EI Almaty Management University

Separate financial statements

For the year ended 31 December 2024

EI ALMATY MANAGEMENT UNIVERSITY

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EI ALMATY MANAGEMENT UNIVERSITY

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Management of EI Almaty Management University (hereinafter – "Institution") is responsible for the preparation of the separate financial statements that fairly present in all material respects the financial position of the Institution as at 31 December 2024, financial results of its operations, cash flows and changes in equity for the year then ended, in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (hereinafter – "IASB").

In preparing the separate financial statements, Management is responsible for:

- selecting and applying of proper accounting principles;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- applying valid rational evaluations and assumptions;
- providing additional disclosures when compliance with the requirements of IFRSs is not enough for users to understand the impact of particular transactions, other events and conditions on the financial position and results of the Institution;
- assessment of the Institution's ability to continue as a going concern in the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining the effective and reliable functionality of the internal control system of the Institution;
- maintaining a proper accounting system, allowing the disclosure and explanation of the Institution's transactions and the provision of the Institution's financial position information at any time with reasonable accuracy, and to ensure compliance with IFRSs;
- maintaining accounting records in accordance with the legislation of the Republic of Kazakhstan;
- adopting all reasonable measures to safeguard assets of the Institution; and
- detecting and preventing fraud and other irregularities.

The separate financial statements for the year ended 31 December 2024 were approved by Management of the Institution on 14 October 2025.

Rector ______________________ Kozhakhmetov A.B.

First Vice-Rector ______________________ Buldybayev T.K.

Chief accountant ______________________ Kuatova B. N.

INDEPENDENT AUDITOR'S REPORT

To the Participants and Management of EI Almaty Management University

Opinion

We have audited the financial statements of EI Almaty Management University (hereinafter – the "Institution"), which comprise the separate statement of financial position as at 31 December 2024, the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Institution as at 31 December 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (hereinafter – "IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (hereinafter – "ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Institution in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

We draw attention to Note 2 to the separate financial statements, which discloses the fact that EI ALMAU is the parent company of the Group of companies, and that the consolidated financial statements of EI ALMAU and its subsidiary, prepared in accordance with IFRS Accounting Standards as issued by the IASB, have been issued separately. We conducted an audit of the consolidated financial statements of EI ALMAU as at 31 December 2024 and for the year ending on that date and expressed an unmodified opinion in our auditor`s report dated 30 May 2025.

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

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

In preparing the separate financial statements, management is responsible for assessing the Institution'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 Institution or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Separate Financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 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, 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 internal control of EI Almaty Management University;
- 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 Institution'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 Institution 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 of EI Almaty Management University 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.

Grant Thornton LLP

Arman Chingitbayev	Yerzhan Dossymbekov
Auditor/Engagement partner	General Director Grant Thornton LLP
Certified Auditor of the Republic of Kazakhstan Certificate #MF-0000487 on October 12, 1999	State license #18015053 dated August 3, 2018 (the date of primary issue - July 27, 2011) for providing audit services on the territory of the Republic of Kazakhstan, issued by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan

29 August 2025
Almaty, the Republic of Kazakhstan

EI ALMATY MANAGEMENT UNIVERSITY

SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

In thousands of tenge	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets			
Cash	5	580,535	541,012
Trade and other accounts receivable	6	632,268	368,098
Financial aid given	7	–	–
Inventory		69,496	42,921
Advanced paid	8	487,709	304,438
Other current assets		127,495	77,748
Total current assets		**1,897,503**	**1,334,217**
Non-current assets			
Property and equipment	9	4,177,033	4,208,078
Intangible assets		29,361	26,408
Total non-current assets		**4,206,394**	**4,234,486**
TOTAL ASSETS		**6,103,897**	**5,568,703**
EQUITY AND LIABILITIES			
Equity			
Charter capital	1	–	–
Retained earnings		2,614,604	2,456,945
TOTAL EQUITY		**2,614,604**	**2,456,945**
Current liabilities			
Loans received	10	163,433	694,888
Contract liabilities	11	1,477,284	1,207,317
Financial aid received		13,250	13,250
Trade and other accounts payable	12	214,967	220,397
Allowance for financial guarantee	22	584,315	–
Other current liabilities	13	240,489	210,418
Total current liabilities		**2,693,738**	**2,346,270**
Non-current liabilities			
Loans received	10	795,555	765,488
Total non-current liabilities		**795,555**	**765,488**
TOTAL EQUITY AND LIABILITIES		**6,103,897**	**5,568,703**

Accompanying notes on pages 5-28 are an integral part of these financial statements.

