ended, as well as notes to the financial statements, including a description of significant key accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its results of operations, cash flows during the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the "Auditor's Responsibility for the Audit of 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 Council for Accountants (IESBA) and ethical requirements relating to our audit of financial statements in the Kyrgyz Republic, and 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 expressing our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were most important in the audit of the financial statements of the current period. These matters were addressed in the context of audit of the financial statements as a whole and have been reflected in our opinion on the financial statements, and we do not provide a separate opinion on these matters.

Responsibilities of management and those charged with governance

The Company's management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS, the laws of the Kyrgyz Republic and for the internal control system that management determines is necessary to allow 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; disclosure of going concern issues in accordance with the going

concern accounting principle, unless management intends to liquidate the Company, terminate its operations or have no viable alternative other than liquidation and winding up operations.

Auditor's Responsibility for the Audit of Financial Statements

Our goal is 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 is a high degree of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect material misstatement, if any. Misstatements may result from fraud or error and are considered material if it can reasonably be assumed that, individually or in the aggregate, they may affect users' economic decisions based on 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. In addition, we perform the following:

- Identify and assess the 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 provide a basis for our opinion. The risk of failure to detect a material misstatement due to fraud is higher than due to error, as fraudulent actions may include: collusion, forgery, intentional omission, misrepresentation of information, or override of internal control
- gain an understanding of the internal control framework relevant to the audit in order to plan audit procedures that are appropriate in the current situation, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- conclude on the appropriateness of management's application of the going concern assumption and, based on the audit evidence obtained, conclude whether there is material uncertainty due 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 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, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our auditor's report. However, future events or conditions may cause the Company to lose its ability to continue its activities uninterrupted.
- Assess the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- We assess the overall presentation of the financial statements, their structure and content, including disclosures, and whether the underlying financial statements present the underlying transactions and events fairly.

We have communicated to those entrusted with management questions regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit. We have also provided those charged with governance with a statement that we have complied with all relevant ethical requirements

regarding independence, and have communicated to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards..

LLC "ACCOUNTING AUDIT INNOVATION"

IRN No 104125 dated 10/19/2023 in the unified State Register of Audit Organizations entities of public interest admitted to the audit. License No 0043 (State Committee) dated September 28, 2010, Register of Auditors of the Kyrgyz Republic No 59270-3301-000 created in the Register of Auditors of the Kyrgyz Republic dated April 10, 2019

General Director

IRN No 007/2023 in the unified state register of auditors. Auditor Qualification certificate No 0072 dated 10/19/2009

Usen kyzy Nazira, Head of Inspection

IRN No18096 dated 09/07/2023 in the unified state register of auditors. Auditor Qualification certificate No 00215 dated 06/23/2011

October 27, 2025
Bishkek, Kyrgyz Republic

**MANAGEMENT STATEMENT OF RESPONSIBILITY
FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The following statement, which should be read in conjunction with the description of the responsibilities of the independent auditors contained in this report of the independent auditors, is made to distinguish between the responsibilities of the auditors and management with respect to the financial statements of ENVOYS VISION DIGITAL EXCHANGE OJSC (hereinafter the "Company"). The Company's management is responsible for the preparation of financial statements that reliably reflect, in all material respects, the financial position as of December 31, 2024, the results of operations, cash flows of the Company for the year ended as of that date, in accordance with the requirements of International Financial Reporting Standards (IFRS).

In preparing the financial statements, management is responsible for:

- selecting appropriate accounting policies and applying them consistently; making reasonable estimates and calculations;
- complying with IFRS requirements and disclosing all significant deviations from IFRS in the commentary to the financial statements;
- preparation of financial statements considering the assumption that the Company will continue its activities in the foreseeable future, unless such assumption is not appropriate;
- maintaining accounting records in accordance with the legislation of the Kyrgyz Republic and IFRS.

Management is also responsible for:

- the 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 ensure that financial statements comply with IFRS requirements;
- taking measures within its competence to ensure the safety of the Company's assets;
- detection and prevention of fraud and other abuse.

These financial statements for the year ended December 31, 2024 were approved by management on March 28, 2025.

**Chairman of the Board
Shabdanov A.S.**

March 28, 2025.

STATEMENT OF FINANCIAL POSITION
for the period from 01.01.2024 to 12.31.2024

	Note.	Year 2024	Year 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	110 959	51 633
Short-term investments	6	118 988	92 202
Accounts receivable	7	102 034	78 744
Reserves	8	3 437	114 275
Advances paid	9	174 161	48 497
Non-current assets			
Fixed assets (net)	10	464	361
Intangible assets (net)	11	240 254	245 225
Long-term investments	12	4 103	0
TOTAL ASSETS		754 400	630 937
LIABILITIES AND EQUITY			
Short-term liabilities			
Invoices payable	13	18 647	31 381
Accrued liabilities	14	223 649	202 142
Taxes payable	15	124	837
Current accrued liabilities	16	77	(15)
Other short-term liabilities	17	72 972	14 769
Long-term liabilities			
Long-term liabilities	18	73 654	79 480
Capital			
Authorized capital	19	255 000	255 000
Retained earnings (loss)	19	110 277	47 343
TOTAL LIABILITIES AND EQUITY		754 400	630 937

Chairman
Shabdan

Board

Chief Accountant
Shamyrova. B.K.

