



**“Common Republican Processing Center” JSC
and its subsidiaries**

Consolidated financial statements
with independent auditor's report

For the year ended 31 December 2024

Contents

Independent auditor's report

Consolidated financial statements

Consolidated statement of financial position	1
Consolidated statement of profit or loss and other comprehensive income	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4

Notes to the consolidated financial statements

1	General information	5
2	Material accounting policies	6
3	Critical accounting estimates and judgements in applying accounting policy	16
4	New and amended standards and interpretations	19
5	Standards and interpretations issued but not yet effective	19
6	Subsidiaries	20
7	Related parties	21
8	Property, plant and equipment	23
9	Intangible assets	24
10	Right-of-use assets and Leases liabilities	25
11	Loans issued	26
12	Trade and other receivables	27
13	Costs to fulfill the contracts and liabilities under contracts with customers	27
14	Cash and cash equivalents	27
15	Equity	28
16	Trade and other payables	28
17	Provisions	29
18	Revenue from contracts with customers	29
19	Staff costs	30
20	Depreciation	30
21	Product promotion and customer acquisition costs	30
22	Professional services and office expenses	30
23	Taxes and other mandatory payments	30
24	Cost of processing and maintenance of equipment	31
25	Other operating expenses, net	31
26	Finance income	31
27	Finance costs	31
28	Income tax expenses	32
29	Commitments and contingencies	33
30	Financial risk management	34
31	Capital management	38
32	Fair value measurement	38
33	Events after the reporting date	39

Independent auditor's report

To the Shareholders, Supervisory Board and Management of "Common Republican Processing Center" Joint Stock Company

Opinion

We have audited the consolidated financial statements of "Common Republican Processing Center" JSC and its subsidiaries (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Uzbekistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and the Supervisory Board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tashkent, Uzbekistan

4 April 2025

FE Audit Organization Ernst & Young LLC

FE Audit Organization "Ernst & Young" LLC

Certificate authorizing audit practice No. 66 registered with the Ministry of Finance of the Republic of Uzbekistan.



Engagement partner/
Qualified auditor

**Sharafitdinkhodjaev
Mukhammadyokubkhuja**

Auditor's qualification certificate
authorizing audit practice No. 06392
dated 24.08.2024 issued by
"Buxgalterlar va auditorlar imtihon
markazi"

General director

Nataliya Kim

Auditor's qualification certificate
authorizing audit practice No. 05555
dated 12.07.2018 issued by
"Buxgalterlar va auditorlar imtihon
markazi"

UZCARD Group
Consolidated statement of financial position

		As at 31 December	
<i>In thousands of USD</i>	<i>Note</i>	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	8	11,414	12,778
Intangible assets	9	4,124	4,027
Right-of-use assets	10	2,465	1,553
Investments in equity instruments		1,189	513
Costs to fulfill the contracts	13	1,361	1,993
Advances for non-current assets		-	382
Loans issued	11	-	60
Other non-current assets		3,943	58
Total non-current assets		24,496	21,364
Current assets			
Inventories		199	252
Trade and other receivables	12	13,340	8,886
Income tax prepayment		59	324
Loans issued	11	11,178	11,505
Deposits		38	40
Cash and cash equivalents	14	7,659	1,147
Total current assets		32,473	22,154
Total assets		56,969	43,518
Liabilities and equity			
Equity			
Share capital	15	5,732	5,732
Other capital reserves		761	667
Currency translation reserve		(7,538)	(5,715)
Retained earnings		46,712	36,994
Equity attributable to the owners of the parent		45,667	37,678
Non-controlling interests		-	(348)
Total equity		45,667	37,330
Non-current liabilities			
Lease liabilities	10	1,960	1,205
Liabilities under contracts with customers	13	754	1,162
Deferred tax liabilities	28	257	70
Total non-current liabilities		2,971	2,437
Current liabilities			
Trade and other payables	16	3,418	1,925
Lease liabilities	10	787	523
Provisions	17	3,786	683
Liabilities under contracts with customers	13	340	620
Total current liabilities		8,331	3,751
Total liabilities		11,302	6,188
Total equity and liabilities		56,969	43,518

These consolidated financial statements were approved by management on 4 April 2025 and were signed on its behalf by:


D. Melikidze
General director of the management company
"UCMG" LLC


T. I. Timokhina
Deputy general director for finance of the
management company "UCMG" LLC

The notes on the pages 5 to 39 are the integral part of these consolidated financial statements

UZCARD Group
Consolidated statement of profit or loss and other comprehensive income

		For the years ended December 31	
<i>In thousands of USD</i>	Note	2024	2023 (reclassified)*
Revenue from contracts with customers	18	102,572	77,788
Period of expenses			
Staff expenses	19	(10,536)	(9,424)
Depreciation and amortization	20	(5,098)	(4,421)
Product promotion and customer acquisition costs	21	(4,913)	(1,302)
Professional services and office expenses	22	(2,079)	(987)
Taxes and other mandatory payments	23	(2,210)	(1,793)
Cost of processing and maintenance of equipment	24	(2,054)	(1,329)
Other operating expenses, net	25	(4,255)	(1,683)
Net operating profit		71,427	56,849
Other non-operating gain/loss			
Net gain on disposal of subsidiary		-	657
Net loss recovery/(expense) for expected credit losses		2,857	(5,719)
Finance income	26	4,013	2,336
Finance costs	27	(1,995)	(1,986)
Foreign exchange loss, net		(32)	(172)
Profit before income tax		76,270	51,965
Income tax expense	28	(505)	(354)
Profit for the year		75,765	51,611
Profit/(loss) for the year attributable to:			
- Owners of the parent		75,736	51,765
- Non-controlling interests		29	(154)
Profit for the year		75,765	51,611
Other comprehensive loss			
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Effect of translation to presentation currency		(1,823)	(1,719)
Total other comprehensive loss for the year		(1,823)	(1,719)
Total comprehensive income		73,942	49,892
Total comprehensive income attributable to:			
- owners of the parent		73,913	50,046
- non-controlling interests		29	(154)
Total comprehensive income for the year		73,942	49,892

*The amounts in the presented items do not agree with the consolidated financial statements for the year ending December 31, 2023, as they reflect reclassifications, detailed information about which is provided in Note 3.

UZZCARD Group
Consolidated statement of changes in equity

in thousands of USD	Note	For the years ended 31 December 2024 and 2023						
		Attributable to the owners of the parent						
		Share capital	Other capital reserves	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2023 (unaudited)		5,056	667	(3,996)	27,368	29,095	126	29,221
Profit for the year		-	-	-	51,765	51,765	(154)	51,611
Other comprehensive loss		-	-	(1,719)	-	(1,719)	-	(1,719)
Total comprehensive income/(loss) for the year		-	-	(1,719)	51,765	50,046	(154)	49,892
Increase in share capital	15	676	-	-	(676)	-	-	-
Dividends	15	-	-	-	(40,914)	(40,914)	-	(40,914)
Other transactions with owners		-	-	-	(549)	(549)	-	(549)
Disposal of non-controlling interests		-	-	-	-	-	(320)	(320)
Balance as at 31 December 2023		5,732	667	(5,715)	36,994	37,678	(348)	37,330
Profit for the year		-	-	-	75,736	75,736	29	75,765
Other comprehensive loss		-	-	(1,823)	-	(1,823)	-	(1,823)
Total comprehensive income/(loss) for the year		-	-	(1,823)	75,736	73,913	29	73,942
Increase in other capital reserves	15	-	94	-	(94)	-	-	-
Dividends	15	-	-	-	(65,605)	(65,605)	-	(65,605)
Acquisition of non-controlling interests in subsidiaries	6	-	-	-	(319)	(319)	319	-
Balance as at 31 December 2024		5,732	761	(7,538)	46,712	45,667	-	45,667

The notes on the pages 5 to 39 are the integral part of these consolidated financial statements

UZCARD Group
Consolidated statement of cash flows

<i>In thousands of USD</i>	<i>Note</i>	For the years ended 31 December	
		2024	2023
Operating activities			
Profit before income tax		76,270	51,965
Adjustments for:			
Depreciation of property, plant and equipment	8	2,908	2,568
Depreciation of intangible assets	9	674	506
Depreciation of rights-in-use assets	10	962	857
Amortization of costs to fulfill the contracts		554	490
Net expected credit losses on financial assets		(2,857)	5,719
Net gain on disposal of a subsidiary	6	-	(657)
Finance costs	26	1,995	1,986
Finance income	27	(4,013)	(2,336)
Provisions		3,200	557
Loss/(Gain) from disposal of property, plant and equipment and intangible assets		146	(13)
Foreign exchange loss, net		32	172
Other non-cash transactions		(62)	(462)
Cash flows from operating activities before changes in working capital		79,809	61,352
Increase in trade and other receivables		(4,856)	(2,822)
Decrease in liabilities under contracts with customers		(599)	(584)
Increase in inventories		2	(71)
Increase in trade and other payables		(101)	653
Changes in working capital		(5,554)	(2,824)
Income tax paid		(56)	(678)
Net cash flows from operating activities		74,199	57,850
Investing activities			
Purchases of property, plant and equipment and intangible assets		(7,692)	(8,884)
Proceeds on disposal of property, plant and equipment		29	112
Loans issued	11	(7,019)	(15,801)
Repayment of loans issued	11	549	5,274
Interest received on loans issued		3	856
Placement of deposits		-	(1,746)
Withdrawal of deposits		-	2,129
Investments in financial assets at FVTPL		(764)	(530)
Interest received on deposits		-	150
Net cash flows used in investing activities		(14,894)	(18,440)
Financing activities			
Payment of lease liabilities	10	(1,242)	(1,266)
Dividends paid	15	(51,551)	(38,048)
Net cash flows used in financing activities		(52,793)	(39,314)
Net increase in cash and cash equivalents		6,512	96
Cash and cash equivalents at beginning of the year		1,147	1,051
Cash and cash equivalents at end of the year		7,659	1,147

1 General information

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for the year ended 31 December 2024 for JSC "Common Republican Processing Center" (hereinafter referred to as the "Company") and its subsidiaries (hereinafter collectively referred to as "Group" or "UZCARD Group").

The Company additionally prepared IFRS separate financial statements presented in Uzbek sums and in the Russian language in accordance with the Resolution of the President of the Republic of Uzbekistan dated 24 February 2020 No. PP-4611 "On additional measures for the transition to international financial reporting standards".

Core business.