Signed and approved for issuance on behalf of management of the Institution:

Rector ____________________ Kozhakhmetov A.B.

First Vice-Rector ____________________ Buldybayev T.K.

Chief accountant ____________________ Kuatova B. N.

29 August 2025.
Almaty, the Republic of Kazakhstan

EI ALMATY MANAGEMENT UNIVERSITY

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of tenge	Notes	2024	2023
Revenue from educational services	14	7,561,496	6,317,182
Cost of educational services	15	(3,402,075)	(2,757,425)
Gross profit		4,159,421	3,559,757
Selling expenses	16	(339,412)	(361,320)
General and administrative expenses	17	(2,629,594)	(2,833,339)
Foreign exchanges gain, net		23,192	2,382
Financial costs, net	18	(210,790)	(110,270)
Expected credit losses expenses	19	(555,382)	(841,938)
Financial guarantee loss allowance expenses	22	(584,315)	–
Other income, net	20	294,539	402,453
Profit/(loss) before taxation		157,659	(182,275)
Corporate income tax expense	21	–	–
Net income/(loss) for the year		157,659	(182,275)
Other comprehensive income		–	–
Total comprehensive income/(loss) for the year		157,659	(182,275)

Accompanying notes on pages 5-28 are an integral part of these financial statements.

Signed and approved for issuance on behalf of management of the Institution:

Rector ____________ Ko[illegible]akhmetov A.B.

First Vice-Rector ____________ Bu[illegible]bayev T.K.

Chief accountant ____________ Kuatova B. N.

29 August 2025.
Almaty, the Republic of Kazakhstan

EI ALMATY MANAGEMENT UNIVERSITY

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of tenge	Charter capital	Retained earnings	Total
As at 1 January 2023	–	**2,639,220**	**2,639,220**
Loss for the year	–	(182,275)	(182,275)
Other comprehensive loss for the year	–	–	–
Total comprehensive loss for the year	–	**(182,275)**	**(182,275)**
As at 31 December 2023	–	**2,456,945**	**2,456,945**
Income for the year	–	157,659	157,659
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	157,659	157,659
As at 31 December 2024	–	2,614,604	2,614,604

Accompanying notes on pages 5-28 are an integral part of these financial statements.

Signed and approved for issuance on behalf of management of the Institution:

Rector Kuzakhmetov A.B.

First Vice-Rector Buldybayev T.K.

Chief accountant Kuatova B. N.

29 August 2025.
Almaty, the Republic of Kazakhstan

EI ALMATY MANAGEMENT UNIVERSITY

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of tenge	Notes	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Proceeds from providing educational services		5,743,620	4,104,678
Contract liabilities		1,477,284	1,207,317
Other proceeds		136,723	27,551
Payments to suppliers for goods and services		(1,600,986)	(1,602,092)
Advances paid for goods and services		(487,709)	(304,438)
Payment of salaries		(3,029,566)	(2,243,269)
Payment of taxes and other payments to the state budget, except for corporate income tax		(779,929)	(657,246)
Other payments		(187,968)	(83,164)
Cash flow from operating activities		**1,271,469**	**449,337**
Interest paid on loans	10	(253,158)	(159,005)
Net cash received from operating activities		**1,018,311**	**290,332**
CASH FLOW FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment and intangible assets		(218,794)	(365,091)
Financial aid given	7	(285,100)	(434,949)
Returns on financial aid given	7	5,000	78,000
Net cash used in investing activities		**(498,894)**	**(722,040)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Loans received	10	677,237	1,537,249
Loans principal repayment	10	(1,178,625)	(726,548)
Net cash (used in)/received from financing activities		**(501,388)**	**810,701**
Net increase in cash		18,029	378,993
Change in allowance for expected credit losses on cash	5	21,172	(21,173)
Cash at the beginning of the year	5	541,012	181,761
Effect of exchange rate changes on the balance of cash held in foreign currencies		322	1,431
Cash at the end of the year	5	**580,535**	**541,012**

Accompanying notes on pages 5-28 are an integral part of these financial statements.