March 28, 2025.

STATEMENT OF COMPREHENSIVE INCOME
For the period from 01.01.2024 to 12.31.2024

	Note.	Year 2024	Year 2023
Sales revenue	20	84 555	66 709
Cost of Virtual Assets (VA) Sold	21	2 668	17 200
Gross profit		81 886	49 509
Operating expenses			
General administrative expenses	21	43 969	26 073
Total operating expenses		43 969	26 073
Profit (loss) from operating activities		37 917	23 436
Income and expenses from non-operating activities			
Other income/expenses	22	28 399	7 887
Total income and expenses from non-operating activities		28 399	7 887
Profit (loss) before tax		66 316	31 323
Income tax expenses	23	3 450	0
Profit (loss) for the period		62 866	31 323
Earnings per share, KGS	23	0,00247	0,00123
Weighted average number of ordinary shares, thousand shares		25 500 000	25 500 000

Chairman
Shabdang

Board

Chief Accountant
Shamyrova. B.K.

March 28, 2025.

STATEMENT OF CASH FLOWS

(Direct method)

For the period from 01.01.2024 to 12.31.2024

Cash flow by type of activity	Year 2024	Year 2023
OPERATIONS		
Funds received from the sale of products, works, services	8 238 645	5 582 616
Other cash receipts		150 380
Money paid to suppliers for goods and services	8 190 667	5 714 195
Paid operating expenses	30 231	9 535
Cash payments for income tax	16	-
Other cash outflows	21 400	2 893
Net cash from operating activities	(3 669)	6 373
INVESTMENT ACTIVITIES		
Repayment of cash loans provided and bonds receivable		
Cash paid on the purchase of property, plant and equipment, intangible and other non-current assets	4 103	-
Cash received from the sale of property, plant and equipment, intangible and other non-current assets		
Provision of cash loans	23 702	(1 809)
Net cash from investing activities	(27 805)	1 809
FINANCIAL ACTIVITIES		
Founders' Cash Contribution (Authorized Capital)		
Cash from credits and borrowings	89 969	-
Cash paid to repay loans and borrowings		
Other financing cash inflows	39	-
Net cash from financing activities	89 930	-
Unrealised foreign exchange gains and losses	870	(3 095)
Net change in cash position	59 326	5 087
Cash at the beginning of the year	51 633	46 546
Cash at the end of the year	110 959	51 633

Chairman

.S.

Chief Accountant Shamyrova. B.K.

March 28, 2025.

IFRS Financial Statements for the period from January 1, 2024 to December 31, 2024
 (The amounts in the tables are expressed in thousands of Kyrgyz som)

STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.2024 to 12.31.2024

	Authorized capital	Retained earnings (loss)	Total capital
Balance as of December 31, 2023	255 000	47 343	302 343
Changes in accounting policies and correction of material errors		68	68
Profit (loss) for the reporting period		62 866	62 866
Increase in the share capital			-
Additional paid-up capital			-
Dividends			-
Balance as of December 31, 2024	255 000	110 277	365 277

Chairman of the Management Board
Shabdanovaly A.S.

Chief Accountant
Shamyrova. B.K.

March 28, 2025.

NOTES TO THE FINANCIAL STATEMENTS

– 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, April 16, 2021 (Certificate of State Registration) No196960-3300-OJSC, OKPO code 30967047, legal address of the Company: Bishkek, 19 Razzakov Street.

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

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

In accordance with the extract from the register of the registrar dated 12/31/2024 the Company's shareholders are:

List of shareholders of the Company	Number of shares	Share of authorized capital, %	Amount, KGS
Shabdanov Almazbek Sultanbekovich	24 352 500 000	95,5	243 525 000
Royal Pure Gold LLC (trust management)	1 147 500 000	4,5	11 475 000

Subject and goals of the activity

The main purpose of the Company's activities is to make a profit.

The main activity of the Company is the Department 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 types of activities not prohibited by the legislation of the Kyrgyz Republic.

To carry out the activities provided for by the Charter, the Company has the following valid licenses at its disposal:

- License series OT N 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 trading in the securities market;
- License series DP N 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 virtual asset N 0003 dated 11.10.2022, issued by the State Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Commerce of the Kyrgyz Republic to carry out the activities of a virtual asset trading operator (crypto exchange);
- License series virtual asset N 0002 dated 11.10.2022, issued by the State Service for Regulation and Supervision of the Financial Market under the Ministry of Economy and Commerce of the Kyrgyz Republic to carry out the activities of a virtual asset exchange operator (crypto exchanger).

The Company operates on the principles of a market economy and operates in accordance with the regulatory legal acts of the Kyrgyz Republic and the Charter of the Company.

– 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" No76 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, with subsequent amendments and reclassifications, for the purpose of presenting information in accordance with IFRS.

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

- The results of transactions and other events are recognized when they occur (and not when cash is received or disbursed) and are accounted for and reflected in the financial statements in the reporting periods in which they occurred.
- The financial statements are prepared based on the assumption that the Company has neither the intention nor the need to liquidate or significantly reduce the scale of operations in the foreseeable future.

