

INFORMATIENOTA (AANBIEDING AAN HET PUBLIEK)

INFORMATIENOTA OVER DE AANBIEDING VAN BAILYK OBLIGATIES DOOR MCC BAILYK FINANCE LLC

Dit document is opgesteld door Hands-on BV (Lendahand).

DIT DOCUMENT IS GEEN PROSPECTUS EN WERD NIET GECONTROLEERD NOCH GOEDGEKEURD DOOR DE AUTORITEIT VOOR FINANCIËLE DIENSTEN EN MARKTEN

28 maart 2022

WAARSCHUWING: DE BELEGGER LOOPT HET RISICO ZIJN BELEGGING VOLLEDIG OF GEDEELTELIJK TE VERLIEZEN EN/OF HET VERWACHTE RENDEMENT NIET TE BEHALEN

DE BELEGGINGSINSTRUMENTEN ZIJN NIET GENOTEERD: DE BELEGGER LOOPT HET RISICO GROTE PROBLEMEN TE ONDERVINDEN OM ZIJN POSITIE AAN EEN DERDE TE VERKOPEN INDIEN HIJ DAT ZOU WENSEN.

Deel I - Belangrijkste risico's die inherent zijn aan de uitgevende instelling en de aangeboden beleggingsinstrumenten, en die specifiek zijn voor de betrokken aanbieding

Over het algemeen geldt hoe hoger het aangeboden of verwachte rendement, hoe hoger het risico. Het aangeboden of verwachte rendement op de obligaties is afhankelijk van de winst die de uitgevende instantie maakt. De kans bestaat dat de winst lager is dan verwacht of dat er zelfs sprake is van verlies, waardoor u mogelijk minder rendement krijgt uitgekeerd of zelfs uw inleg of een deel daarvan verliest. De belangrijkste redenen waardoor de uitgevende instelling mogelijk niet in staat is het aangeboden of verwachte rendement of zelfs uw inleg uit te keren, zijn:

Macro-economische, sociale en politieke landenrisico's: er is sprake van het risico dat macro-economische, sociale en politieke factoren leiden tot een lastig zakelijk klimaat voor de uitgevende instelling. Deze risico's zijn aan elkaar gerelateerd en lastig te beheersen. Economische, financiële en sociale instabiliteit, een complex en snel veranderende juridisch systeem, natuurrampen, etc. hebben een grote impact op het zakelijk klimaat via o.a. devaluaties van lokale valuta, hoge inflatie en beperkte capaciteit tot terugbetaling door klanten.

Portefeuille risico: er is sprake van het risico op te veel slechte leningen in de portefeuille van de uitgevende instelling, bijvoorbeeld omdat de kredietbeoordeling en/of klantafhandeling niet op orde is, of door politieke instabiliteit of een natuurramp. Dit betekent dat leningen afgeboekt moeten worden wat een weerslag kan hebben op de kapitalisatie en winstgevendheid van de uitgevende instelling.

Wisselkoersrisico: er is sprake van het risico op verliezen door wisselkoersschommelingen omdat de uitgevende instelling inkomsten genereert die anders zijn dan de valuta waarin de obligaties zijn uitgegeven or USD. Dit betekent dat de liquiditeit en solvabiliteit van de uitgevende instelling in gevaar kan komen bij heftige wisselkoersschommelingen.

Valuta risico: de uitgevende instelling ontvangt de gelden die in EUR zijn opgehaald voor het onderliggende project op de website in USD. Alle rente betalingen en aflossingen op de hoofdsom worden door de uitgevende instelling in USD gedaan en vervolgens omgezet naar de tegenwaarde in EUR overeenkomstig de geldende voorwaarden, alvorens een terugbetaling aan u plaatsvindt. Als investeerder loopt u dan ook een valutarisico. Door wisselkoersschommelingen kan het voorkomen dat u niet uw volledige inleg terugkrijgt en/of het verwachte rendement lager uitvalt, indien de waarde van de EUR deprecieert ten opzicht van de USD.

De obligaties zijn niet verhandelbaar op een beurs of platform en daardoor beperkt verhandelbaar. Dat betekent dat er mogelijk geen koper is voor uw obligaties als u tussentijds van uw belegging af wilt. U loopt dan dus het risico dat u niet op het door u gewenste moment uw geld terug kan krijgen en uw belegging langer aan moet houden of uw obligaties voor een lagere prijs moet verkopen.