Signed and approved for issuance on behalf of management of the Institution:

Rector Kozhakhmetov A.B.

First Vice-Rector Buldybayev T.K.

Chief of accountant Kuatova B. N.

29 August 2025.
Almaty, the Republic of Kazakhstan

1. GENERAL INFORMATION

Non-for-profit educational institution International Academy of Business was registered in the Department of Justice of Almaty, the Republic of Kazakhstan on 17 December 1997 certificate of state registration №15221-1910-У-е dated 17 December 1997. On 23 May 2014 NEI International Academy of Business was renamed to the NEI Almaty Management University. On 8 October 2015 NEI Almaty Management University was renamed to the EI Almaty Management University (hereinafter – the “Institution”).

The Institution was founded and operates in accordance with the legislation of the Republic of Kazakhstan. The founder is the AlmaU LLP (hereinafter – the “Academy”). The ultimate controlling parties of AlmaU LLP are the following:

Controlling parties	**31 December 2024 (%)**	31 December 2023 (%)
Kozhakhmetova Maral Bulatovna, citizen of the Republic of Kazakhstan	56.5%	56.5%
Samatdin Ablayhan, citizen of the Republic of Kazakhstan	27.0%	27.0%
Kozhakhmetov Tulegen Bazarbaevich, citizen of the Republic of Kazakhstan	10.0%	10.0%
Kunayev Renat Mirgalievich, citizen of the Republic of Kazakhstan	6.5%	6.5%
	100%	**100%**

The main activities of the Institution are:

- Education on the program of Bachelor degree in areas and specialties in accordance with the obtained license to conduct educational activities;
- Education on the program “Master of Business Administration for managers and top-level professionals in the field of business with the assignment of the MBA degree”;
- Education on the program “Doctor of Business Administration for managers and top-level professionals in the field of business with the assignment of the highest professional degree – DBA”;
- Trainings for managers, specialists and employees, legal entities of various legal forms, as well as individuals to work in the market economy conditions;
- Providing consulting services to enterprises, organisations of all forms of ownership on implementation and support of organisational changes of new forms and methods of management;
- Organisation of national, regional and international workshops;
- Development and publication of textbooks, manuals, reference books, newspapers and magazines about business and management.

The Institution carries out its activities based on a license from the Ministry of Education and Science of the Republic of Kazakhstan (hereinafter – “MES RK”). The educational activitiy of the Institution is carried out in accordance with the reissued license No. KZ03LAA00008295 dated 2 March 2017. Accreditation as a subject of scientific and (or) scientific and technical activities of the MES RK in accordance with the certificate series MK No. 005363 dated 27 September 2017.

The licenses listed above give the right to tax benefits in the amount of 100% of the calculated corporate income tax, in accordance with Article 290 of the Tax Code of the Republic of Kazakhstan (Note 21).

As at 31 December 2024, the number of employees of the Institution was 453 people (31 December 2023: 452 people).

Legal and registered address of the Institution is 227, Rozybakiyev st., Bostandyk district, Almaty city, the Republic of Kazakhstan.

The Institution is the 100% founder of the Corporate Fund Almau Sustainable Development Fund (hereinafter – “Subsidiary”).

The Subsidiary was registered on 10 December 2021 in the form of a non-for-profit organisation.

The main activity of the subsidiary is to support and develop the intellectual potential of students, scientists, researchers and professionals from various industries by organising, supporting, and implementing scientific research, informational, economic, cultural, and social initiatives, programs, and projects aimed at sustainable development.

2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

Statement of compliance

These separate financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – "IFRSs") as issued by International Accounting Standards Board (hereinafter – "IASB").

Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments.

The subsidiary was not consolidated in these separate financial statements. Investments in the subsidiary were accounted for at cost. These separate financial statements should be considered together with the consolidated financial statements, which were approved for issuance by the Company's management on 29 August 2025.