The Company is a joint-stock company and operates in the territory of the Republic of Uzbekistan. The Company provides acquiring activities, processing of electronic payments, and also acts as a provider, uniting banks, payment organizations and other market participants. The Company was created in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 24 September 2004 No. 445 "On measures for the further development of the payment system based on plastic cards"; the Resolution of the President of the Republic of Uzbekistan dated August 6, 2006 No. PP-433 "On additional measures for further development of the system of non-cash payments based on plastic cards" and functions in accordance with the Regulations of the Central Bank of Republic of Uzbekistan dated 18 April 2023 No. 3431 "On the procedure for licensing the activities of payment system operators and payment organizations."

Legal address of the Company: Republic of Uzbekistan, Tashkent, Shaykhontokhur district, Abdulla Kodiriy Street, 78. The Group carries out its core business in the territory of the Republic of Uzbekistan.

As at 31 December, the following shareholders owned the issued shares of the Company:

<i>In thousands of USD</i>	Equity interest, %	
	2024	2023
OOO "IMC-CAPITAL"	75%	75%
Akbarov Kamron Anvarovich	25%	25%
Total issued capital	100%	100%

Emerald Global Foundation and Mr. Akbarov Kamron Anvarovich exercise joint ultimate control of the Company.

Economic environment in which the Group operates.

The economy of the Republic of Uzbekistan exhibits some characteristic features inherent in developing markets. These features also include, but are not limited to, the existence of national currency that is not freely convertible outside the country and the low level of liquidity of the securities market.

The prospects for economic stability in the Republic of Uzbekistan largely depend on the effectiveness of economic measures taken by the Government, as well as on the development of the legal, control and political systems, that is, on circumstances that are beyond the control of the Group.

1 General information (continued)

The Group's financial position and results of operations will continue to be affected by potential political and economic developments in Uzbekistan, including the application of current and future legislation and tax regulations, which have a significant impact on the financial services industry in Uzbekistan and the economy as a whole. Management takes the necessary measures to ensure the sustainability of the Group's operations. However, the future effects of the current economic environment are difficult to predict, and management's current expectations and estimates may differ from actual results.

Russia-Ukraine War.

In response to Russia's invasion to Ukraine, the United States of America, the European Union and several other countries have imposed sanctions against Russia, including cutting off a number of Russian financial institutions from SWIFT. Russia is Uzbekistan's largest trading partner. The long-term effects of the current economic environment are difficult to predict, and management's current expectations and estimates may differ from actual results.

Residency of the Technology Park of software products and information technologies.

The Company and JCS "AVTOMATLASHTIRILGAN TRANSPORT TO'LOV TIZIMI OPERATORI" (subsidiary disposed in 2023) have been residents of the Technology Park of software products and information technologies since 3 March 2019 and 28 February 2020, respectively. They receive tax and customs benefits intended for residents of the Technopark in accordance with Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 10 January 2019 No. 17 "On measures to create the Technological Park of software products and information technologies." Namely, the residents are covered by the benefits provided by Presidential Decree No. 5099 dated 30 June 2017 "On measures to radically improve conditions for the development of the information technology industry in the republic", in particular, there's the exemption until 1 January 2028 from paying all types of taxes and mandatory contributions to state trust funds, as well as the single social payment.

2 Material accounting policies***Basis of preparation***

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the historical cost basis, except for the revaluation of property, plant and equipment measured at fair value as deemed cost in accordance with IFRS 1 "First-time Adoption of IFRS" as at 1 January 2020. The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These principles have been applied consistently to all periods presented unless otherwise stated.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. In addition, management is required to rely on its judgment in applying the Group's accounting policies. Accounting areas that involve a greater degree of estimation or complexity, as well as areas in which assumptions and estimates are material to the consolidated financial statements, are disclosed in Note 3.

Going concern principle.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. During the assessment whether a company is a going concern, the management of the Group considered the current financial position of the Company and analyzed relevant subsequent events.

2 Material accounting policies (continued)

Functional and reporting currency.

Unless otherwise stated, these consolidated financial statements are presented in the United States Dollar ("USD") and rounded to the nearest thousand.

The functional currency is the currency of the primary economic environment in which the Group operates. The functional currency of the Group is the Uzbek Sum ("UZS").

Assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of that statement of financial position. Income and expenses for each statement presenting profit or loss and other comprehensive income have been translated using the average rate for the period.

Basis for consolidation

Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power that gives it the ability to direct significant activities that have a significant effect on the investee's earnings, (ii) is exposed to risks associated with variable income from its involvement in the investee, or has the right to receive such income, and (iii) has the ability to use its power over the investee to influence the amount of the investor's return. When assessing whether the Group has power over another entity, the existence and effect of existing rights, including existing potential voting rights, must be considered. A right exists if the holder has a practical ability to exercise that right in making decisions about the management of the relevant activities of the investee. The group may have power over an investee even if it does not have most of the voting rights in the investee. In such cases, to determine whether it has existing power over an investee, the Group must assess the size of its voting rights in relation to the size and degree of dispersion of other voting rights holders. Rights of protection of other investors, such as those relating to fundamental changes in the activities of the investee or those applied in exceptional circumstances, do not interfere with the Group's ability to control the investee. Subsidiaries are included in the consolidated financial statements from the date control of their operations is transferred to the Group (acquisition date) and are removed from the consolidated financial statements from the date control is lost.

Subsidiaries, other than those acquired from parties under common control, are included in the consolidated financial statements using the acquisition method of accounting. Identifiable assets acquired and liabilities and contingent liabilities acquired in a business combination are measured at fair value at the acquisition date, regardless of the amount of non-controlling interest.

The Group measures non-controlling interest, which represents the direct interest and entitles the holder to its proportionate share of the net assets in the event of liquidation, on a transaction-by-transaction basis at either (a) fair value or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. A non-controlling interest that is not an immediate interest is measured at fair value.

Transactions between Group entities, related account balances and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also canceled out unless the costs cannot be recovered. The Company and all its subsidiaries apply uniform accounting policies consistent with the Group's accounting policies.

Non-controlling interest is that portion of a subsidiary's net results of operations and equity that is attributable to an equity interest that the Group does not own, directly or indirectly. Non-controlling interest represents a separate component of the Group's equity.

Acquisition and sale of non-controlling interests.

The Group uses the economic unit model to account for transactions with non-controlling interests that do not result in a loss of control. If there is any difference between the consideration transferred and the carrying amount of the non-controlling interest acquired, it is recorded as an equity transaction directly in equity. The Group recognizes the difference between the consideration received for the sale of the non-controlling interest and its carrying amount as an equity transaction in the consolidated statement of changes in equity.

2 Material accounting policies (continued)

Disposal of subsidiaries, associates or joint ventures.

When the Group loses control or significant influence, the retained interest in the entity is remeasured to its fair value at the date control is lost, with changes in the carrying amount recognized in profit or loss. Fair value is the initial carrying amount for the purposes of subsequent accounting for any retained interest in an associate, joint venture or financial asset.

Conversion of foreign currencies.

Operations and balances in foreign currency.

Foreign currency transactions are translated into the functional currency using the exchange rate of the Central Bank of the Republic of Uzbekistan ("CBRU") prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities into the functional currency at year-end official exchange rates of the Central Bank of Uzbekistan are recognized in profit or loss for the year.

As at 31 December 2024, the official closing exchange rate used to revalue foreign currency account balances was UZS 12,920.48 per 1 US dollar (2023: UZS 12,338.77 per 1 US dollar). There are foreign exchange restrictions and exchange controls regarding the conversion of UZS into other currencies. Currently, UZS are not freely convertible in most countries outside the Republic of Uzbekistan.

Property, plant and equipment.

Property, plant and equipment are accounted by initial value less accumulated depreciation and impairment losses, where applicable. Subsequent accounting is carried out at historical cost less accumulated depreciation and impairment losses, if any. Cost includes the purchase price, including import duties and non-refundable purchase taxes, less trade discounts and rebates, and any costs directly attributable to bringing the asset to site and bringing it into condition for its intended use.

The cost of property, plant and equipment built in-house includes the cost of materials, direct labor costs and a portion of manufacturing overhead. Individual significant parts of an item of property, plant and equipment (components) that have a useful life different from the useful life of the asset as a whole are depreciated individually using depreciation rates that reflect their expected useful lives.

Subsequent costs are reflected in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The costs of minor repairs and daily maintenance are charged to current period expenses. The costs of replacing major items or components of property, plant and equipment are capitalized while the parts that need to be replaced are written off.

Depreciation.

There is no depreciation on land. Depreciation of other property, plant and equipment is calculated using the straight-line method by evenly writing off their original cost to their liquidation value over their useful life, namely:

	Useful life (years)
Building	40 – 50 years
Machinery and equipment	5 – 20 years
Other	5 – 10 years

The residual value of an asset is the estimated amount that the Group would currently receive from disposal of the asset, after deducting the estimated costs of disposal, if the asset had already reached the end of its useful life and condition at the end of its useful life. The residual value of assets and their useful life are reviewed and, if necessary, adjusted at the end of each reporting period.

2 Material accounting policies (continued)

Right-of-use assets.

The group rents various office premises. Contracts can include both components that are leases and components that are not leases. The Group allocates the contract consideration between the lease and non-lease components based on their relative stand-alone transaction prices. However, for real estate leases in which the Group is the lessee, it has elected not to separate the lease and non-lease components, but rather to record them as a single lease component.

Assets arising under lease agreements are initially measured at present value.

Right-of-use assets are measured at initial value, which includes the following:

- the initial measurement of the lease liability;
- lease payments on or before the lease start date, less any lease incentive payments received;
- any initial direct costs;
- the cost of restoring the asset to the condition required by the terms of the lease agreements.

Right-of-use assets are generally depreciated on a straight-line basis over the useful life of the asset or the lease term, whichever ends first. The Group calculates depreciation of right-of-use assets on a straight-line basis over their estimated useful lives, as follows:

	Useful life (years)
Offices	40 – 50 years

Intangible assets.

The Group's intangible assets have finite useful lives and primarily include capitalized software.

Acquired computer software licenses, patents and trademarks are capitalized to the extent of the costs incurred to acquire and implement them.

Development costs directly attributable to identifiable and unique software controlled by the Group are recognized as intangible assets if the amount of additional economic benefits is expected to exceed the costs. Capitalized costs include employee benefits costs for the software development team and an appropriate share of overhead expenses. All other costs associated with the software (such as maintenance) are expensed as incurred.

Intangible assets are amortized using the straight-line method over their useful lives:

	Useful life (years)
Software	2-11 years
Licenses, franchise	2-50 years
Other intangible assets	3-15 years

When impaired, the carrying amount of intangible assets is written down to the higher of their value in use or fair value less costs of disposal.