Fraude en corruptierisico's: er is sprake van het risico op fraude en/of corruptie omdat er over het algemeen een grote afstand is tussen de uitgevende instelling en de investeerders in de obligaties. Tevens is het fraude- en corruptieniveau in het land van de uitgevende instelling over het algemeen hoger dan in het land van verblijf van de investeerders in de obligaties. Dit betekent dat de (financiële) situatie bij de uitgevende instelling er beter voor kan lijken te staan dan dat het daadwerkelijk is.

Financieringsrisico: er is sprake van een financieringsrisico omdat de uitgevende instelling continue financiering nodig heeft voor haar activiteiten. Dit betekent dat het kan gebeuren dat de uitgevende instelling haar leenportefeuille moet verkleinen als ze niet meer voldoende financiering kan aantrekken wat een neerwaartse druk geeft op de winstgevendheid.

Vervroegde aflossing: er is sprake van het risico op vervroegde aflossing omdat de uitgevende instelling de obligaties op lagere kosten kan herfinancieren. Dit betekent voor u als belegger dat u eerder de beschikking heeft over uw geld dan verwacht, hetgeen gederfde (rente)inkomsten als gevolg kan hebben.

Rangorde uitbetaling: uitkering van het rendement gebeurt nadat operationele uitstaande kosten voldaan zijn zoals lonen en facturen van leveranciers. Het risico bestaat dat de uitgevende instelling onvoldoende liquide middelen overhoudt om het rendement uit te keren. Dit betekent voor u als belegger dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

In geval van faillissement hebben de volgende uitkeringen voorrang op de uitbetaling van het rendement op de obligaties: operationele uitstaande kosten, belastingen, deposito's, vreemd vermogen met onderpand. Let op dat deze lijst niet per se uitputtend is. Dit betekent voor u dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

Beperkt eigen vermogen: het eigen vermogen van de uitgevende instelling is beperkt ten opzichte van het vreemd vermogen. Dit betekent dat de buffer aan eigen vermogen klein is waardoor bij tegenvallende resultaten de uitgevende instelling relatief snel niet meer aan haar verplichtingen op de obligaties zal kunnen voldoen. Het risicoprofiel van de obligaties lijkt daardoor op het risicoprofiel van aandelen.

Operationeel risico: er is sprake van het risico op operationele tekortkomingen omdat de kosten langdurig te hoog kunnen zijn versus de opbrengsten. Dit betekent dat de uitgevende instelling niet meer aan haar financiële verplichtingen kan voldoen.

Platform risico: er is sprake van het risico op discontinuatie van het platform omdat de aanbieder de exploitatie niet rendabel kan maken. Dit betekent dat het lastiger zal zijn om terugbetalingen te faciliteren voor investeerders in de obligaties.

Deel II - Informatie over de uitgevende instelling en de aanbieder van de beleggingsinstrumenten

A. Identiteit van de uitgevende instelling

1. De uitgevende instelling is een besloten vennootschap, opgericht op February 01, 2011 en gevestigd in Kyrgyz Republic. Het adres van de uitgevende instelling is Street Fatyanova 170, Bishkek, Kyrgyz Republic. De website van de uitgevende instelling is www.bf.kg
2. Dit zijn de belangrijkste activiteiten van de uitgevende instelling: Microkredieten voor individuen in Kirgizië.
3. Voor zover die informatie bekend is bij de uitgevende instelling of de aanbieder, identiteit van de personen die meer dan 5% van het kapitaal van de uitgevende instelling in bezit hebben, en omvang (uitgedrukt als percentage van het kapitaal) van de deelnemingen in hun bezit: De aandeelhouders van de uitgevende instelling zijn: Chinara Moldazhanova (35%), Mikro Kapital (23%), Kanimetova Saina (22%), Derbishaliev Arzymat (8,65%).
4. Het bedrag aan uitstaande leningen is EUR 22,601,745. Dit betreft 16 leningen die de uitgevende instelling op 10/04/2025 afgelost moet hebben.
5. De uitgevende instelling wordt bestuurd door de volgende natuurlijke personen: Chinara Moldazhanova
6. Bezoldiging bestuurders: onbekend bij aanbieder.
7. voor de sub 4° bedoelde personen, vermelding van elke veroordeling als bedoeld in artikel 20 van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen, of een passende negatieve verklaring: niet van toepassing
8. beschrijving van de belangenconflicten tussen de uitgevende instelling en de sub 3° tot 5° bedoelde personen, of met andere verbonden partijen, of een passende negatieve verklaring: niet van toepassing
9. in voorkomend geval, identiteit van de commissaris: niet van toepassing

B. Financiële informatie over de uitgevende instelling

Verklaring door de uitgevende instelling dat het werkkapitaal naar haar oordeel toereikend is om aan haar behoeften voor de volgende twaalf manden te voldoen: ja