Presentation of financial statements

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

- Statement of Financial Position;
- Statement of Comprehensive Income
- Statement of Cash flow (direct method);
- Statement of Changes in Equity;
- Notes to the Financial Statements.

The indicators of the financial statements are presented sequentially from 01.01.2024 to 12.31.2024, for each numerical indicator of the reporting there are comparable indicators of the previous reporting year. Each material item in the financial statements is disclosed and presented separately; immaterial items are grouped.

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

– 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, accounts receivable, borrowings, and accounts payable to suppliers and contractors.

The company recognizes financial assets and financial liabilities when it becomes a party to the contract in respect of the financial instrument.

The company derecognizes financial assets when the rights of claim to the cash flows of the financial instrument expire or are transferred and when significant risks and rewards associated with the ownership of assets are transferred.

Accounts receivable and loans issued

At initial recognition, receivables and loans issued are measured at actual costs, that is, at the fair value of the cash expected to be received, considering the transaction costs directly identifiable with it. All assets are recognized as of the date of transfer to the Company and when the right to receive funds on these assets is established.

Inventories *For the Company, inventories comprise assets in the form of materials and low-value consumable items (LVCI) intended for use in its operations. The Company applies the following criteria for LVCI:*

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

Inventories are accounted for at the lower of the two values: actual cost and net realizable value. The net realizable value is defined as the estimated realizable price in the ordinary course of business, less the estimated cost of completion of production and the estimated cost of sale.

The actual cost of inventories is the cost of acquisition, which includes the purchase price, import duties and other taxes (except VAT), processing costs, as well as transportation and other costs directly related to the acquisition, delivery and bringing of inventories into proper condition, less trade discounts and returns. Inventory accounting is carried out according to the FIFO method.

Virtual Assets

A virtual asset is a set of data in electronic digital form that possesses value and represents 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), a means of payment and a security (Clause 2 of Article 4 of the Law "On Virtual Assets");

IFRS Financial Statements for the period from January 1, 2024 to December 31, 2024

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

The Company accounts for virtual assets as **inventories** 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).

- At initial recognition, virtual assets acquired (received) from other entities are recognized at the time of receipt and are initially measured at cost (initial valuation).

The actual cost of virtual assets includes the purchase price and other additional costs associated with the purchase. When valuing virtual assets, up-to-date pricing data from cryptocurrency exchanges or other reliable sources of information are used.

For tax purposes, virtual assets are not recognized as goods, since they do not fall under the definition of goods in accordance with Article 32 of the Tax Code of the Kyrgyz Republic.

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

Virtual assets previously recorded in the accounting records are expensed at the time of sale or disposal.

Fixed assets

Basis of assessment

Property, plant and equipment are recognized at their original actual cost, including, where appropriate, the net present value of the costs of dismantling and disposing of the asset at the end of its useful life. In the financial statements, fixed assets are recorded 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 owning property, plant and equipment compared to their carrying amount, and the need to increase (create) or decrease the provision for the estimated impairment of property, plant and equipment is assessed. If a potential increase or decrease in the estimated economic benefit is detected, the provision for impairment of property, plant and equipment or its decrease, under appropriate conditions, is included in full in the statement of comprehensive income in the period in which these indicators were identified.

Depreciation

Depreciation is calculated monthly from the date of commissioning of fixed assets.

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.

With respect 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 disposal of property, plant and equipment is defined as the difference between the proceeds from their disposal and the residual value, and is included in the statement of comprehensive income.

Costs of modernization, reconstruction, current repair and maintenance

Costs for the reconstruction and modernization of fixed assets are capitalized. 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 accepted for accounting at their original actual cost (prime cost).

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

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

Accounts payable

Indebtedness 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 indebtedness is accounted for at amortized cost, and the corresponding difference between the original cost and the repayment cost is recorded in the statement of comprehensive income during the borrowing period from using the effective interest rate method.

Employee Benefits

Employee benefits include salaries, vacations, and other benefits that are recognized when obligations to employees arise.

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 taxes. These expenses are reflected in the statement of comprehensive income.

Contributions under the defined contribution scheme are recognised as expenses in the period in which they are 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.

Reserves

Provisions are recognised when the Company has a direct legal or temporary obligation as a result of past events and it is probable that the repayment of this obligation 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 included in the financial statements at an estimated net present value using the discount rates applicable to the Company at the date of each financial report.

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

Lease

The determination of whether the agreement is a lease or whether it contains signs of a lease is based on the analysis of the content of the agreement as of the date of commencement of the lease relationship. An agreement is a lease or contains the characteristics of a lease if the performance of the agreement is contingent on the use of a specific asset (or assets) and the right to use the asset or assets as a result of the agreement passes from one party to the other, even if that asset (or assets) is not explicitly stated in the agreement.

Taxation

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

- debt security is 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 acquired this security and who has the right to repay the loan amount and the 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); payments on a promissory note;
- 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. The underlying assets can be standardized consignments of goods, securities, currencies and financial instruments;
- financial services are transactions carried out or acquired by taxpayers of the Kyrgyz Republic, including:
 - transactions with shares, bonds and other securities, payment cards, as well as excise stamps, with the exception of 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, bills and other types of claims, including income received under financial lease agreements and Islamic finance agreements;
- Interest expense is an expense on debt obligations of any type, including expenses on bonds, Islamic securities, bills of exchange and other types of obligations, including expenses made 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 recognised in the statement of comprehensive income because it excludes items of income or expense that were taxable or deductible in other years, and excludes items that are not taxable or tax-deductible. Income tax expenses are accrued using tax rates and tax legislation in effect as of the reporting date.