Financial instruments – main approaches to evaluation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is a quoted market price in an active market. An active market is a market in which transactions in an asset or liability occur with sufficient frequency and volume to provide valuation information on an ongoing basis.

2 Material accounting policies (continued)

Valuation models, such as the discounted cash flow model, as well as models based on similar market transactions or consideration of the investee's financial data, are used to determine the fair value of financial instruments for which market-based transaction pricing information is not available. The results of fair value measurements are analyzed and classified into levels of the fair value hierarchy as follows: (i) Level 1 refers to estimates based on quoted market prices (unadjusted) in active markets for identical assets or liabilities, (ii) Level 2 refers to estimates obtained using valuation models those in which all significant inputs used that are either directly (for example, price) or indirectly (for example, calculated on a price basis) observable for the asset or liability, and (iii) Level 3 estimates that are estimates not based solely on observable market data (i.e. the valuation requires a significant amount of unobservable inputs).

Amortized cost is the amount at which a financial instrument was measured at initial recognition less principal payments plus or minus accrued interest and, for financial assets – less any allowance for expected credit losses.

The effective interest rate method is a method of allocating interest income or interest expense over a relevant period to provide a constant interest rate in each period (the effective interest rate) on the carrying amount of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument.

Initial recognition of financial instruments.

Financial instruments are initially recognized at fair value. The best evidence of fair value at initial recognition is the transaction price. A gain or loss on initial recognition is recognized only if there is a difference between the fair price and the transaction price as evidenced by other observable current transactions in the market for the same instrument or by a valuation model that uses only observable market data as its basis. Subsequent to initial recognition, an allowance for expected credit losses is recognized for financial assets measured at amortized cost, resulting in the recognition of an accounting loss immediately upon initial recognition of the asset.

Classification and subsequent valuation of financial assets: valuation categories.

The Group classifies financial assets using the following measurement categories: those measured at fair value through profit or loss (FVTPL), those measured at fair value through other comprehensive income and those measured at amortized cost. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the underlying portfolio of assets and (ii) the cash flow characteristics of the asset.

Classification and subsequent valuation of financial assets: business model.

The business model reflects the way the Group manages assets to collect cash flows: whether the Group's objective is (i) to only collect contractual cash flows from assets ("holding assets to collect contractual cash flows"), or (ii) to collect both contractual cash flows and cash flows arising from the sale of assets ("holding assets to collect contractual cash flows and sale"), or, if neither (i) nor (ii) applies, financial assets are classified as "other" business models and measured at fair value through profit or loss.

The business model is determined for a group of assets (at the portfolio level) based on all relevant evidence of the activities that the Group intends to undertake to achieve the objective established for the portfolio at the valuation date. Factors considered by the Group in determining its business model include the purpose and composition of the portfolio, the past cash flow experience of the underlying assets, approaches to valuation and risk management, methods for assessing asset returns and executive compensation arrangements.

2 Material accounting policies (continued)

Classification and subsequent valuation of financial assets: characteristics of cash flows.

If the business model involves holding assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest (the "solely payments of principal and interest test" or "SPPI test"). Financial assets with embedded derivatives are considered in aggregate to determine whether their cash flows are payments solely of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with the terms of the underlying loan agreement, i.e. Interest includes only consideration for credit risk, time value of money, other risks of the underlying loan agreement and profit margin.

Impairment of financial assets: allowance for expected credit losses.

Based on forecasts, the Group estimates expected credit losses associated with debt instruments measured at amortized cost. The Group estimates expected credit losses and recognizes an allowance for credit losses at each reporting date. The estimate of expected credit losses reflects: (i) an unbiased and probability-weighted amount determined by assessing a range of possible outcomes, (ii) the time value of money, and (iii) all reasonable and supportable information about past events, current conditions and projected future economic conditions available at the reporting date without undue cost or effort.

Debt instruments measured at amortized cost, trade and other receivables, and loans given are presented in the consolidated statement of financial position less an allowance for expected credit losses.

The Group applies the simplified impairment model for trade receivables. For other financial assets, the Group applies a three-stage impairment model based on changes in credit quality since initial recognition. A financial instrument that is not impaired at initial recognition is classified as being in Stage 1. For Stage 1 financial assets, expected credit losses are measured at an amount equal to the portion of lifetime expected credit losses that arise from defaults that are likely to occur within the next 12 months or until the contractual maturity date if it occurs before the end of 12 months ("12-month expected credit losses"). If the Group identifies a significant increase in credit risk since initial recognition, the asset is transferred to Stage 2 and the expected credit losses for that asset are estimated based on lifetime expected credit losses, that is, until the contractual maturity date, but taking into account the expected prepayment, if provided ("lifetime expected credit losses"). A description of the Group's determination of a significant increase in credit risk is provided in Note 24. If the Group determines that a financial asset is impaired, the asset is transferred to Stage 3 and its expected credit losses are measured as lifetime expected credit losses. For an explanation of the Group's definition of impaired assets and default, see Note 24. For acquired or originated credit-impaired financial assets, expected credit losses are always measured as lifetime expected credit losses.

Note 24 provides information about the inputs, assumptions and calculation methods used in estimating expected credit losses, including an explanation of how the Group incorporates forward-looking information into its expected credit loss models.

Modification of financial assets.

Occasionally, the Group revises or otherwise modifies the contractual terms of financial assets. The Group assesses whether a modification to contractual cash flows is material, taking into account, among other things, the following factors: the presence of new contractual terms that have a significant impact on the risk profile of the asset, a significant change in the interest rate, or a significant extension of the loan term in cases where the borrower does not is experiencing financial difficulties.

If the modified terms are materially different such that the rights to the cash flows of the original asset expire, the Group derecognizes the original financial asset and recognizes a new asset at fair value. The renegotiation date is the date of initial recognition for purposes of calculating subsequent impairment, including to determine whether there has been a significant increase in credit risk. The Group also evaluates whether the new loan or debt instrument meets the criterion of making payments solely of principal and interest. Any differences between the carrying amount of the original asset that is derecognized and the fair value of a new, significantly modified asset are recognized in profit or loss unless the difference relates to an equity transaction with owners.

2 Material accounting policies (continued)

In a situation where the renegotiation was caused by the counterparty's financial difficulties and its inability to make the originally agreed upon payments, the Group compares the original and adjusted expected cash flows to assess whether the risks and rewards of the asset are significantly different as a result of the modification of the contractual terms. If the risks and rewards do not change, then the modified asset is not significantly different from the original asset and its modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contract cash flows at the original effective interest rate (or the credit risk-adjusted effective interest rate for acquired or originated credit-impaired financial assets) and recognizes the gain or loss on the modification in earnings or loss.

Categories for measuring financial liabilities.

Financial liabilities are classified as subsequently measured at amortized cost.

Cash and cash equivalents.

Cash and cash equivalents include cash on hand and balances in current bank accounts. Cash and cash equivalents are carried at amortized cost because (i) they are held to collect contractual cash flows and those cash flows represent solely payments of principal and interest and (ii) they are not classified as measured at fair value through profit or loss.

Restricted cash balances are excluded from cash and cash equivalents for purposes of preparing the consolidated statement of cash flows. Cash balances that are restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting date are included in other non-current assets.

Trade and other payables.

Trade and other payables are initially measured at fair value and subsequently at amortized cost using the effective interest method.

Advances received

The group applies the practical expedient for short-term advances received from customers. That is the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised amount of consideration is not adjusted for the effect of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Trade payables are accrued when the counterparty has fulfilled its contractual obligations and are measured initially at fair value and subsequently at amortized cost using the effective interest method.

Lease liabilities.

Liabilities arising under lease agreements are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including substantially fixed payments) less lease incentive payments receivable;
- a variable lease payment that depends on an index or rate, initially measured using the index or rate at the commencement date of the lease;
- amounts expected to be paid by the Group under liquidation value guarantees;
- the exercise price of a call option, provided that the Group has reasonable confidence that the option will be exercised;
- payment of penalties for termination of lease agreements if the lease term reflects the Group's exercise of this option.

2 Material accounting policies (continued)

Options to extend and terminate leases are provided for in a number of lease agreements for the Group's office premises. These conditions are used to provide maximum operational flexibility in managing the assets that the Group uses in its activities. Most lease extension and termination options can only be exercised by the Group and not by the relevant lessor. Options to renew (or a period of time after the period specified in the terms of the lease termination options) are included in the lease term only if there is reasonable certainty that the contract will be renewed (or not terminated). The measurement of the liability also includes lease payments that will be made pursuant to the exercise of renewal options if it is reasonably certain that the lease will be renewed.

Lease payments are discounted using the interest rate specified in the lease agreement. If this rate is not readily determinable, which is typically the case for leases held by the Group, the Group uses the incremental borrowing rate, which is the rate at which the Group could borrow funds for a similar term and with similar collateral, necessary to obtain an asset with a value similar to that of a right-of-use asset under similar economic conditions.

To determine the rate for attracting additional borrowed funds, the Group:

- where possible, uses as an input information about the Group's recently received financing from a third party and adjusts it to take into account changes in financing conditions since the receipt of financing from the third party,
- uses a ramp-up approach where the calculation starts with a risk-free interest rate that is adjusted for credit risk, and
- makes adjustments taking into account the specifics of the lease agreement, such as lease term, country, currency and collateral.

Lease payments are divided into principal liabilities and finance charges. Finance charges are recognized in profit or loss over the entire lease period to provide a constant periodic interest rate on the outstanding balance of the obligation each period.

Income tax.

Income taxes are recognized in the consolidated financial statements in accordance with applicable laws enacted or substantively enacted at the end of the reporting period. Income tax expense includes current and deferred taxes and is recognized in profit or loss for the year.

Current tax is the amount that is expected to be paid to the tax authorities (recovered from the budget) in respect of taxable profit or loss for the current and previous periods. Taxable profits or losses are based on accounting estimates if the consolidated financial statements are authorized before the related tax returns are filed. Taxes other than income taxes are recognized as operating expenses.

Deferred income taxes are provided using the balance sheet liability method on tax loss carryforwards and temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In accordance with the initial recognition exception, deferred taxes are not recognized for temporary differences arising on the initial recognition of an asset or liability in transactions that do not involve business combinations that affect neither accounting nor taxable profit. The carrying amount of deferred tax is calculated using tax rates enacted or substantively enacted at the end of the reporting period that are expected to apply to the period when the temporary differences reverse or the tax loss carry forward is utilized.

Deferred tax assets for deductible temporary differences and tax loss carryforwards are recognized only to the extent that it is probable that the temporary differences will reverse and sufficient future taxable profit will be available against which the deductible temporary differences can be utilized.