Beschrijving van elke wijziging van betekenis in de financiële of handelspositie die zich heeft voorgedaan na het einde van het laatste boekjaar waarop de sub 1° hierboven bedoelde jaarrekening betrekking heeft, of een passende negatieve verklaring: niet van toepassing

C. Uitsluitend wanneer de aanbieder en de uitgevende instelling verschillende personen zijn: identiteit van de aanbieder

De aanbieder is niet de uitgevende instelling van de obligaties. Na uitvoerig onderzoek biedt de aanbieder de uitgevende instelling toegang tot haar website waarmee de uitgevende instelling financiering kan aantrekken ten behoeve van verschillende projecten. Hiervoor krijgt de aanbieder een vergoeding van de uitgevende instelling. Er is dus een financiële relatie tussen de aanbieder en de uitgevende instelling. Meer informatie over de uitgevende instelling is te vinden op de website van de aanbieder.

De aanbieder is opgericht op 17 juli 2012 en gevestigd in Rotterdam onder het KvK-nummer 55711766. Het adres van de aanbieder is Eendrachtsplein 3, Unit 2A, 3015 LA Rotterdam, Nederland. De website van de aanbieder is www.lendahand.com

De aanbieder wordt bestuurd door Le Theta B.V., Wiggerd B.V en Daniel Sebastiaan van Maanen

Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

D. Uitsluitend wanneer de aangeboden beleggingsinstrumenten een onderliggend actief hebben: beschrijving van het onderliggende actief

Niet van toepassing.

**Deel III - Informatie over de aanbieding
van beleggingsinstrumenten**

A. Beschrijving van de aanbieding

De totale opbrengst van de aanbieding bedraagt EUR 2.500.000, verdeeld over diverse projecten gedurende de looptijd van de aanbieding.

Dit bedrag kan ook lager zijn als niet op alle obligaties wordt ingeschreven. De minimale opbrengst is EUR 2.500

De aanbiedingsperiode begint op 30-03-2022 en eindigt op 29-03-2023, of zoveel eerder als op de gehele aanbieding is ingeschreven.

Gedurende de aanbiedingsperiode biedt de uitgevende instelling projecten aan op de Lendahand website op basis waarvan obligaties worden uitgegeven.

De uitgiftedatum van de obligaties is doorlopend gedurende de aanbiedingsperiode.

De startdatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

Over uw inleg betaalt u geen emissiekosten. Bij verkoop van uw obligaties betaalt u geen kosten.

Van elke euro van uw inleg wordt EUR 0,- gebruikt om kosten af te dekken. EUR 1,- wordt geïnvesteerd in obligaties van de uitgevende instelling.

Er worden vooraf geen kosten in rekening gebracht bij de investeerder. Wel betaalt u als investeerder de valutawisselkosten die iBanFirst maakt om de terugbetalingen in USD door de uitgevende instelling om te zetten naar de tegenwaarde in EUR.

B. Reden voor de aanbieding

De opbrengst wordt gebruikt voor het financieren van individuen en huishoudens in Kirgizië. Van de opbrengst wordt 0% gebruikt voor kosten, tenzij er sprake is van een eenmalige vooruitbetaalde platform vergoeding welke over het algemeen niet hoger is dan 4% per jaar en de valutawisselkosten die worden gemaakt door iBanFirst voor het omzetten van de gelden die in EUR zijn opgehaald voor het onderliggende project naar de tegenwaarde in USD.

Deel IV - Informatie over de aangeboden beleggingsinstrumenten

A. Kenmerken van de aangeboden beleggingsinstrumenten

U belegt in een obligatie.

De nominale waarde van de obligaties is EUR 50,00.

De intrinsieke waarde van de obligaties is EUR 50,00.

De prijs van de obligaties is EUR 50,00.

Deelname is mogelijk vanaf EUR 50,00.

De uitgiftedatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

De looptijd van de verschillende obligaties varieert tussen de 6 en 48 maanden. De betreffende looptijd wordt per project aangegeven. Terugbetalingen vinden elke 6 maanden plaats, inclusief rente, op de 15^e van de maand.

De rente op de obligaties varieert tussen de 3-6% per jaar. Het betreffende percentage wordt per project aangegeven. De obligaties kennen geen bonusrente.

Rang van de beleggingsinstrumenten in de kapitaalstructuur van de uitgevende instelling bij insolventie: obligaties zijn niet preferent noch achtergesteld.

B. Uitsluitend in het geval waarin door een derde een garantie wordt toegekend in verband met de beleggingsinstrumenten: beschrijving van de garant en van de garantie

Niet van toepassing.