Deferred tax is a tax claim or income tax liability and is recognised in the Company using the liability method of the statement of comprehensive income 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 profits, while deferred tax claims are recognised on the basis of the probability that there is a future taxable profit from which temporary tax differences can be deducted.

The carrying amount of deferred tax assets is checked at each reporting date and is reduced to the extent that it is no longer likely that there will be a sufficient benefit from the realization of the tax claim 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 when the debt is repaid or the asset is disposed of.

For the calculation of income tax, the total annual income of the Company 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 the purpose of tax depreciation;
- 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 the coupon minus the acquisition cost, taking into account the amortization of the 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 paragraph 1 of Article 236 of the Tax Code of the Kyrgyz Republic, the amount of excess of the cost of acquisition 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 - a negative difference between the selling price and the acquisition cost, taking into account the amortization 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 Part 2 of this Article cannot be compensated in the year in which they occurred, they shall be prolonged for 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 an asset or part of an expense item;
- Accounts receivable and payable are recorded taking into account the amount of sales tax.

To calculate the sales tax base, the Company uses paragraph 6 of Article 366 of the Tax Code of the Kyrgyz Republic "When selling shares, shares in an organization, currency, virtual asset, 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 sale of assets and services or recognised as part of the cost of acquiring the asset or as part of an expense item.
- Receivables and payables 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 reporting 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.

Expenses are a decrease in economic benefits during the reporting period, occurring in the form of an outflow of assets or an increase in liabilities, which leads to 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 income of specific income items. If the occurrence of economic benefits is expected over several accounting periods and the relationship with income can be traced only as a whole or indirectly, then expenses are recognized on the basis of the method of systematic and gradual allocation - depreciation.

In order to ensure consistency between costs incurred and income, financial statements are prepared on the basis of the accrual principle.

Revenue recognition

Revenue is recognised if the receipt of economic benefits by the Company is estimated as probable and if the revenue can be measured reliably regardless of the time of payment. Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractual terms of payment and net of taxes and duties. In accordance with IFRS 15, the Company recognises revenue when or to the extent that the contractor's obligation is met, i.e. when control over the goods or services that make up the contractor's obligation passes to the customer.

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

– **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, 2024, except for the adoption of new standards and interpretations described below, starting from January 1, 2025.

The following are the standards and interpretations as if they were first applied in the 2024 financial statements and resulted in appropriate changes to the disclosed accounting policies and other information presented in the notes to the financial statements, if applicable.

IFRS S1 General Requirements for Disclosure of Financial Information Related to Sustainable Development and IFRS S2 Disclosures Related to Climate Change:

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. They provide a clear picture of what reporting companies need to provide in order to meet the needs of global capital markets. It is assumed that the new IFRS S1/S2 standards will help provide investors with globally comparable information.

The first two ISSB standards, to be used together, aim to identify and communicate the information investors need to make informed decisions – in other words, information that is expected to influence the estimates 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 the risks and opportunities associated with climate change.

The standards came into force on January 1, 2024.

IAS 1 Presentation of Financial Statements:

In accordance with the amendments to IAS 1 Presentation of Financial Statements, the classification of some liabilities into current or non-current may change (eg convertible debt). In addition, companies may be required to provide new information on covenant-covered obligations.

Companies need to review their loan agreements now to determine whether the classification of their liabilities (e.g., convertible debt) will change and to prepare for new disclosures about certain covenants.

Under the current requirements of IAS 1, a company classifies a liability as current 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 removed the requirement that the right be unconditional and instead now requires that the right to deferred settlement exist at the reporting date and have substance.

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 terms (covenants) specified in the loan agreement.

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Covenants that a company must comply with before the reporting date affect the classification of the liability into 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 have entered into force for annual reporting periods beginning on 1 January 2024.

IFRS 16 Leases:

Amendments to IFRS 16 Leases will affect how a 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 revalue and possibly recalculate the leaseback purchase and sale transactions that have been concluded since 2019.

The seller-lessee will measure the right-of-use asset at present value calculated as the fair value of the underlying asset*(present value of expected lease payments (all variables)/cost 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, profit or loss, will be recognised in profit or loss.

In subsequent accounting for 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. A tenant seller can define the lease payments that are deductible from the lease liability in several ways, such as "expected lease payments" or "equal periodic payments" over the lease term.

The amendments have entered into force for annual reporting periods beginning on 1 January 2024.

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

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 arrangements, 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 financial liabilities that are part of supplier financing agreements and the line items in which those liabilities are presented;
- the carrying amount of financial liabilities for which providers have already received payment from financial service providers;
- the range of terms of payment both for financial obligations that are part of these agreements and for 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 the supplier financing agreement.

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

The amendments came into force for annual reporting periods beginning on January 1, 2024, during the first year, comparative information is not required.

The following is a new amendment and clarification that has been issued but has 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.

1. Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates

In 2025, changes will come into force aimed at clarifying the procedure for accounting for transactions in the absence of the possibility of exchanging one currency for another. The main aspects of these amendments include:

- Determination of the possibility of foreign exchange: An entity shall assess whether it can obtain another currency within a certain time through a market or exchange mechanism where the transactions give rise to legally enforceable rights and obligations.
- Valuation at the valuation date and for a specific purpose: An assessment of the exchangeability is carried out on a specific date and for a specific purpose, such as recording transactions in a foreign currency or restating the results and financial position of a foreign operation.
- No exchangeability: If an entity is unable to obtain more than a small amount of another currency for a specific purpose, it is considered that there is no exchangeable option.
- Determination of the Estimated Exchange Rate: In cases where an exchange is not possible, an entity shall determine an estimated exchange rate that reflects the rate at which a normal exchange would have been made at the valuation date between market participants in the current economic environment.

Disclosure: An entity is required to disclose information that enables users of financial statements to understand how the lack of exchangeability affects or may affect its financial performance, position and cash flows.

- CASH AND CASH EQUIVALENTS

Name	December 31, 2024	December 31, 2023
Cash at the cash desk		
Cash on hand in KGS	-	14
Cash on hand in foreign currency	4	5
Cash in the bank		
Accounts in national currency	1 002	16
Foreign currency accounts in local banks	12 242	51 598
Accounts in foreign banks	17	-
Funds in bank accounts restricted for use	97 694	-
Total:	110 959	51 633

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

Note 6. SHORT-TERM INVESTMENTS

Name	December 31, 2024	December 31, 2023
Equity securities	541	-
Short-term investments	118 447	92 202
Total	118 988	92 202

Short-term investments include loans with maturities of six to twelve months.

Note 7. ACCOUNTS RECEIVABLE

Name	December 31, 2024	December 31, 2023
Accounts receivable	74 933	76 853
Accounts receivable for Counter-Transaction Commissions free of payment	3 092	-
Accounts receivable and liquidity	85	1 698
Interest receivable	2 248	251
VAT refundable	-	(8)
VAT on advances	-	(50)
Other accounts receivable	21 400	-
Taxes paid in advance	276	-
Total	102 034	78 744

Note 8. RESERVES

Name	December 31, 2024	December 31, 2023
Inventories	3 437	114 275
Total	3 437	114 275

The Company accounts for virtual assets as goods 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).

Note 9. ADVANCES ISSUED

Name	December 31, 2024	December 31, 2023
Inventory paid in advance	16 950	924
Virtual Assets paid in advance	151 378	30 421
Currency Exchange paid in advance	5 833	17 152
Total	174 161	48 497

Note 10. PROPERTY, PLANT AND EQUIPMENT, NET

FA Group	Equipment	Office Equipment	Furniture & Accessories	Altogether
Book value as at 31 December 2023	171	190	-	361
Initial cost as of 01.01.2024	317	226	-	543
<i>Acquired, disposed, overhauled</i>	266	1 139	125	1 530
Initial cost as of December 31, 2024	583	1 365	125	2 073
Accumulated depreciation as of 01.01.2024	147	36	-	183
Accrued for 2024	335	1 036	56	1 427
Accumulated depreciation as of 31.12. 2024	481	1 072	56	1 609
Book value as at 31 December 2024	102	293	69	464

Depreciation and amortisation on property, plant and equipment during the period was recognised in the statement of comprehensive income as administrative expenses.

Note 11. INTANGIBLE ASSETS, NET

Intangible assets	Software	Altogether
Book value as at 31 December 2023	245 225	245 225
Original cost as of January 1, 2024	255 000	255 000
<i>Acquired, disposed, overhauled</i>	344	344
Original cost as of December 31, 2024	255 344	255 344
Accumulated depreciation as of January 1, 2024	9 775	9 775
Accrued for 2024	5 315	5 315
Accumulated depreciation as of December 31, 2024	15 090	15 090
Book value as at 31 December 2024	240 254	240 254

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Note 12. LONG-TERM INVESTMENTS

Name	December 31, 2024	December 31, 2023
Investments in subsidiaries	4103	-
Total	4 103	-

Investments in subsidiaries	December 31, 2024	December 31, 2023
SHRP	4 103	-
Total	4 103	-

Note 13. INVOICES PAYABLE

Name	December 31, 2024	December 31, 2023
Invoices payable for inventories	29	40
Invoices payable for VA	18618	31341
Total	18 647	31 381

Note 14. SHORT-TERM LIABILITIES

Name	December 31, 2024	December 31, 2023
Advances received		
Advances of buyers and customers	9 001	666
Advances of buyers and customers of VA	213 398	194 521
Total:	222 399	195 187
Short-term debt obligations		
Short-term loans received	-	6 954
Other short-term debt obligations	1 250	-
Total:	1 250	6 954
Altogether	223 649	202 142

Note 15. TAXES PAYABLE

Taxes payable	December 31, 2024	December 31, 2023
Income tax payable	-	(484)
Income tax	107	(7)
VAT payable	17	65
Sales tax	-	1 265
Other taxes	-	(2)
Total	124	837

The income tax rate is 10% of taxable profits payable by legal entities in the Kyrgyz Republic in accordance with tax legislation.