Offsetting deferred tax assets and liabilities is possible when the law provides for the right to offset current tax assets and liabilities, and when deferred tax assets and liabilities relate to income taxes assessed by the same tax authority to the same taxable person or to different taxable persons, despite the fact that there is an intention to make settlements by means of offset. Deferred tax assets can only be offset against deferred tax liabilities within each individual Group entity.

2 Material accounting policies (continued)

The Group controls the reversal of temporary differences relating to taxes on dividends of subsidiaries or profits from their sale. The Group does not record deferred tax liabilities on such temporary differences unless management expects the temporary differences to reverse in the foreseeable future.

Uncertain tax positions.

The Group's uncertain tax positions are assessed by management at the end of each reporting period. Liabilities are recorded for income tax positions when management believes that it is more probable than not that additional tax liabilities will arise if the Group's tax position is challenged by the tax authorities. This estimate is made based on the interpretation of tax laws enacted or substantively enacted at the end of the reporting period, as well as any known court rulings or other decisions on similar matters. Liabilities for fines, penalties and taxes, other than income taxes, are recorded based on management's best estimate of the costs required to settle the liability at the end of the reporting period. Adjustments for uncertain income tax positions, excluding penalties and interest, are recorded as income tax expense. Adjustments for uncertain income tax positions in terms of penalties and interest are reflected in finance costs and other income/(losses), net, respectively.

Prepayment.

Prepayment is reflected in the consolidated financial statements at actual costs less any allowance for impairment. A prepayment is classified as non-current if the expected period of receipt of the goods or services relating to it exceeds one year, or if the prepayment relates to an asset that will be accounted for as non-current on initial recognition. The prepayment for the acquisition of an asset is included in its carrying amount when the Group obtains control of the asset and it is probable that future economic benefits associated with it will flow to the Group. Other prepayments are written off to profit or loss when the goods or services related to them are received.

Share Capital.

The share of ownership of the founders of the Company is classified as capital since the Company has the unconditional right not to extinguish the share of ownership of the members in accordance with the charter and legislation.

The share capital is represented by monetary and non-monetary investments at fair value from the shareholders of the Company and is equal to the amount registered in the statutory documents of the Company. An increase or decrease in the share capital can be carried out based on a decision of the founders after making appropriate changes to the statutory documents of the Company.

Dividends.

Dividends are recognized as a liability and deducted from equity in the period in which they are declared and approved. Dividends declared after the reporting date but before the consolidated financial statements are authorized for issue are disclosed in the Note 15 The distribution of profit and its other expenses are carried out based on financial statements prepared in accordance with IFRS. Profit distribution is limited to the net profit of the current year.

Revenue from contracts with customers.

Revenue is income arising in the ordinary course of business of the Group. Revenue is recognized at the transaction price. The transaction price represents the consideration to which the Group expects to be entitled in exchange for the transfer of control of promised goods or services to the buyer, excluding amounts received on behalf of third parties. Revenue is recognized net of value added tax and discounts. Revenue from the sale of services is recognized over a period and at a specific point in time.

The Group's consolidated revenue is primarily related to the provision of processing services. The sale of each type of service is subject to a separate, identifiable contract with a separate buyer.

The Group does not expect to enter into contracts that provide for a period of more than one year between the transfer of promised services to the customer and payment by the customer. Accordingly, the Group does not adjust transaction prices to take into account the time value of money.

2 Material accounting policies (continued)

Revenue recognition.

The Group provides processing and other related services under fixed and variable fee contracts. If the Group transfers control of a service during a period and therefore satisfies a performance obligation during the period, revenue from the provision of services is recognized in the reporting period in which the services are provided. Under fixed fee contracts, revenue is recognized based on the volume of services actually provided until the end of the reporting period, in proportion to the total volume of services provided, since the buyer simultaneously receives and consumes the benefits. If the Group does not transfer control of a service during the period, revenue from the provision of services is recognized at the point in time at which the Group satisfies the performance obligation.

If contracts include multiple performance obligations, the transaction price is allocated to each individual performance obligation based on the ratio of prices when they were sold separately. If such prices are not observable, they are calculated based on expected costs plus margin.

Customers are billed monthly and refunds are due upon invoice. If a contract includes variable consideration, revenue is recognized only to the extent that it is probable that there will be no significant decrease in such revenue in future periods.

Transaction processing fees. Payment processing revenues are primarily generated by payment transactions (from merchants and banks) and commission income from the range of services the Group provides to its customers. Revenues (commissions) from payment services represent a single performance obligation that is satisfied over time. The Group has determined that the transaction price at initiation is the fixed price according to officially published tariffs. The variable component depends on the volume of transactions. The Group recognizes a variable portion of revenue (from commissions) over time after the successful completion of the underlying transaction.

Non-transactional processing fees. In addition to revenues generated at the time a transaction is executed at the reader, the Group provides services for batch processing of transactions over a period of time, typically a calendar month, as well as one-time services for the provision of services. Payment service revenues (fees) represent a single performance obligation that is satisfied over time. The Group has determined that the transaction price at initiation is a fixed price. The variable component depends on the volume of services provided over a period of time. The Group recognizes the variable portion of revenue (from fees) over time after the successful completion of the underlying transaction.

Other services. The Group provides connection services to its software, which is not a separate service, as it is necessary for customers to have continuous access to the Group's network to receive the Company's core service - Transaction Processing Services, etc. Connection services are accounted for together with the corresponding core services provided by the Group. Revenue for connection is recognized over the period using the straight-line method.

Costs to fulfill the contracts and liabilities under contracts with customers. The Group acquires software that are intended to fulfill obligations under contracts with customers in the form of software.

Before incurring costs for the acquisition of assets that will be used in fulfilling the contracts with customers, the Group estimates the expected quantity of assets that will be requested by banking clients. Procurement is carried out only under contracts already concluded or expected in the near future. Software licenses are purchased specifically to connect banking clients to the Group's network, that is, to fulfill obligations under connection agreements. Under IFRS 15, only those costs that generate resources that will be used to satisfy future performance obligations and are expected to be recovered are recognized as assets. The Group amortizes assets related to the costs of the acquired license over the period over which the related connection revenue is recognized which the management estimates as 60 months based on useful lives of the assets.

2 Material accounting policies (continued)

Remuneration of employees.

The calculation of wages, contributions to the state pension fund of the Republic of Uzbekistan and the social insurance fund, paid annual leave and sick leave, bonuses, as well as non-monetary benefits (such as health care services and kindergartens) is carried out in the year in which the services defining these types of benefits were provided by the Group's employees. The Group does not have any legal or constructive obligation to pay pensions or similar benefits in excess of payments under the government's defined contribution plan.

3 Critical accounting estimates and judgements in applying accounting policy.

The Group makes accounting estimates and assumptions that affect the amounts recognized in the consolidated financial statements and the carrying amounts of assets and liabilities in the next financial year. Accounting estimates and judgments are subject to ongoing review and are based on management's past experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. In the process of applying accounting policies, management also uses professional judgment other than those associated with accounting estimates. Judgments that have the most significant effect on the amounts recognized in the consolidated financial statements and accounting estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Deferred income tax.

As set out in the Note 2, the Company is a resident of the Technology Park of software products and information technologies and is exempt from paying income tax on activities carried out within the Republic of Uzbekistan until 1 January 2028. As at 31 December 2024, the Company has taxable and deductible differences in relation to the accounting and tax basis of assets and liabilities. Management estimates that a portion of these differences will be reversed during the income tax exemption period and, accordingly, the Group does not recognize deferred income tax liabilities and assets in respect of such amounts as at 31 December 2024.

Initial recognition of transactions with related parties.

In the normal course of business, the Group enters into transactions with related parties. IFRS 9 "Financial Instruments" requires financial instruments to be initially recognized at fair value. In the absence of an active market for such transactions, judgment is used to determine whether transactions were conducted at market or non-market interest rates. The basis for judgment is the pricing of similar types of transactions with unrelated parties and effective interest rate analysis. Conditions regarding transactions with related parties are reflected in Note 7.

Evaluation of expected credit losses.

An estimate of expected credit losses is a significant estimate that uses estimation methodology, models and input data to arrive at it. Details of the methodology for estimating expected credit losses are disclosed in Note 30. The following components have a significant impact on the allowance for credit losses: definition of default, significant increase in credit risk, probability of default, exposure to default and loss in case of default, and macroeconomic scenario models. The Group regularly reviews and validates models and data inputs to reduce differences between estimated expected credit losses and actual loan losses.

3 Critical accounting estimates and judgements in applying accounting policy. (continued)

Significant increase of credit risk.

To determine whether there has been a significant increase in credit risk, the Group compares the risk of default over the life of the financial instrument at the reporting date with the risk of default at the date of initial recognition. The assessment process considers the relative increase in credit risk rather than the specific level of credit risk at the reporting date. The Group considers all reasonable and supportable forward-looking information that is available without undue cost or effort, including a number of factors, including the behavioral aspects of specific client portfolios. The Group determines behavioral indicators of increasing credit risk prior to default and includes relevant forward-looking information in assessing credit risk at the individual instrument or portfolio level. See Note 30.

Modification of financial assets.

When financial assets are modified by contract (for example, as a result of a renegotiation), the Group assesses whether the modification is material and should result in the derecognition of the original asset and recognition of a new asset at fair value. This estimate is based primarily on qualitative factors described in the relevant accounting policies and requires significant judgment. In particular, the Group applies judgment in deciding whether to derecognize impaired renegotiated loan agreements and whether newly recognized loans should be treated as impaired at initial recognition. The decision whether to derecognize depends on whether the risks and rewards, that is, the expected cash flows (rather than the contractual cash flows), will change as a result of the modification. Management determined that as a result of the modification of such loans, the risks and rewards did not change and, therefore, all such modifications and loans were not substantially derecognized or reclassified out of impairment.

Useful life of property, plant and equipment.

The useful lives of property, plant and equipment were estimated using professional judgment based on existing experience with similar assets. Future economic benefits associated with these assets will primarily arise from their use. However, other factors, such as technological or commercial obsolescence and depreciation of property, plant and equipment, often reduce the economic benefits associated with those assets. Management estimates the remaining useful life of property, plant and equipment based on the current technical condition of the assets and taking into account the estimated period during which these assets will bring economic benefits to the Group. The following main factors are taken into account: (a) the expected life of the assets; (b) expected physical wear and tear of property, plant and equipment, which depends on operational characteristics and maintenance schedules; and (c) obsolescence of property, plant and equipment from a technological and commercial point of view as a result of changes in market conditions.

Depreciation of right-of-use assets.