C. In voorkomend geval, bijkomende informatie voorgelegd door de markt waar de beleggingsinstrumenten toegelaten zijn.

Niet van toepassing.

Deel V - Alle andere belangrijke informatie die mondeling of schriftelijk aan één of meer beleggers wordt gericht

Onder verwijzing naar de Wet van 18 december 2016 tot regeling van de erkenning en de afbakening van crowdfunding en houdende diverse bepalingen inzake financiën, wordt de volgende informatie gedeeld:

De volledige identiteit en contactgegevens van de gereguleerde onderneming die de alternatieve-financieringsdiensten verstrekt:

Hands-on B.V. (een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht op 17 juli 2012 en gevestigd te Rotterdam)
Eendrachtsplein 3, Unit 2A
3015 LA Rotterdam, Nederland
www.lendahand.com

Geregistreerd bij de Nederlandse Kamer van Koophandel onder nummer 55711766
De aanbieder wordt bestuurd door Le Theta B.V. en Wiggerd B.V. en Daniel Sebastiaan van Maanen
Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

De naam en het adres van de bevoegde autoriteit die de vergunning heeft verleend aan de gereguleerde onderneming:

Autoriteit Financiële Markten (AFM)
Vijzelgracht 50
1017 HS Amsterdam, Nederland

De kosten van de alternatieve-financieringsdiensten voor de cliënten: geen.

De in het kader van het verstrekken van de alternatieve-financieringsdiensten in ontvangst genomen vergoedingen: een fee van de uitgevende instellingen.

De gereguleerde onderneming beschikt over een belangenconflictenbeleid, ten einde zich op loyale, billijke en professionele wijze in te kunnen zetten voor de belangen van haar cliënten.

De gereguleerde onderneming verwijst naar bovengenoemde Wet van 18 december 2016 voor de geldende (gedrags)regels voor het verstrekken van alternatieve-financieringsdiensten.

De te financieren projecten worden op de volgende wijze geselecteerd:

Lendahand voert een boekenonderzoek uit waarbij onder andere gekeken wordt naar de track record, de sociale missie, het business model en enkele financiële datapunten (zoals de unit economics en marges, winstgevendheid, groeicijfers, de balansgrootte, samenstelling van de bezittingen en schulden). Dit boekenonderzoek wordt ter goedkeuring voorgelegd aan een externe credit committee bestaande uit impact investing professionals.

Het is de gereguleerde onderneming verboden:

- om gelden die haar cliënten toebehoren in ontvangst te nemen en aan te houden
- om beleggingsdiensten te verlenen, met uitzondering van het in ontvangst nemen en doorgeven van orders
- om een mandaat of volmacht te hebben op de rekeningen van haar cliënten

Voornaamste kenmerken van de beleggingsinstrumenten die de gereguleerde onderneming commercialiseert: vast rentende obligatieleningen met tussentijdse aflossingen.

LLC “Micro-credit company “Bailyk Finance”

The financial statements

for the year ended December 31, 2021

(in accordance with IFRS)

and independent auditor’s report

LLC “MICRO-CREDIT COMPANY “BAILYK FINANCE”

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LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

The following statement, which should be read in conjunction with the independent auditor's responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditor in relation to the financial statements of the LLC "Micro-credit company "Bailyk Finance" (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2021, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

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

The financial statements for the year ended December 31, 2021 were prepared in Russian and English languages. In the event of any discrepancies between Russian and English versions, Russian version shall prevail.

The financial statements for the year ended December 31, 2021 were approved and authorized for issue on February 28, 2022 by the management of the Company.

On behalf of the Management:



Chihara Moldazhanova

General Director

February 28, 2022 ·
Bishkek, the Kyrgyz Republic



Maya Dzhusupova Chief Accountant

February 28, 2022
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Owners and Board of Directors of the LLC "MCC "Bailyk Finance":

Opinion

We have audited the financial statements of the LLC "MCC "Bailyk Financen (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (the "IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (the "ISAsn). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Coden) together with the ethical requirements that are relevant to our audit of the financial statements in the Kyrgyz Republic, 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 those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

The Company prepared financial statements in accordance with regulations of the National Bank of the Kyrgyz Republic (the "NBKR") for the year ended December 31, 2020 for which we issued a separate audit report dated February 28, 2021 addressed to the Owners and Board of Directors of LLC "MCC "Bailyk Finance".