The Company prepares income tax calculations for the current period on the basis of tax accounting data carried out in accordance with the requirements of the tax legislation of the Kyrgyz Republic, which may differ from IFRS.

Note 16. CURRENT ACCRUED LIABILITIES

Name	December 31, 2024	December 31, 2023
Current accrued liabilities		
Accrued wages	-	(11)
Total:	-	(11)
Assessed social insurance contributions		
Accrued contributions on pension contributions	77	(3)
State Accumulative Pension Fund	-	(1)
Total:	77	(4)
Altogether	77	(15)

Note 17. OTHER CURRENT LIABILITIES

Name	December 31, 2024	December 31, 2023
Current accrued liabilities		
Accounts payable of employees and directors	208	334
Total:	208	334
Other liabilities		
Other liabilities on foreign exchange transactions	72 694	14 365
Other liabilities for securities transactions	70	70
Total:	72 764	14 435
Altogether	72 972	14 769

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Note 18. LONG-TERM LIABILITIES

Name	December 31, 2024	December 31, 2023
Other non-current liabilities	70 686	79 480
Deferred tax liability	2 968	-
Total	73 654	79 480

Other long-term liabilities include liabilities with maturities of more than one year.

Note 19. CAPITAL

Name	December 31, 2024	December 31, 2023
Common shares	255 000	255 000
Retained earnings	110 277	47 343
Total:	365 277	302 343

Note 20. SALES REVENUE

Name	December 31, 2024	December 31, 2023
Revenue from the sale of goods and services	26 488	2 344
Revenue from the sale of VA	58 067	64 365
Total	84 555	66 709

The main activity of the Company is the sale of a virtual asset. IFRS 15 defines the revenue recognition model and according to IFRS, revenue is income from the main activity of a company.

According to Article 212 of the Tax Code of the Kyrgyz Republic, the total annual income of the Company includes: the amount of excess of revenue from the sale of virtual assets over the cost of their acquisition, in connection with which the Company recognized the estimated amount subject to taxation as Revenue.

Note 21. SALES COSTS

Name	December 31, 2024	December 31, 2023
Virtual Asset Costs	2 668	17 200
General and administrative expenses	43 969	26 073
Total	46 637	43 273

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General and administrative expenses	December 31, 2024	December 31, 2023
Payroll expenses	11 789	1 618
Board of Directors' remuneration	36	-
Expenses for contributions to the social fund	1 089	289
Rental costs	5 047	2 992
Expenses for payment of services	4 663	7 887
Expenses for bank services	4 731	3 975
Stationery costs	78	61
Communication costs	218	93
Insurance costs	43	-
VAT expenses not eligible for credit/refund	680	289
Computer software costs	7 218	-
Tuition costs	15	55
Public relations expenses	710	179
Travel expenses	33	-
International travel expenses	66	103
Utility costs	196	-
Fines, penalties, penalties to the budget	67	11
Depreciation and amortization expenses	1 642	103
Expenses for depreciation of intangible assets	5 100	5 100
Other general and administrative expenses	754	543
Other general and administrative expenses	(232)	2 775
Total	43 969	26 073

Note 22. NET NON-OPERATING EXPENSES/(INCOME)

	Year 2024	Year 2023
Non-operating Income		
Interest income	2 244	251
Foreign exchange gains	136 567	83 539
Other income	29	29
Operating foreign exchange gains	705	-
Total Non-operating Income:	139 545	83 819
Non-operating expenses		
Foreign exchange loss	103 775	75 932
Costs of returns to suppliers	169	-
Operating foreign exchange losses	7 199	-
Other expenses	4	-
Total Non-operating Expenses:	111 146	75 932
Net Non-operating Income/(Expenses)	28 399	7 887

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Note 23. INCOME TAX EXPENSE AND EARNINGS PER SHARE

	December 31 , 2024	December 31 , 2023
Income tax expenses	3 450	-
Total	3 450	-

Income tax expenses consist of accrued income tax for 2024 - KGS 482 thousand and Deferred Tax Liability - KGS 2,968 thousand. (Note No18)

Earnings per share

Earnings per share calculation is based on earnings and the weighted average number of common shares outstanding during the year. From the date of the inaugural issue of shares until the end of the reporting period, the number of ordinary shares remained unchanged. The company does not have potentially diluted common shares.

	December 31, 2024	December 31, 2023
Profit (loss) for the period	62 866	31 323
Weighted average number of ordinary shares, thousand shares	25 500 000	25 500 000
Earnings per share, KGS	0,00247	0,00123

Note 24. FINANCIAL INSTRUMENTS

Significant Accounting Policies

Details of the significant accounting policies and policies applied, including the recognition criteria and the basis for recognising income and expense for each class of financial assets and financial liabilities, are provided in Note 3.

Categories of Financial Instruments

The carrying amount of financial assets and financial liabilities for each category is as follows:

Financial assets	Year 2024	Year 2023
Short-term investments	118 447	92 202
Accounts receivable	101 758	78 744
Cash and cash equivalents	110 959	51 633
Total:	331 164	222 579

Financial liabilities	Year 2024	Year 2023
Invoices payable	18 647	31 381
Accounts payable	296 621	216 911
Long-term liabilities	73 654	79 480
Total:	388 922	327 772

Note 25. CONTINGENT ASSETS AND LIABILITIES

Trials

In the course of ordinary business activities, claims and lawsuits may be brought against the Company in court. The Company's management believes that the obligations under such claims and lawsuits, if any, will not have a significant negative impact on the financial position or the results of the Company's future activities.