Options for extension and termination of contracts are provided for a number of lease agreements for the Group's office premises. They are used to maximize operational flexibility in terms of managing assets used in the Group's activities. Most of the conditions regarding the possibility of renewal and termination of contracts can only be used by the Group and not by the relevant lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to renew the lease or to forego the option to terminate the lease. Options to renew contracts (or periods of time after the period specified in the terms of the options to terminate contracts) are included in the lease term only if there is reasonable certainty that the contract will be renewed (or not terminated).

3 Critical accounting estimates and judgements in applying accounting policy. (continued)

For renting office space, as a rule, the most significant factors are:

- The Group generally has reasonable confidence that it will renew (or not terminate) a lease if there are significant penalties for terminating (or not renewing) a lease.
- The Group generally has reasonable assurance that it will renew (or not terminate) a lease if any capitalized costs to improve the leased asset are expected to have a significant residual value. In other cases, the Group considers other factors, including the historical length of the lease and the costs and disruption to the normal course of business that would be required to replace the leased asset. The majority of renewal options for office leases were not reflected in lease assets and liabilities because the Group had the ability to replace the assets without significant cost or disruption to the normal course of business.

The majority of renewal options for leases of office premises and vehicles were not reflected in lease assets and liabilities as the Group had the ability to replace the assets without significant cost or disruption to the normal course of business.

Discount rates used in determining lease liabilities.

If the interest rate implicit in the lease cannot be determined reliably, the Group uses the incremental borrowing rate as the basis for calculating the discount rate.

The application of the rate for attracting additional borrowed funds is determined by the following factors: market bank rates in the Republic of Uzbekistan were used as the discount rate, since the lessors are local organizations.

Revision of financial statements presentation

For the year ended 31 December 2024, the Group changed the presentation of the consolidated statement of profit or loss and other comprehensive income from classification of expenses by function to classification by nature.

Management believes that classification of expenses by nature allows for more relevant information to be provided to users of the financial statements and is also a global practice in the financial technology and processing industry.

In this regard, the following reclassifications were made in the comparable period, for the year ended 31 December 2023:

<i>In thousands of USD</i>	2023		
	As previously reported	Adjustments	As reclassified
General and administrative expenses	(11,790)	11,790	-
Cost of sales	(9,771)	9,771	-
Staff expenses	-	(9,424)	(9,424)
Depreciation and amortization	-	(4,421)	(4,421)
Other operating expenses, net	450	(2,133)	(1,683)
Taxes and other mandatory payments	-	(1,793)	(1,793)
Cost of processing and maintenance of equipment	-	(1,329)	(1,329)
Product promotion and customer acquisition costs	-	(1,302)	(1,302)
Professional services and office expenses	-	(987)	(987)
Foreign exchange loss, net	-	(172)	(172)

The change did not have an impact on the consolidated statement of profit or loss and other comprehensive income for the period, or on the Group's consolidated statement of cash flows as at 31 December 2023.

4 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's financial statements.

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements.

5 Standards and interpretations issued but not yet effective

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

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Group's financial statements.

5 Standards and interpretations issued but not yet effective (continued)**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

6 Subsidiaries

The consolidated financial statements include the following major subsidiaries:

Subsidiary	Nature of activities	Interest and voting rights		
		As at 31 December		Country of incorporation
		2024	2023	
"UNIVERSAL PLATFORMS" LLC	Services in the field of information technology and computer systems	100.00%	100.00%	Uzbekistan
"UC VENTURE FUND» LLC	Financial services (excluding insurance and pension funds)	100.00%	100.00%	Uzbekistan
"FISCAL INFORMATION AUTOMATION SYSTEM" LLC	Data hosting and processing services	99.48%	51.00%	Uzbekistan
"PROJECT MANAGERS" LLC	Computer programming services	96.30%	96.30%	Uzbekistan

6 Subsidiaries (continued)

Acquisition of additional interest in “FISCAL INFORMATION AUTOMATION SYSTEM” LLC

In November 2024, the Group acquired an additional 48.48% of non-controlling interest in “FISCAL INFORMATION AUTOMATION SYSTEM” LLC increasing its ownership interest to 99.48%. The consideration for the acquisition amounted to USD 732 thousand, represented by conversion of loans previously issued to the subsidiary into equity. Following is a schedule of additional interest acquired in “FISCAL INFORMATION AUTOMATION SYSTEM” LLC:

<i>In thousands of USD</i>	2024
Consideration paid to non-controlling shareholders	-
Carrying value of the additional interest in subsidiary	(319)
Difference recognised in retained earnings	(319)

Disposal of OOO «AVTOMATLASHTIRILGAN TRANSPORT TO'LOV TIZIMI OPERATORI»

In July 2023, the Group lost control over «AVTOMATLASHTIRILGAN TRANSPORT TO'LOV TIZIMI OPERATORI» as a result of sale of 87,06% of its voting shares to one of the stakeholders of the Company for a total consideration of USD 2,906 thousand, which was settled against dividends payable to the shareholder of the Company. The Group has recognized a gain on disposal of USD 721 thousand on this disposal in its consolidated financial statements.

A summary of assets and liabilities in «AVTOMATLASHTIRILGAN TRANSPORT TO'LOV TIZIMI OPERATORI» LLC as at the date of disposal were as follows:

<i>in thousands of USD</i>	
Property, plant and equipment	1,476
Intangible assets	886
Investments	136
Inventories	86
Other assets	50
Total assets	2,634
Accounts payable to employees	(65)
Other liabilities	(64)
Total liabilities	(129)
Net identifiable assets	2,505
Non-controlling interests	(320)
Net identifiable assets attributable to the Group	2,185
Total consideration	2,906
Translation to presentation currency	(64)
Net gain on disposal	657

7 Related parties

Parties are generally considered related if they are under common control, or one party could control the other party or can exercise significant influence or joint control over the other party's financial and operating decisions. When considering relationships with each of the possible related parties, the economic content of such relationships is considered, and not just their legal form.

7 Related parties (continued)

The balances with related parties are presented below:

	As at 31 December			
	2024		2023	
<i>In thousands of USD</i>	Shareholders	Other related parties	Shareholders	Other related parties
Trade and other receivables	-	494	-	3
Loans issued	53	12,150	76	5,978
Allowance for expected credit losses	-	(2,519)	-	(1,427)
Liabilities under contracts with customers	-	-	-	18
Lease liabilities	-	2,728	-	1,721
Trade and other payables	2,731	204	-	2

The transactions with related parties are presented below:

<i>In thousands of USD</i>	2024	2023
Other related parties		
Revenue from contracts with customers	18	37
Product promotion and customer acquisition costs	(368)	-
Other operating income expenses, net	(62)	(683)
Net expected credit losses on financial assets	(476)	-
Finance income	2,176	-

Terms and conditions of transactions with related parties

Loans to related parties were issued at non-market interest rates. For the year ended 31 December 2024, the Group recognized a loss on initial recognition on loans issued to related parties in the amounts of USD 730 thousand (2023: USD 442 thousand).

Remuneration of key management personnel

Key management personnel consist of Chief Executive Officer, Deputy Chief Executive Officers, and Members of Supervisory Board of the Company.

In 2024, remuneration of key management personnel included only short-term benefits to 11 employees and amounted to USD 3,906 thousand (2023: USD 2,531 thousand).

UCMG fees

On July 1, 2024, the Group entered into management services agreements with UCMG. Under these agreements, the Management Company will exercise the rights and perform the duties of the executive body of the Group. The base fee for the Management Company's services is set at 2% of the Group's gross revenue, payable on a monthly basis. From August 2024, Company paid USD 846 thousand in total to UCMG for the management services.

UZCARD Group
Notes to the consolidated financial statements – December 31, 2024

8 Property, plant and equipment

Changes in the carrying amount of property, plant and equipment are presented below:

<i>In thousands of USD</i>	Buildings and constructions	Machinery and equipment	Office and computer equipment	Other property, plant and equipment	Construction in progress	Total
Net book value as at 1 January 2023, incl. (unaudited):	11	5,954	1,506	1,053	84	8,608
Initial cost as at 31 December 2022	12	8,621	4,751	1,895	84	15,363
Accumulated depreciation as at December 2022	(1)	(2,667)	(3,245)	(842)	-	(6,755)
Additions	-	-	403	211	8,652	9,266
Transfers to property, plant and equipment	-	6,547	528	234	(7,309)	-
Disposals	-	-	(36)	(10)	-	(46)
Disposal of the subsidiary (Note 6)	-	-	(190)	(1,286)	-	(1,476)
Depreciation	(1)	(1,814)	(658)	(95)	-	(2,568)
Translation to presentation currency	(1)	(766)	(136)	(31)	(72)	(1,006)
Net book value as at 31 December 2023, incl.:	9	9,921	1,417	76	1,355	12,778
Initial cost as at 31 December 2023	11	14,073	4,917	206	1,355	20,562
Accumulated depreciation as at 31 December 2023	(2)	(4,152)	(3,500)	(130)	-	(7,784)
Additions	-	86	-	-	2,177	2,263
Transfers to property, plant and equipment	-	3,023	222	206	(3,451)	-
Disposals – initial cost	-	(444)	(1,432)	(43)	(47)	(1,966)
Disposals - depreciation	-	378	1,408	20	-	1,806
Depreciation	-	(2,218)	(590)	(100)	-	(2,908)
Translation to presentation currency	-	(416)	(325)	216	(34)	(559)
Net book value as at 31 December 2024, incl.:	9	10,330	700	375	-	11,414
Initial cost as at 31 December 2024	11	16,090	3,425	642	-	20,168
Accumulated depreciation as at 31 December 2024	(2)	(5,760)	(2,725)	(267)	-	(8,754)

UZZCARD Group
Notes to the consolidated financial statements – December 31, 2024

9 Intangible assets

<i>In thousands of USD</i>	Software	Trademarks	Patents, licenses and know-how	Other intangible assets	Total
Net book value as at 1 January 2023, incl. (unaudited):	1,774	3	1,491	2	3,270
Initial cost as at 31 December 2022	2,345	4	1,959	2	4,310
Accumulated amortization as at 31 December 2022	(571)	(1)	(468)	–	(1,040)
Additions	–	–	61	2,426	2,487
Transfers to/(from) intangible assets	844	2	931	(1,777)	–
Disposals	–	–	–	(2)	(2)
Disposal of the subsidiary (Note 6)	(778)	–	(108)	–	(886)
Amortization	(278)	(1)	(227)	–	(506)
Translation to presentation currency	(138)	–	(166)	(32)	(336)
Net book value as at 31 December 2023, incl.:	1,424	4	1,982	617	4,027
Initial cost as at 31 December 2023	2,019	6	2,612	617	5,254
Accumulated amortization as at 31 December 2023	(595)	(2)	(630)	–	(1,227)
Additions	–	–	–	1,186	1,186
Transfers to/(from) intangible assets	943	–	392	(1,335)	–
Disposals – initial cost	(1)	(6)	(80)	(196)	(283)
Disposals – amortization	1	2	52	–	55
Amortization	(329)	(1)	(344)	–	(674)
Translation to presentation currency	(78)	1	(89)	(21)	(187)
Net book value as at 31 December 2024, incl.:	1,960	–	1,913	251	4,124
Initial cost as at 31 December 2024	2,850	–	2,801	251	5,902
Accumulated amortization as at 31 December 2024	(890)	–	(888)	–	(1,778)

10 Right-of-use assets and Leases liabilities

The Group has entered into commercial leases for premises. Leases are typically for fixed periods ranging from 6 months to 5 years but may include options to extend the lease.