The consolidated financial statements for the year ended 31 December 2024, prepared in accordance with IFRS and issued on 29 August 2025, are available at the Company's office located at: Rozybakiyev st., Bostandyk district, Almaty city, the Republic of Kazakhstan.

The separate financial statements of the Institution are presented in Kazakhstani tenge (hereinafter – "tenge"). The functional and presentation currency of the separate financial statements of the Institution is tenge. All amounts in these separate financial statements are rounded to thousand unless otherwise stated.

Going concern basis

These separate financial statements have been prepared in accordance with IFRSs as issued by IASB based on the assumption that the Institution will adhere to the going concern principle. This assumes the realisation of assets and the settlement of liabilities in the course of its normal business operations in the foreseeable future. The management of the Institution has neither the intention nor the need to liquidate or significantly scale down its operations.

Accrual basis

These separate financial statements have been prepared on the accrual basis. The accrual basis assumes recognition of the results of business operations, as well as when they occurred, regardless of the time of payment. Transactions and events are recorded in the accounting and are included in the separate financial statements for the periods to which they relate.

Recognition of the elements of financial statements

These separate financial statements include all assets, liabilities, equity, income and expenses, which are the elements of the separate financial statements. All elements of the separate financial statements are presented on a linear basis. The inclusion of several elements of the separate financial statements into a single item is made taking into account their characteristics (functions) in the Institution's operations. Each material class of similar items is presented separately in the separate financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

Foreign currency translation

In preparing the separate financial statements, transactions in foreign currencies, other than the functional currency, are carried at the exchange rates prevailing at the transaction date. Monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates prevailing at the date of determination of fair value. Non-monetary items measured at historical cost, denominated in foreign currency, are not retranslated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation (continued)

Exchange rates prevailing on Kazakhstan Stock Exchange (hereinafter – "KASE") are used as official exchange rates in the Republic of Kazakhstan.

Currency exchange rates of KASE used by the Institution in preparing the separate financial statements are as follows:

Currency	**31 December 2024**	31 December 2023
British pound	**659.08**	577.47
Euro	**546.47**	502.24
US dollar	**525.11**	454.56
Russian ruble	**4.88**	5.06

New standards, explanations, and amendments to existing standards and interpretations

The Institution adopted the following new and revised standards during the reporting year, which became effective on 1 January 2024:

- Amendments to IAS 1 − Classification of Liabilities as Current or Non-current;
- Amendments to IAS 7 and IFRS 7 − Supplier Finance Arrangements;
- IFRS S1 − General Requirements for Disclosure of Sustainability-related Financial Information;
- IFRS S2 −Climate-related Disclosures;
- Amendments to IFRS 16 − Lease Liability in a Sale and Leaseback.

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

In January 2020 and October 2022, the IASB issued amendments to IAS 1 Classification of Liabilities as Current or Non-current, which clarify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and are applied retrospectively. These amendments did not have a material impact on the Institution's separate financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 − Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of finance arrangements and require 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 are effective for annual reporting periods beginning on or after 1 January 2024 and are applied retrospectively. These amendments did not have a material impact on the Institution's separate financial statements.

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures

In June 2023, the International Sustainability Standards Board (the ISSB) published new IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information requires an entity to disclose information about risks and opportunities across all areas of development, including supply chains that can affect the entity's cash flow, its access to finance or cost of capital over the short, medium or long term, and IFRS S2 Climate-related Disclosures establish requirements for identifying, assessing, and disclosing information about climate-related risks and opportunities, which includes the following disclosure requirements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards and interpretations adopted in the current year (continued)

- physical risks related to climate change;
- transitional risks related to climate change;
- opportunities related to climate change;
- climate resilience of the organization.

These standards are effective for annual reporting periods beginning on or after 1 January 2024 and are applied retrospectively. These standards did not have a material impact on the Institution's separate financial statements (Note 23).

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback did not have a material impact on the Institution's separate financial statements.

New and revised IFRSs – issued but not yet effective

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

- Amendments to IFRS 9 and IFRS 7 − Classification and Measurement of Financial Instruments;
- IFRS 18 − Presentation and Disclosure in Financial Statements;
- Amendments to IAS 21 − Lack of Exchangeability;
- IFRS 19 − Subsidiaries without Public Accountability: Disclosures.