Legislation regulating the Company's activities

In the opinion of the management, the Company complies in all material aspects 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 01.01.2024 to 12.31.2024, the relevant provisions of the legislation were correctly integrated.

These are the Law of the Kyrgyz Republic "On Virtual Assets" dated 01/21/2022, the Law of the Kyrgyz Republic "On Amendments to Certain Legislative Acts in the Field of Virtual Assets" dated 08/05/2022, and 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 (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").

The regulatory framework for activities related to virtual assets in the Kyrgyz Republic has been formed since 2022 and continues to develop. In this regard, at the level of by-laws and methodological clarifications, there are no detailed and established requirements for the accounting of individual transactions with virtual assets.

Taking into account the current stage of the formation of the legal framework, there is a risk of alternative interpretation of the applicable rules by the competent authorities or the formation of judicial/arbitration practice that differs from the Company's approaches. In the event that the relevant authorities confirm the legitimacy of a different position, this may significantly affect the financial position, financial results and disclosures of the Company.

Note 26. RISK MANAGEMENT

Overview of the main approaches

In the course of its activities, the Company internal legal acts that can lead to unauthorized transactions. faces various risks. The main purpose of the risk management system is to identify, assess, monitor and minimize the potential negative impact on the financial results and capital of the Company. The key risks are described below, as well as how to manage them.

Market Risk

Market risk is the occurrence of losses as a result of adverse changes in market prices for financial instruments and assets in the Company's portfolio or traded on its trading platforms.

Main components:

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- Price risk is associated with changes in the market value of virtual assets and securities in the Company's portfolio.
- Currency risk is defined as the risk of financial losses due to adverse changes in the exchange rates of foreign currencies against the Company's functional currency (Kyrgyz som).

Management and control methods:

To manage market risk, including its currency component, the Company applies a comprehensive approach:

1. Continuous monitoring and analysis:
 - 1.1. Daily control of market quotes, volatility and liquidity levels for all asset classes.
 - 1.2. Analysis of portfolio sensitivity to various market scenarios.
 - 1.3. Tracking the size of open currency positions.
2. Hedging is the use of derivative financial instruments (such as futures and options) or the conclusion of counter transactions to compensate for potential losses from adverse changes in prices and exchange rates. The use of hedging methods is carried out after assessing their economic feasibility and effectiveness.

Liquidity risk

The risk that the Company will not be able to meet its financial obligations on time and in full as a result of a lack of cash or highly liquid assets.

Management and control methods:

- Control of receipts and payments to ensure uninterrupted operations.
- Regular calculation and maintenance of current liquidity and equity ratios at the level set by the regulator.

The current ratio is determined by the ratio of highly liquid assets to the amount of current liabilities. As of December 31, 2024, the ratio was 0.6 with a minimum allowable value of 0.5, which confirms compliance with the requirements of the regulator and a sufficient level of liquidity.

The Equity Capital Adequacy Ratio is the ratio of the difference between Liquid Assets and Total Liabilities to the Minimum Authorized Capital as of December 31, 2024 was 18.03 with a minimum permissible value of at least 1, which indicates high risk coverage and sustainability of the Company's activities.

Credit risk

The risk of non-fulfillment by the counterparty (client, broker, partner or issuer) of its obligations in accordance with the terms and conditions of the contract.

Management and control methods:

- Preliminary selection: compliance with the requirements of the law of all documents provided, checking the solvency and business reputation of new counterparties before starting cooperation.
- Diversification: reducing the concentration of risk by allocating assets and liabilities between different counterparties, sectors of the economy and types of financial instruments.
- Monitoring: constant monitoring of the financial condition of counterparties and partners

Operational risk

Risk of loss due to disruptions in internal processes, systems, due to human error, or external events.

Management and control methods:

- Internal control systems: implementation of multi-level access systems, separation of powers
- Staff training: conducting regular training sessions for employees on operational security, phishing detection, and prevention of internal errors, as well as on the company's internal regulatory acts, to mitigate the risk of unauthorized transactions.

Information security risk

Information security risk is the likelihood of an incident that could damage information assets (data confidentiality, integrity, or availability) due to the exploitation of vulnerabilities by a specific threat.

- Cybersecurity: regular audits of IT systems, data encryption, use of intrusion detection and prevention software; ensuring reliable data backup.

Legal risk

Risk of loss or damage arising from violation of laws, regulations, rules, internal policies, or due to errors in legal documentation and non-fulfillment of contractual obligations.