Options for extension and termination of lease agreements are provided for in several lease agreements for the Group's office premises. They are used to maximize operational flexibility in terms of managing assets used in the Group's activities.

Lease agreements do not contain any covenants other than ensuring the performance of obligations on leased assets owned by the lessor. Leased assets cannot be used as collateral for loans and credits.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

<i>In thousands of USD</i>	2024	2023
Net book value as at 31 December 2023, incl.:	1,553	2,027
Initial cost as at 31 December 2023	3,690	3,483
Accumulated depreciation as at 31 December 2023	(2,137)	(1,456)
Additions	2,025	811
Disposals	(60)	(272)
Depreciation	(962)	(857)
Translation to presentation currency	(91)	(156)
Net book value as at 31 December 2024, incl.:	2,465	1,553
Initial cost as at 31 December 2024	5,452	3,690
Accumulated depreciation as at 31 December 2024	(2,987)	(2,137)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

<i>In thousands of USD</i>	2024	2023
As at 1 January	1,728	2,256
Additions	1,965	539
Accretion of interest	398	392
Payments	(1,242)	(1,266)
Translation to presentation currency	(102)	(193)
As at 31 December	2,747	1,728
Short-term	787	523
Long-term	1,960	1,205

11 Loans issued

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
Loans issued to legal entities	15,244	18,555
Loans issued to employees	74	252
Less: allowance for expected credit losses	(4,140)	(7,242)
Total loans issued	11,178	11,565

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
Current portion of loans issued	15,318	18,747
Non-current portion of loans issued	–	60
Less: allowance for expected credit losses	(4,140)	(7,242)
Total loans issued	11,178	11,565

Below are the changes in loans issued by the Group:

<i>In thousands of USD</i>	2024	2023
As at 1 January	11,565	7,780
New loans issued	7,019	15,801
Loans repaid	(549)	(5,274)
Loans settled through net-off with dividends (Note 15)	(11,152)	–
Loss on initial recognition	(1,597)	(1,235)
Interest accrued	3,970	2,182
Interest paid	(3)	(856)
Write-off	(31)	–
Allowance for expected credit losses	2,835	(5,719)
Withheld from employees	(113)	(404)
Translation to presentation currency	(766)	(710)
As at 31 December	11,178	11,565

Movements in the provision for expected credit losses of loans issued were as follows:

<i>In thousands of USD</i>	2024	2023
As at 1 January	7,242	1,978
Charge for the year	573	7,011
Recovery	(3,408)	(1,292)
Translation to presentation currency	(267)	(455)
As at 31 December	4,140	7,242

Set out below is the information about the credit risk exposure on loans issued by the Group:

<i>In thousands of USD</i>	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Expected credit loss rate	3.35%	25.18%	59.63%	27.15%
Gross carrying amount	2,564	10,309	2,445	15,318
Expected credit loss	(86)	(2,596)	(1,458)	(4,140)
31 December 2023				
Expected credit loss rate	–	19.32%	100.00%	38.51%
Gross book value	–	14,334	4,473	18,807
Expected credit loss	–	(2,769)	(4,473)	(7,242)

12 Trade and other receivables

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
Financial assets		
Trade receivables from:		
- Banks rated from B- to B+	2,543	4,811
- Banks rated from BB- to BB+	6,695	1,407
- Banks unrated and other entities	1,692	1,011
	10,930	7,229
Non-financial assets		
Prepayments	2,009	871
Tax prepayments other than income tax	76	16
Other receivables	325	770
	2,410	1,657
Trade and other receivables	13,340	8,886

Trade receivables are mainly represented by fee and commission receivables from local banks. All amounts outstanding as at 31 December 2024 and 2023 are short-term, not past due and are generally recoverable. Expected credit losses are immaterial as at 31 December 2024 and 2023. Trade receivables are not secured, and no interest is charged on the trade receivables. The Group uses credit ratings per Fitch rating agency in disclosing credit quality.

13 Costs to fulfill the contracts and liabilities under contracts with customers

As at 31 December 2024, the Group has costs to fulfill the contracts with customers in the amount of USD 1,361 thousand (2023: USD 1,993 thousand).

The Group recognized the following liabilities under contracts with customers:

<i>In thousands of USD</i>	2024	2023
As at 1 January	1,782	2,366
Deferred during the year	–	360
Recognized as revenue during the year	(620)	(749)
Translation to presentation currency	(68)	(195)
As at 31 December	1,094	1,782
Short-term	340	620
Long-term	754	1,162

Management expects that 31% (USD 340 thousand) of the transaction price related to contracts outstanding as at 31 December 2024 will be recognized as revenue during the next reporting period.

All other contracts are concluded for periods of no more than one year or provide for invoicing based on time spent.

14 Cash and cash equivalents

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
Current accounts with banks – UZS	7,528	1,139
Current accounts with banks – US dollars	131	8
Total cash and cash equivalents	7,659	1,147

15 Equity

On April 9, 2024, the Company was reorganized into a joint-stock company in accordance with the requirements of the Presidential Decree №381 dated November 30, 2023 "On measures to strengthen the protection of the rights of consumers of digital products (services) and combating offenses committed through digital technologies".

The company issued 50,000,000 shares with the nominal value of 1,000 UZS. After the issue the ownership structure of the company did not change.

The total share capital of 50,000,000 thousand of UZS is equivalent to 5,732 thousand of USD.

As at 31 December 2024 share capital of the Company comprised USD 5,732 thousand (2023: USD 5,732 thousand).

In February 2024, the group allocated USD 94 thousand from retained earnings, to increase other capital reserves.

All dividends are declared and paid in Uzbek soums. The legislation of the Republic of Uzbekistan requires the Company to distribute as dividends net profit for the period based on the data of separate financial statements prepared in accordance with international financial reporting standards.

At the Shareholders' Meetings during 2024, the Group declared dividends in respect of the year ended 31 December 2024, totaling USD 65,605 thousand, out of which USD 51,551 thousand were repaid in cash and USD 11,152 thousand were settled against loans issued to the shareholder of the Company (Note 11).

At the Shareholders' Meetings during 2023, the Group declared dividends in respect of the year ended 31 December 2023, totaling USD 40,914 thousand, out of which USD 38,048 thousand were repaid in cash and USD 2,906 thousand were settled against dividends payable to the shareholder of the Company (Note 6).

As of 31 December 2023, the Group has fully paid all declared dividends.

In July 2023, the owners of the Company distributed part of retained earnings of the Company to increase its share capital in the amount of USD 676 thousand in accordance with the Resolution of the Board of the Central Bank of the Republic of Uzbekistan №3431 dated 5 May 2023 "On the procedure for licensing the activities of operations of payment systems and payment organizations".

16 Trade and other payables

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
<i>Financial liabilities</i>		
Dividends payable	2,731	-
Payables for services	627	190
Payables for intangible assets	-	911
Payables for property, plant and equipment	-	512
Other payables	5	263
Total financial liabilities	3,363	1,876
<i>Non-financial liabilities</i>		
Tax payables	35	29
Payables to employees	20	20
Total non-financial liabilities	55	49
Total trade and other payables	3,418	1,925

As at 31 December 2024 and 2023 trade and other payables were not interest bearing.

17 Provisions

<i>In thousands of USD</i>	As of December 31	
	2024	2023
Reserve for annual employee benefits	2,089	-
Provisions for customer acquisition programs	1,030	-
Unused vacation reserves	667	683
Total provisions	3,786	683

Reserve for annual employee benefits

<i>In thousands of USD</i>	2024
As at 1 January	-
Reserve for annual employee benefits charge	2,600
Annual employee benefits paid	(457)
Translation to presentation currency	(54)
As at 31 December	2,089

Provisions for customer acquisition

In 2024, the Group entered into partnership agreements with major banks in Uzbekistan, obligating payments upon meeting specific criteria. Compensation will be paid within two weeks after the partnering banks achieve the target number of newly issued and active Uzcard plastic cards each quarter. As of 31 December 2024, the total accrual on partnership agreements amounted to USD 1,030 thousand.

Unused vacation reserves

<i>In thousands of USD</i>	2024	2023
As at 1 January	683	196
Unused vacation reserves charge	465	957
Payments for vacations and compensation for unused vacations	(449)	(426)
Translation to presentation currency	(32)	(44)
As at 31 December	667	683

18 Revenue from contracts with customers

<i>In thousands of USD</i>	2024	2023
Transaction processing fees	95,800	73,655
Non-transaction processing fees	6,504	3,913
Other income	268	220
Total revenue from contracts with customers	102,572	77,788

Revenue by timing of revenue

<i>In thousands of USD</i>	2024	2023
Services transferred at a point in time	101,935	76,995
Services transferred over time	637	793
Total revenue from contracts with customers	102,572	77,788

19 Staff costs

<i>In thousands of USD</i>	2024	2023
Salary expenses	8,158	8,399
Bonuses	1,972	2
Allowances, material assistance to employees	263	207
Medical care	64	-
Unused vacations reserve charge	16	592
Unified social payment	63	224
Total staff costs	10,536	9,424

20 Depreciation

<i>In thousands of USD</i>	2024	2023
Depreciation of property, plant and equipment	2,908	2,568
Depreciation of the right of use	962	857
Depreciation of intangible assets	674	506
Depreciation of costs of fulfilling contracts with customers	554	490
Total depreciation	5,098	4,421

21 Product promotion and customer acquisition costs

<i>In thousands of USD</i>	2024	2023
Customer acquisition programs	2,913	550
Sponsorships	831	88
Costs of product promotion events and prizes	661	99
Marketing expenses	336	546
Brand promotion expenses	172	19
Total for product promotion and customer acquisition costs	4,913	1,302