Kubat Alymkulov

Daniyar Isanaev

Certified accountant, FCCA
Certificate of auditor of the Kyrgyz Republic No. A 0069

Certificate of auditor of the Kyrgyz Republic No. AD0028 dated December 23, 2021 Audit Director
dated October 19, 2019

Audit Partner
Director, Baker Tilly Bishkek LLC

• Baker Tilly Bishkek LLC
License Series A No. 0049 dated July 1, 2011 issued by the State committee on review and regulation of the financial market of the Kyrgyz Republic

February 28, 2022
Bishkek, the Kyrgyz Republic

February 28, 2022
Bishkek, the Kyrgyz Republic

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

(in thousands of Kyrgyz Soms)


	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income	4	760,616	573,158
Interest expense	4	<u>(289,499)</u>	<u>(194,430)</u>
NET INTEREST INCOME BEFORE ACCRUAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES ON INTEREST BEARING ASSETS	4	471,117	<u>378,728</u>
Allowance for expected credit losses on interest bearing assets	6	<u>(60,525)</u>	<u>(24,090)</u>
NET INTEREST INCOME		<u>410,592</u>	<u>354,638</u>
Commission income	5	67,207	24,221
Commission expenses	5	(5,557)	(1,524)
Net (loss)/gain on operations with financial instruments at FVTPL	7	(41,293)	13,325
Net loss on foreign exchange operations	8	(13,817)	(28,372)
Allowance for expected credit losses on non-interest bearing assets	6	194	(1,873)
Other income	9	21,928	<u>12,298</u>
NET NON-INTEREST INCOME		28,662	<u>18,075</u>
Operating expenses	10	<u>(337,937)</u>	<u>(233,314)</u>
PROFIT BEFORE INCOME TAX		101,317	<u>139,399</u>
Income tax	11	<u>(11,349)</u>	<u>(14,341)</u>
NET PROFIT		<u>89,968</u>	<u>125,058</u>
TOTAL COMPREHENSIVE INCOME		<u>89,968</u>	<u>125,058</u>

On behalf of the Management:

Chinara General Director

February 28, 2022
Bishkek, the Kyrgyz Republic





Maya Dzhusupova Chief Accountant

February 28, 2022
Bishkek, the Kyrgyz Republic

The notes on pages 10-58 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(in thousands of Kyrgyz soms)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Due from banks	12	151,652	237,666
Deposits and cash in banks	13	40,925	40,434
Loans to customers	14	2,518,424	1,686,237
Financial instruments at fair value through profit or loss	15	26,111	27,133
Property, equipment and intangible assets	16	30,712	19,987
Right-of-use assets	17	67,293	39,250
Deferred tax assets	11	2,291	
Other assets	18	<u>11,550</u>	<u>32,088</u>
TOTAL ASSETS		<u>2,848,958</u>	<u>2,082,795</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Borrowings	19	2,207,610	1,571,809
Lease liabilities	17	72,550	43,876
Deferred tax liability	11		1,630
Advances received from customers		34,443	31,473
Other liabilities	20	<u>35049</u>	<u>24,669</u>
		<u>2,349,652</u>	<u>1,673,457</u>
EQUITY:			
Share capital	21	250,000	188,993
Retained earnings		<u>249,306</u>	<u>220,345</u>
		<u>499,306</u>	<u>409,338</u>
TOTAL LIABILITIES AND EQUITY		<u>2,848,958</u>	<u>2,082,795</u>

On behalf of the Management{ .



General Director

February 28, 2022

Bishkek, the Kyrgyz Republic



MayaDzhusu
Chief Accountant

February 28, 2022

Bishkek, the Kyrgyz Republic

The notes on pages 10-58 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
DECEMBER 31, 2021

(in thousands of Kyrgyz Sams)


Note	Share capital	Retained earnings	Retained equity	Total		
Balance at January 1, 2020	22	188,993	95,287	<u>284,280</u>		
Comprehensive income						
Profit	125,058	125,058				
		Total comprehensive income				<u>125,058</u> <u>125,058</u>
Balance at December 31, 2020	22	188,993				<u>220,345</u> <u>409,338</u>
Comprehensive income						
Profit						<u>89,968</u> <u>89,968</u>
		Total comprehensive income				<u>89,968</u> <u>89,968</u>
Increase in share capital	22	61,007				<u>(61,007}</u>
Total transactions with participants		61,007				<u>(61,007}</u>
Balance at December 31, 2021	22		<u>250,000</u>			<u>249,306</u> <u>499,306</u>

On behalf of the Management:

-China#ra Moldazhanova General Director

February 28, 2022 ..
Bishkek, the Kyrgyz Republic




_____ a Dzhusupova Chief Accountant

February 28, 2022
Bishkek, the Kyrgyz Republic

The notes on pages 10-58 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		746,272	557,530
Interest paid		(286,717)	(186,810)
Commission received		67,207	24,221
Commission paid		(5,557)	(1,524)
Other cash receipts		20,181	11,416
Loss on foreign currency transactions	8	(1,464)	(2,439)
Payments on operations with financial instruments	7	(53,835)	(11,434)
Operating expenses paid		<u>(305,270)</u>	<u>(211,706)</u>
Cash flow from operating activities before changes in operating assets and liabilities		<u>180,817</u>	<u>179,254</u>
Changes in operating assets and liabilities:			
Deposits and cash in financial institutions		(1,150)	(18,117)
Loans to customers		(877,709)	(435,952)
Financial instruments at fair value through profit or loss		13,564	4,781
Other assets		20,538	(25,602)
Borrowers' prepayments		2,970	15,353
Other liabilities		<u>10,102</u>	<u>4,733</u>
Cash outflow from operating activities before income tax paid		<u>(650,868)</u>	<u>(275,550)</u>
Income tax paid		<u>(14,992)</u>	<u>(12,715)</u>
Net cash outflow from operating activities:		<u>(665,860)</u>	<u>(288,265)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, equipment and intangible assets			27
Purchase of property, equipment and intangible assets	16	<u>(27,098)</u>	<u>(13,709)</u>
Net cash outflow from investing activities		<u>(27,098)</u>	<u>(13,682)</u>

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED)**

(in thousands of Kt.rgvz soms²)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	19	1,716,009	922,190
Repayment of borrowings	19	(1,096,578)	(407,319)
Repayment of lease liabilities		<u>(14,261)</u>	<u>(7,523)</u>
Net cash inflow from financing activities:		<u>605,170</u>	<u>507,348</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>(87,788)</u>	<u>205,401</u>
Effect of foreign exchange translation difference on cash and cash equivalents	1,580		1659
CASH AND CASH EQUIVALENTS, at the beginning of the year	12	<u>238,203</u>	<u>31,143</u>
CASH AND CASH EQUIVALENTS, at the end of the year	12	<u>151,995</u>	<u>238,203</u>

On May 24, 2021 the increase of share capital of the Company from 188,993 thousand soms to 250,000 thousand soms through allocating part of the retained earnings of the Company for 2020 in the amount of 61,007 thousand soms was approved on the General Meeting of Participants of the LLC "Micro-credit Company "Bailyk Finance" held on May 24, 2021.

On behalf of the Management:

Chinara Mo dazhanova General Director

February 28, 2022
Bishkek, the Kyrgyz Republic



Maya Dzhusupova
Chief Accountant

February 28, 2022
Bishkek, the Kyrgyz Republic

LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

The notes on pages 10-58 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

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LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

The following statement, which should be read in conjunction with the independent auditor's responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the LLC "Micro-credit company "Bailyk Finance" (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2020, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

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

The financial statements for the year ended December 31, 2020 were prepared in Russian and English languages. In the event of any discrepancies between Russian and English versions, the Russian version shall prevail.

The financial statements for the year ended December 31, 2020 were approved and authorized for issue on February 28, 2021 by the management of the Company.

On behalf of the Management:


Chi Lara Moldazhanova
General Director

,Aizhar
Chief Accountant

February 28, 2021
Bishkek, the Kyrgyz Republic

February 28, 2021
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Owners and Board of Directors of the LLC "MCC "Bailyk Finance":

Opinion

We have audited the financial statements of the LLC "MCC "Bailyk Finance" (the "Company"), which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (the "IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (the "ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kyrgyz Republic, 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 those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

The Company prepared financial statements in accordance with regulations of the National Bank of the Kyrgyz Republic (the "NBKR") for the year ended December 31, 2020 for which we issued a separate audit report dated February 28, 2021 addressed to the OWI'fil§ and Board of Directors of LLC "MCC "Bailyk Finance".

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		.f}Abdumanapova
Certified accountant, FCCA	,,,,"d,'iJ,rJ::;	...,y_



Certificate of auditor of the Kyrgyz Republic No- A•cf0'69 dated October 19, 2009 er Tilly Bishkek LLC Director, Baker Tilly Bishkek LLC

sk LLC, No. 0049 dated July 1, 2011 issued by the State committee on review and regulation of the financial market of the Kyrgyz

Republic

February 28, 2021

Bishkek, the Kyrgyz Republic

LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Kyrgyz Sams)