Risk of countering the financing of terrorist activities and legalization (laundering) of criminal proceeds

Verification of the implementation of measures to combat the financing of terrorist activities and legalization (laundering) of criminal proceeds, the requirements of the legislation of the Republic of Kyrgyzstan and international requirements in terms of AML/CFT

- The organization has developed and implemented a system for combating the financing of terrorist activities and legalization (laundering) of criminal proceeds
- Internal regulatory documents, an internal control program have been developed and its implementation is ensured.
- The organization has created and operates a compliance control service with a certified staff.
- The organization has implemented an internal control system that allows for the timely identification and elimination of risks of financing terrorist activities and legalization (laundering) of criminal proceeds.
- Risks are managed in the field of countering the financing of terrorist activities and legalization (laundering) of criminal proceeds.
- The organization conducts training and informing of employees and management on combating the financing of terrorist activities and legalization (laundering) of criminal proceeds.
- Interaction with state authorities and reporting in accordance with the requirements of the legislation of the Kyrgyz Republic

Note 27. WEALTH MANAGEMENT

The main goal of the Company in the field of capital management is to maintain its sufficiency to ensure sustainable operation, cover potential losses and comply with all regulatory requirements established by the legislation of the Kyrgyz Republic for professional participants in the securities market and operators of virtual assets.

Minimum requirements for the authorized capital:

The company operates on the basis of several licenses, which necessitates compliance with the most stringent capital requirements. The minimum amount of the authorized capital is established for the following types of activities:

- Virtual Asset Trading Operator: 100,000,000 KGS.
- Virtual Asset Exchange Operator: 40,000,000 KGS.
- Organizer of trade in the securities market: 50,000,000 KGS.
- Depository activity – 20,000,000 KGS.

In accordance with the law, when combining types of professional activities, the minimum amount of the authorized capital is set for the one for which the largest amount is provided.

As of December 31, 2024, the authorized capital of the Company amounted to KGS 255,000,000 (Two hundred fifty-five million), which fully meets all regulatory requirements both for each type of activity separately and when they are combined.

Indicators characterizing the financial condition of the Company

The Company regularly (quarterly) monitors and calculates the established standard indicators characterizing its financial condition.

Key indicators as of December 31, 2024:

December 31, 2024			
Index	Calculation Formula	Meaning	Analytical assessment
K2 (ratio of attracted funds to equity)	(Short-term debt + Long-term liabilities) / Equity	19,61%	The level of the indicator is low, which indicates a conservative debt policy and minimal dependence on debt financing
K3 (efficiency of the organization)	Net profit for the reporting period / Equity	17,21%	A positive value of the indicator confirms the efficiency of capital use
K5 (total liabilities)	(Short-term liabilities + Long-term liabilities) / Equity	106,53%	The indicator demonstrates the adequacy of capital to cover liabilities and complies with the established standards

The capital structure is characterized by the predominance of own funds over borrowed funds and a significant margin of safety, which ensures financial stability and the ability to meet obligations to customers and counterparties.

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

Note 28. TRANSACTIONS WITH RELATED PARTIES

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

1. List of related parties

1.1. Key Participants and Managers

The following linked side is highlighted:

Full name of the legal entity or full name	Ground on which a party is deemed to be bound	Share of the related party in the authorized capital of the Company, %
Shabdanov Almazbek Sultanbekovich	Shareholder, Chairman of the Management Board	95,5

1.2. Subsidiaries

Full name, legal form	Location, postal address, telephone, fax, e-mail address, OKPO code	Share in the authorized capital (%)
Closed Joint-Stock Company "SHERP"	Kyrgyz Republic, Bishkek, Pervomaisky district, Razzakov str., 19 OKPO code 32303707	100%
Limited Liability Company "Highlight Studio"	Kyrgyz Republic, Bishkek, Pervomaisky district, blvd. Erkindik, 64 B. OKPO Code 31677558	100%

2. Related Party Transactions and Balances

2.1. Debt to the shareholder-director

	Debts to related parties	Long-term liabilities to related parties
December 31, 2024		
Shabdanov Almazbek Sultanbekovich	208	70 686
December 31, 2023		
Shabdanov Almazbek Sultanbekovich	322	79 480

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

2.2. Transactions with subsidiaries

During 2024, the Company carried out transactions with its subsidiary SHERP CJSC, which included the provision of financing for operating activities. The total amount of funds provided for the year amounted to KGS 7,103 thousand, of which KGS 3,000 thousand were returned as of the reporting date.

The balance of CJSC SHERP's debt to the Company as of December 31, 2024 is KGS 4,103 thousand and is reflected in long-term investments (Note 12).

No transactions were carried out with Highlight Studio LLC in the reporting period.

2.3. Remuneration of key management personnel

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons who directly or indirectly have the authority and responsibility to plan, manage and control the Company's activities. The Chairman of the Management Board of the Company is considered to be the key management personnel. Remuneration of key management personnel is as follows:

	Year 2024	Year 2023
Short-term benefits (wages, taxes and other mandatory payments, bonuses based on performance, vacation, medical treatment, medical care, etc.)	910	260

3. Terms and Conditions of Transactions with Related Parties

All transactions with related parties are carried out on market terms. Settlements are made in the national currency according to the terms agreed by the parties. The terms of transactions are comparable to those that apply in transactions with independent counterparties.

Note 29. EVENTS AFTER THE REPORTING DATE

Since the date of approval of the financial statements, there have been no events that have affected the amounts in the financial statements submitted.

Chairman of the Management Board
Shabdanov A.S.

Chief Accountant
Shamyrova. B.K.

March 28, 2025.