22 Professional services and office expenses

<i>In thousands of USD</i>	2024	2023
Consulting and professional services	1,083	467
Audit expenses	356	57
Expenses on corporate events	319	303
Travel expenses	150	95
Representation expenses	68	1
Expenses on training and recruitment	65	6
Communications and internet expenses	13	37
Other administrative expenses	25	21
Total professional services and office expenses	2,079	987

23 Taxes and other mandatory payments

<i>In thousands of USD</i>	2024	2023
Contributions to IT Park	1,191	699
Other taxes and obligatory payments	1,019	1,094
Total taxes and other obligatory payments	2,210	1,793

24 Cost of processing and maintenance of equipment

<i>In thousands of USD</i>	2024	2023
Expenses on processing software	1,651	940
Notifications and SMS messages	187	90
Maintenance of data centers, acquiring network	97	154
Communication and Internet	82	85
Third-party services	15	22
Inventory for data centers and infrastructure	22	38
Total expenses for processing and equipment maintenance	2,054	1,329

25 Other operating expenses, net

<i>In thousands of USD</i>	2024	2023
Income from disposal of fixed assets and intangible assets	(45)	(62)
Other income	(34)	(351)
Total other operating income	(79)	(413)
Expenses on Supervisory Board	3,325	1,484
Expenses from disposal of fixed assets and intangible assets	191	49
Inventory expenses	146	100
Corporate software expenses	116	72
Expenses on utilities and other office maintenance services	113	115
Expenses on equipment repair and maintenance services	76	64
Fuel expenses	48	41
Rent of premises, equipment expenses	47	64
Expenses on banking services	10	17
Other expenses	262	90
Total other operating expenses	4,334	2,096
Total other operating expenses, net	4,255	1,683

26 Finance income

<i>In thousands of USD</i>	2024	2023
Interest income on loans	3,970	2,182
Interest income on deposits	43	124
Dividend income	-	30
Total finance income	4,013	2,336

27 Finance costs

<i>In thousands of USD</i>	2024	2023
Losses on initial recognition of loans issued	1,597	1,235
Interest expenses - leases	398	392
Interest expenses	-	327
Other finance expenses	-	312
Total finance costs	1,995	1,986

28 Income tax expenses

Income tax expense reported in profit or loss for the year includes the following components:

<i>In thousands of USD</i>	2024	2023
Current income tax	318	260
Deferred income tax	187	94
Income tax expense for the year	505	354

The current income tax rate applicable to the Group's profits for 2023-2024 is 15%. Meanwhile, the Company is registered as a member of IT-park and, therefore, uses the system of tax benefits as per Resolution of the Ministry Cabinet of the Republic of Uzbekistan №589 dated July 15, 2019, 'On measures to organize the activities of the Technological Park of software products and information technologies.

Below is a reconciliation of estimated and actual income tax expenses.

<i>In thousands of USD</i>	2024	2023
Profit before tax	76,270	51,965
Estimated amount of income tax expense at the statutory rate of 15%	11,441	7,795
Tax effect of expenses that do not reduce the tax base and income not included in the tax base:		
- Non-taxable income	(11,768)	(11,668)
- Expenses that do not reduce the tax base	832	4,227
Income tax expense for the year	505	354

Differences between IFRS and the tax legislation of the Republic of Uzbekistan result in temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their basis for calculating income tax. The tax consequences of the reversal of these temporary differences are detailed below.

The tax effects of the changes in temporary differences for the years ended 31 December are as follows:

<i>In thousands of USD</i>	31 December 2023	Recognized in profit and loss	31 December 2024
Tax effect of deductible/(taxable) temporary differences			
Property, plant and equipment	75	(6)	69
Intangible assets	(189)	(164)	(353)
Non-current assets	(4)	15	11
Allowance for expected credit losses for financial assets	1	10	11
Accounts receivable	10	(17)	(7)
Liabilities under contracts with customers	5	(1)	4
Loans issued	5	(1)	4
Lease liabilities	28	(17)	11
Right-of-use assets	(3)	(6)	(9)
Other	1	11	12
Translation to presentation currency	1	(11)	(10)
Net deferred tax liabilities	(70)	(187)	(257)
Recognized deferred tax asset	126	(32)	94
Recognized deferred tax liability	(196)	(155)	(351)
Net deferred tax liabilities	(70)	(187)	(257)

28 Income tax expenses (continued)

The tax effects of the changes in temporary differences for the years ended 31 December are as follows:

<i>In thousands of USD</i>	1 January 2023	Recognized in profit and loss	31 December 2023
Tax effect of deductible/(taxable) temporary differences			
Property, plant and equipment	40	35	75
Intangible assets	(59)	(130)	(189)
Non-current assets	(18)	14	(4)
Allowance for expected credit losses for financial assets	-	1	1
Accounts receivable	26	(16)	10
Liabilities under contracts with customers	13	(8)	5
Loans issued	13	(8)	5
Lease liabilities	18	10	28
Right-of-use assets	(11)	8	(3)
Other	1	-	1
Translation to presentation currency	1	-	1
Net deferred tax assets/(liabilities)	24	(94)	(70)
Recognized deferred tax asset	112	14	126
Recognized deferred tax liability	(88)	(108)	(196)
Net deferred tax assets/(liabilities)	24	(94)	(70)

29 Commitments and contingencies

Commitments. As at 31 December 2024 and 2023, the Group have contractual commitments in respect of acquisition of property, plant and equipment and intangible assets in the amount of USD 1,866 thousand and USD 3,381 thousand, respectively.

Litigation. The Group may be subject to claims from time to time in the normal course of business. Based on its own assessment, management believes that the Group does not have litigations that have a material effect on the Group's results of operations or financial position.

Contingent tax liabilities. The tax and customs legislation of the Republic of Uzbekistan, which was in force or substantively entered into force at the end of the reporting period, allows for the possibility of different interpretations in relation to the Group's transactions and operations. In this regard, management's position regarding taxes and documents substantiating this position may be challenged by the tax authorities. Tax control in Uzbekistan is gradually strengthening, including the increasing risk of audits of the impact on the taxable base of transactions that do not have a clear financial and economic purpose or transactions with counterparties that do not comply with the requirements of tax legislation. Tax audits may cover five calendar years preceding the year in which the decision to conduct the audit was made. Under certain circumstances, earlier periods may also be tested.

The Group's management believes that its interpretation of the relevant legislation is appropriate, and the Group's tax, currency and customs positions are reasonable. Accordingly, no provision for potential tax liabilities has been recorded as at 31 December 2024 and 2023. In addition, the Group is assessed to have no potential liability for exposure to other tax risks other than remote ones.

Provisions for contingent liabilities

Unused Vacation Reserves. The Group has recognized a provision for unused vacation reserves, representing the liability for employees' accrued vacation entitlements that have not yet been taken. This provision is measured based on the employees' current salary rates and the number of unused vacation days.

Accrual of Annual Bonuses. The Group has accrued annual bonuses for its employees based on the performance criteria set out in the bonus plan. The accrual reflects the estimated amount payable to employees for the current financial year, considering the achievement of performance targets.

29 Commitments and contingencies (continued)

Provision for Contingent Liabilities under Customer Acquisition Programs. In accordance with IAS 37, the Group has recognized a provision for contingent liabilities arising from customer acquisition programs. These programs include performance-based incentives for banks, which could result in future outflows of economic resources. The provision is measured based on the best estimate of the expenditure required to settle the obligation at the reporting date, taking into account the likelihood and timing of the outflows.

30 Financial risk management

The Group's risk management is carried out in relation to financial, operational and legal risks. Financial risks include market risk (consisting of currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The main purpose of financial risk management is to determine risk limits and further ensure compliance with the established limits. Operational and legal risk management must ensure that internal policies and procedures are in place to minimize these risks.

Market risk.

The Group is exposed to market risk associated with open positions in (a) foreign exchange, (b) interest rate and (c) equity instruments, which are subject to the risk of general and specific changes in the market. Management sets limits on the level of risk accepted and monitors compliance with them on a daily basis. However, this approach may not prevent losses in excess of these limits in the event of more significant changes in the market.

Currency risk.

Management sets limits on the level of risk accepted by currency and in general, both at the end of each day and within one day and monitors compliance with them on a monthly basis.

The table below provides a general analysis of the Group's currency risk as at 31 December 2024:

<i>In thousands of USD</i>	As at 31 December 2024		Net position
	Monetary financial assets	Monetary financial obligations	
US Dollar	131	(3)	128
Total	131	3	128

The table below provides a general analysis of the Group's currency risk as at 31 December 2023:

<i>In thousands of USD</i>	As at 31 December 2023		Net position
	Monetary financial assets	Monetary financial obligations	
US Dollar	8	(544)	(536)
Total	8	(544)	(536)

The above analysis includes only monetary assets and liabilities. The management of the Group believes that non-monetary assets will not give rise to significant currency risk.

The table below presents the change in financial result and equity because of possible changes in the exchange rates used at the end of the reporting period for the functional currency of the Group entities, with all other variables remaining constant.

<i>In thousands of USD</i>	As at 31 December 2024		As at December 2023	
	Impact on profit and loss	Impact on equity	Impact on profit and loss	Impact on equity
US dollar strengthens by 20%	26	26	(107)	(107)
US dollar weakens by 20%	(26)	(26)	107	107

The risk was calculated only for monetary balances in currencies other than the functional currency of the relevant Group entity.

30 Financial risk management (continued)

Interest rate risk.

The Group issues and receives loans at a fixed interest rate and therefore does not have significant risks associated with the impact of fluctuations in market interest rates on its financial position and cash flows.

Credit risk.

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause the other party to incur a financial loss due to failure to fulfill an obligation under the contract.

Credit risk arises as a result of credit and other transactions of the Group with counterparties, as a result of which financial assets and off-balance sheet liabilities of a credit nature arise. The Group's maximum level of credit risk is reflected in the carrying amount of financial assets in the statement of financial position. For loan commitments, the maximum credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single most significant risk to the Group's business. Consequently, management pays special attention to credit risk management.

Assessing credit risk for risk management purposes is complex and requires the use of models as risk changes with market conditions, expected cash flows and over time. Assessing the credit risk of a portfolio of assets requires additional assessments regarding the probability of default, associated loss ratios and the correlation of defaults between counterparties.