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest income	5	573,158	390,942
Interest expense	5	(194,430)	(123,417)
NET INTEREST INCOME BEFORE ALLOWANCE FOR EXPECTED CREDIT LOSSES ON INTEREST BEARING ASSETS	5	<u>378,728</u>	<u>267,525</u>
Allowance for expected credit losses on interest bearing assets	7	(24,090)	(18,261)
NET INTEREST INCOME		<u>354,638</u>	<u>249,264</u>
Commission income	6	24,221	182
Commission expenses	6	(1,524)	(131)
Net gain/(loss) on operations with financial instruments	8	13,325	(3,857)
Net (loss)/gain on foreign exchange operations	9	(28,372)	246
Allowance for expected credit losses on non-interest bearing assets	7	(1,873)	(620)
Other income	10	12	12,445
NET NON-INTEREST INCOME		<u>18,075</u>	<u>8,265</u>
Operating expenses	11	(233,314)	(173,412)
PROFIT BEFORE INCOME TAX		<u>139,399</u>	<u>84,117</u>
Income tax	12	(14,341)	(8,672)
NET PROFIT		<u>125,058</u>	<u>75,445</u>
TOTAL COMPREHENSIVE INCOME		<u>125,058</u>	<u>75,445</u>

On behalf of the Management:

Chinara Moldazhanova
General Director

Aizharkyn Imanova
Chief Accountant

February 28, 2021
Bishkek, the Kyrgyz Republic

February 28, 2021
Bishkek, the Kyrgyz Republic

The notes on pages 10-57 form, an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" BAIL YK FINANCE"

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Kyrgyz soms)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Due from banks	13	237,666	30,274
Deposits in financial institutions	14	40,434	23,400
Loans to customers	15	1,686,237	1,257,664
Property, equipment and intangible assets	16	19,987	17,534
Right-of-use assets	17	39,250	33,509
Financial instruments at fair value through profit or loss	18	27,133	7,155
Other assets	19	<u>32,088</u>	<u>8,691</u>
TOTAL ASSETS		2,082,795	1,378,227
LIABILITIES AND EQUITY			
LIABILITIES			
Borrowings	20	1,571,809	1,023,392
Lease liabilities	17	43,876	34,496
Deferred tax liability	12	1,630	2,346
Advances received from customers		31,473	16,120
Other liabilities	21	<u>24,669</u>	<u>17,593</u>
		<u>1,673,457</u>	<u>1,093,947</u>
EQUITY:			
Ordinary capital	22	188,993	188,993
Retained earnings		<u>220,345</u>	<u>95,287</u>
		<u>409,338</u>	<u>284,280</u>
TOTAL LIABILITIES AND EQUITY		2,082,795	1,378,227

On behalf of



Chief of the Management:

Moldazhanova
Director

Aizhar va
Chief Accountant

February 28, 2021
Bishkek, the Kyrgyz Republic

(China)

(Geneva)

February 28, 2021
Bishkek, the Kyrgyz Republic

LLC "MICRO-CREDIT COMPANY"BAIL YK FINANCE"

The notes on pages 10-57 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

(In thousands of Kyrgyz Soms)

	Note	Ordinary capital	Additional paid-in capital	Retained earnings	Total capital
Balance at January 1, 2019	22	73,641	58,428	76,766	208,835
Comprehensive income					
Profit				75,445	75,445
Total comprehensive income				<u>75,445</u>	<u>75,445</u>
Transactions with owners					
Recovery of allowance on advances paid to owner		(35,000)		35,000	
Dividends declared	22			(91,924)	(91,924)
Increase in ordinary capital	22	150,352	(58,428)		91,924
Total transactions with owners		<u>115,352</u>	<u>(58,428)</u>	<u>(56,924)</u>	
Balance at December 31, 2019	22	188,993		95,287	284,280
Comprehensive income					
Profit				125,058	125,058
Total comprehensive income				<u>125,058</u>	<u>125,058</u>
Balance at December 31, 2020	22	<u>188,993</u>		<u>220,345</u>	<u>409,338</u>

On behalf of the Management

Chinar
Gener

Moldazhanova
Director

Aizharkyn Imanova
Chief Accountant

February

28, 2021

Bishkek

the Kyrgyz Republic

The notes on pages 10-57 form an integral part of the financial statements. The independent auditor's report is on pages 3-4.

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(in thousands of Kyrgyz soms)

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received		557,530	380,028
Interest paid		(186,810)	(119,019)
Commission received		24,221	182
Commission paid		(1,524)	(131)
Other cash receipts		11,416	12,445
Loss on foreign currency transactions	9	(2,439)	(86)
Payments on operations with financial instruments		(11,434)	(3,447)
Operating expenses paid		<u>(211,706)</u>	<u>(159,059)</u>
Cash flow from operating activities before changes in operating assets and liabilities		<u>179,254</u>	110,913
Changes in operating assets and liabilities:			
Deposits in financial institutions		(18,117)	(23,400)
Loans to customers		(435,952)	(512,008)
Financial instruments at fair value through profit or loss		4,781	(7,155)
Other assets		(25,602)	(6,038)
Other liabilities		<u>20,086</u>	<u>13,032</u>
Cash outflow from operating activities before income tax paid		<u>(275,550)</u>	<u>(424,656)</u>
Income tax paid		<u>(12,715)</u>	<u>(7,730)</u>
Net cash outflow from operating activities:		<u>(288,265)</u>	<u>(432,386)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received on sale of property, equipment and intangible assets		27	
Purchase of property, equipment and intangible assets	16	<u>(13,709)</u>	<u>(10,000)</u>
Net cash outflow from investing activities		<u>(13,682)</u>	<u>(10,000)</u>

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)
un thousands of Kyrgyz soms

	Note	For the year ended December 31, 2020	For the year ended December 31, 2019
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		922,190	827,353
Repayment of borrowings		(407,319)	(356,983)
Repayment of lease liabilities		<u>(7,523)</u>	<u>(5,697)</u>
Net cash inflow from financing activities:		<u> \$ 01,</u>	<u> 464,673</u>
		348	
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u> 205,401</u>	<u> 22,287</u>
Effect of foreign exchange translation difference on cash and cash equivalents		1,659	(78)
CASH AND CASH EQUIVALENTS, at the beginning of the year	13	31,143	8,934
CASH AND CASH EQUIVALENTS, at the end of the year	13	<u> 238,203</u>	<u> 31,143</u>

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Gene, : :f

Chief of the Management:



Moldazhanova
Director

Aizhark
Chief Accountant

February 28, 2021
Bishkek, the Kyrgyz Republic

Bishkek, the Kyrgyz Republic

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

Bishkek, the Kyrgyz Republic

February 28, 2021

The notes on pages 10-57 form an integral part of the financial statements. The independent auditor's report is on pages **3-4**.

LLC "MICRO-CREDIT COMPANY" BAILYK FINANCE"

LLC "MICRO-CREDIT COMPANY "BAILYK FINANCE"

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Kyrgyz soms)

1. BACKGROUND Organization and operations

LLC "Micro-credit company "Bailyk Finance" (the "Company") was founded on October 24, 2010 in accordance with the legislation of the Kyrgyz Republic. In October 23, 2019 the Company was reregistered in connection with the increase in the chartered capital and received a Certificate of state re-registration of the series rrno No.0037693 with register No.115177-3300-000. Activities of the Company are regulated by the National Bank of the Kyrgyz Republic (the "NBKR"). The Company conducts its operations under the certificate No. 173-7/1542 dated March 11, 2011 issued by the National Bank of the Kyrgyz Republic. Main activities of the Company are issuing microcredits to individuals and legal entities of the Kyrgyz Republic as well as the provision of consulting and information services related to the provision of microcredit services.

Registered office of the Company is located at micro district Alamedin-1, house 58, apartment 2, Bishkek, the Kyrgyz Republic. Operations of the Company are managed by Head Office located at 48A, Abai street, Bishkek, the Kyrgyz Republic. As at 31 December 2020 and 2019 the Company had 35 and 28 offices, respectively, located in the Kyrgyz Republic.

The shares of participants in the ordinary capital are distributed in the following order:

December 31, 2020	December 31, 2019	Amount	Share	Amount	Share	
		Moldazhanova Chinara	66,211	35.03%	66,211	35.03%
		MIKROKAPITAL SARL	43,423	22.98%	43,423	22.98%
		Kanimetova Saina	41,861	22.15%	41,861	22.15%
		Derbishaliev Arzumat	16,350	8.65%	16,350	8.65%
		Zholdosheva Zhypariza	9,375	4.96%	9,375	4.96%
		Abdiraimov Pardavai	8,727	4.62%	8,727	4.62%
		Asakeeva Cholpon	<u>3,046</u>	<u>1.61%</u>	3,046	1.61%
			<u>188,993</u>	<u>100.00%</u>	<u>188,993</u>	<u>100.00%</u>

The financial statements were approved by management of the Company on February 28, 2021

2. PRESENTATION OF FINANCIAL STATEMENTS Statement of compliance

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

Functional and reporting currency

Items included in the Company's financial statements are estimated using the currency that best reflects the economic substance of the underlying events and circumstances related to the Company (the "functional currency"). The functional and reporting currency of the accompanying financial statements is Kyrgyz soms (the "KGS" or "som").