Net book value of financial assets represents the maximum credit risk. The maximum exposure to credit risk at the reporting date was:

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
Cash and cash equivalents	7,659	1,147
Trade and other receivables	10,930	7,229
Loans issued	11,178	11,565
Other financial assets	38	40
Total financial assets	29,805	19,981

The credit quality of cash and cash equivalents at 31 December 2024 and 2023 is as follows:

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
B1	7,659	18
B2	–	1,129
Total cash and cash equivalents	7,659	1,147

The credit quality of trade and other receivables as at 31 December 2024 and 2023 is as follows:

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
- rating B- to B+	2,543	4,811
- rating BB- to BB+	6,695	1,407
- not rated	1,692	1,011
Total trade and other receivables	10,930	7,229

The credit quality of loans issued as at 31 December 2024 and 2023 is as follows:

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
Not rated	11,178	11,565
Total loans issued	11,178	11,565

30 Financial risk management (continued)

The credit quality of other financial assets as at 31 December 2024 and 2023 is as follows:

<i>In thousands of USD</i>	As at 31 December	
	2024	2023
B2	38	40
Total other financial assets (current)	38	40

Estimation of expected credit losses

Expected credit losses are a probability-weighted estimate of the present value of future cash shortfalls (i.e., a weighted average of credit losses using the relevant risks of default over a specified time period as weights). The estimate of expected credit losses is objective and is determined by calculating a range of possible outcomes. The estimate of expected credit losses is based on four components used by the Group: probability of default, exposure at risk of default, loss given default and discount rate IAS (International Accounting Standards).

Debt at Default - An assessment of risk at a future default date, taking into account expected changes in the amount at risk after the end of the reporting period, including repayment of principal and interest, and the expected drawdown of loan obligations. The debt at the time of default on credit related obligations is measured using the credit conversion factor (CCF). The credit conversion ratio is a ratio that reflects the likelihood of converting contractual liability amounts into a balance sheet liability within a certain period of time. Probability of default (PD) is an estimate of the likelihood of default occurring over a specified period of time. Loss in case of default is an estimate of the loss arising upon default. It is based on the difference between the contractual cash flows to be paid and those flows that the lender expects to receive, including from the sale of collateral. This ratio is usually expressed as a percentage of the debt at default (EAD). Expected losses are discounted to present value at the end of the reporting period. The discount rate IAS (International Accounting Standards) is the effective interest rate (EIR) on a financial instrument or an approximate amount thereof.

To assess expected credit losses, the Company uses two approaches: (i) assessment based on historical data on financial assets – a collective assessment; (ii) assessment based on external ratings. The Company conducts a collective assessment for the following types of financial assets: financial assets with unique credit risk characteristics, individually significant customers, loans issued. The Company conducts an assessment based on external ratings for cash and cash equivalents in financial institutions. The assessment of expected credit losses on a collective basis is carried out by weighing the estimated credit losses for possible different outcomes relative to the probability of each outcome.

The Company identifies at least two possible outcomes for each financial asset included in the valuation perimeter, one of which leads to a credit loss despite the low probability of such a scenario. The collective assessment is primarily based on historical data on the type of financial assets. In general, expected credit losses are equal to the product of the following credit risk parameters: debt at the time of default, probability of default and losses in case of default, which are defined above, discounted to the present value using the effective interest rate of the instrument. Expected credit losses are determined by forecasting credit risk parameters (debt at the time of default, probability of default, and loss in case of default) for each future year over the life of each individual financial asset or aggregate segment. These three components are multiplied and adjusted to reflect the probability of "survival" (i.e., whether the financial asset was repaid during the previous month or defaulted).

This actually provides a calculation of the expected credit losses for each future period, which are then discounted back to the reporting date and summed up. The discount rate used to calculate expected credit losses is the initial effective interest rate or its approximate value.

The Group regularly reviews its methodology and assumptions to reduce differences between estimates and actual losses on financial assets. Such back testing is carried out at least once a year.

The results of back testing of the methodology for assessing expected credit losses are brought to the attention of the Group's management, and after discussion with authorized persons, further steps to refine the models and assumptions are determined.

30 Financial risk management (continued)

Liquidity risk.

Liquidity risk is the risk that an organization will encounter difficulties in meeting its financial obligations. The Group is exposed to risk due to the daily need to use available cash. Liquidity risk is managed by the Group's management. Management monitors the Group's cash flow forecasts on a monthly basis.

The Group strives to maintain a stable funding base, consisting primarily of lease liabilities, trade and other payables. The Group invests in diversified portfolios of liquid assets to enable it to respond quickly and appropriately to unexpected liquidity requirements. The Group's liquidity portfolio includes cash and cash equivalents. Management estimates that cash and bank deposits in the liquidity portfolio can be converted into cash within one day to meet unexpected liquidity needs.

The table below shows the distribution of liabilities as at 31 December 2024 and 2023, by contractual maturity remaining to maturity. These undiscounted cash flows differ from the amounts reported in the consolidated statement of financial position because the amounts in the statement of financial position are based on discounted cash flows.

To assess expected credit losses, the Company uses two approaches: (i) assessment based on historical data on financial assets – a collective assessment; (ii) assessment based on external ratings. The Company conducts a collective assessment for the following types of financial assets: financial assets with unique credit risk characteristics, individually significant customers, loans issued. The Company conducts an assessment based on external ratings for cash and cash equivalents in financial institutions. The assessment of expected credit losses on a collective basis is carried out by weighing the estimated credit losses for possible different outcomes relative to the probability of each outcome. The Company identifies at least two possible outcomes for each financial asset included in the valuation perimeter, one of which leads to a credit loss despite the low probability of such a scenario. The collective assessment is primarily based on historical data on the type of financial assets. In general, expected credit losses are equal to the product of the following credit risk parameters: debt at the time of default, probability of default and losses in case of default, which are defined above, discounted to the present value using the effective interest rate of the instrument. Expected credit losses are determined by forecasting credit risk parameters (debt at the time of default, probability of default, and loss in case of default) for each future year over the life of each individual financial asset or aggregate segment. These three components are multiplied and adjusted to reflect the probability of "survival" (i.e., whether the financial asset was repaid during the previous month or defaulted). This actually provides a calculation of the expected credit losses for each future period, which are then discounted back to the reporting date and summed up. The discount rate used to calculate expected credit losses is the initial effective interest rate or its approximate value. The table below provides an analysis of financial liabilities by maturity as at 31 December:

<i>In thousands of USD</i>	On demand and less than 1 month	1 to 6 months	6 to 12 months	More than 1 year	Total
Trade and other payables	3,383	-	-	-	3,383
Lease liabilities	121	314	404	1,454	2,293
Total future payments, including principal as at 31 December 2024	3,504	314	404	1,454	5,676

<i>In thousands of USD</i>	On demand and less than 1 month	1 to 6 months	6 to 12 months	More than 1 year	Total
Trade and other payables	1,383	513	-	-	1,896
Lease liabilities	82	428	420	965	1,895
Total future payments, including principal as at 31 December 2023	1,465	941	420	965	3,791

31 Capital management

The Group's objective in capital management is to ensure the Group's ability to continue as a going concern, providing shareholders with an acceptable level of return, respecting the interests of other partners and maintaining an optimal capital structure that minimizes the cost of capital. To maintain and adjust the level of capital, the Group may adjust the amount of dividends paid to owners of the Group, increase the share capital through additional contributions, or sell assets to reduce debt. The amount of capital that the Group managed as at 31 December 2024 was USD 45,667 thousand (2023: USD 37,330 thousand).

Like other organizations in the industry, the Group exercises capital control based on the ratio of its own and borrowed funds. This indicator is calculated by dividing the total amount of liabilities by the total amount of capital under management of the Group. The Group believes that the total amount of capital under management is the amount of capital recorded in the consolidated statement of financial position. During 2024, the Group's strategy, unchanged from 2021, was to maintain a gearing ratio of between 20% and 80%.

32 Fair value measurement

The results of fair value measurements are analyzed and allocated to levels of the fair value hierarchy as follows:

- (i) Level 1 includes estimates based on market quotations (unadjusted) in active markets for identical assets or liabilities,
- (ii) Level 2 includes estimates obtained using valuation models in which all significant inputs used are observable for the asset or liability, directly (i.e., for example, price) or indirectly (i.e., for example, derived from price), And
- (iii) Level 3 includes estimates which are estimates that are not based on observable market data (i.e., are based on unobservable inputs).

Management uses judgment in assigning financial instruments to a particular category within the fair value hierarchy. If a fair value measurement uses observable data that requires a significant adjustment, it is classified as Level 3. The significance of the data used is assessed for the entire fair value measurement universe.

Assets and liabilities that are not measured at fair value, but for which fair value disclosure is made.

The following is an analysis of fair value by level of the fair value hierarchy and the book value of assets and liabilities not measured at fair value as at 31 December 2024:

<i>In thousands of USD</i>	As at 31 December 2024				Total carrying amount
	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value	Total fair values	
Financial assets					
Cash and cash equivalents	–	7,659	–	7,659	7,659
Net loans issued	–	–	10,504	10,504	11,178
Trade and other receivables	–	–	10,930	10,930	10,930
Total financial assets	–	7,659	21,434	29,093	29,767
Trade and other payables	–	–	3,363	3,363	3,363
Lease liabilities	–	–	2,465	2,465	2,747
Total financial liabilities	–	–	5,828	5,828	6,110

32 Fair value measurement (continued)

The following is an analysis of fair value by level of the fair value hierarchy and the book value of assets and liabilities not measured at fair value as at 31 December 2023:

<i>In thousands of USD</i>	As at 31 December 2023				Total carrying amount
	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value	Total fair values	
Cash and cash equivalents	–	1,147	–	1,147	1,147
Net loans issued	–	–	9,957	9,957	11,565
Trade and other receivables	–	–	7,229	7,229	7,229
Total financial assets	–	1,147	17,186	18,333	19,941
Trade and other payables	–	–	1,876	1,876	1,876
Lease liabilities	–	–	1,728	1,728	1,728
Total financial liabilities	–	–	3,604	3,604	3,604

Fair values at Level 2 and Level 3 of the fair value hierarchy were estimated using a discounted cash flow model. The fair value of fixed interest rate instruments that are not quoted in an active market is based on a discounted cash flow model using prevailing market interest rates for new instruments with similar credit risk and maturity.

Financial assets carried at amortized cost.

The estimated fair value of fixed interest rate instruments is based on a model that discounts the amount of expected future cash flows using prevailing interest rates for new instruments that have similar credit risk and maturity. The discount rates IAS (International Accounting Standards) used depend on the credit risk of the counterparty.

Liabilities carried at amortized cost.

The fair value of other liabilities is determined using valuation models. The estimated fair value of fixed interest rate instruments with fixed maturities is based on the discounted expected cash flows using interest rates for new instruments with similar credit risk and maturity.

33 Events after the reporting date

Loans issued

In the period from January to March 2025, Group issued loans to "Banking Technology" LLC in the amount of USD 1,161 thousands in three installments.