Amendments to IFRS 9 and IFRS 7 − Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to clarify:

- the calculation of financial liabilities using an electronic payment system;
- the assessment of contractual cash flow characteristics of financial assets, including assets with environmental, social, and governance characteristics.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted, and that fact must be disclosed. The Institution is currently assessing the impact of the amendments.

IFRS 18 − Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, which establishes requirements for the presentation and disclosure of information in general-purpose financial statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements.

The main objective of IFRS 18 is to ensure comparability and transparency of performance reports and to provide the presentation of performance indicators defined by management.

Entities shall apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies this standard for an earlier period, it shall disclose that fact. The Institution is currently assessing the impact of the standard.

The Institution does not expect that Amendments to IAS 21 − Lack of Exchangeability and IFRS 19 − Subsidiaries without Public Accountability: Disclosures will have a material impact on the Institution's separate financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

The property and equipment are carried at cost less accumulated depreciation and impairment losses.

The initial cost of property and equipment comprises of its acquisition price, including import duties and non-recoverable taxes, borrowing costs directly attributable to long-term construction projects, if the recognition criteria are met, as well as any direct costs related to bringing the asset to working condition and delivery to the place of the intended use.

The Institution determines the following terms for useful life for its property and equipment:

Property and equipment category	Useful life
Land	Indefinitely
Buildings and constructions	50 years
Machinery and equipment	4 years
Vehicles	5 years
Library fund	10 years
Other	3-7 years

Impairment of property and equipment

The Institution assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indicator exists, the Institution makes an estimate of the assets' recoverable amount in order to determine the amount of loss from impairment (if such exists).

In cases when it is impossible to estimate the recoverable amount of an individual asset, the Institution estimates the recoverable amount of the unit to which the asset belongs. The Institution also allocates the cost of corporate assets to separate generating units for which a reasonable and consistent allocation basis can be found.

The recoverable amount is determined as a higher of two values: fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets, for which the estimated future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Losses from impairment are reflected immediately in the separate statement of profit or loss and other comprehensive income.

Taxes

Corporate income tax

Corporate income tax is calculated in accordance with the legislation of the Republic of Kazakhstan and is represented as the sum of current and deferred tax. According to the Tax code of the Republic of Kazakhstan, the Institution is exempt from corporate income tax in accordance with tax legislation of the Republic of Kazakhstan, if the aggregate annual income from education activities is more than 90% of the total revenue.

Value Added Tax (hereinafter – "VAT")

The subject of VAT is a taxable turnover of the Institution, which consists of the turnover from the sale of goods and services in the Republic of Kazakhstan and taxable import of the Institution, defined as goods imported or moved into the territory of the Republic of Kazakhstan (except for VAT exempts), being a subject to declaration in accordance with the customs legislation of the Republic of Kazakhstan.

In accordance with Article 289 of the Tax Code of the Republic of Kazakhstan the services rendered by non-for-profit organisations such as pre-school education, primary, basic secondary, general secondary, additional education, technical and professional, post-secondary, high and postgraduate professional education, carried out under the appropriate licenses for the right of conducting these activities are exempt from VAT.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Value Added Tax (hereinafter – "VAT") (continued)

In determining the amount of tax payable to the budget, the Institution has the right to offset the amounts of VAT payable for the goods received, including fixed assets, intangible and biological assets, investments in real estate, works and services, if used or will be used for the purpose of taxable turnover.

If the Institution has taxable and non-taxable turnovers, including exempt from VAT, the value added tax is offset by a proportional method.

Advances paid

Advances paid to suppliers are presented in the separate financial statements at historical cost less allowance for doubtful debts. Advances are classified as long-term if the expected period of receiving goods or services related to them exceeds one year, or if advances relate to assets that will be presented as long-term on initial recognition. The amount of advances paid for the acquisition of assets is included in their carrying amount when the Institution obtains control over these assets and it is probable that future economic benefits associated with them will be received by the Institution. Other advances are written off by the time of receiving goods or services related to them. If there is an indicator that assets, goods or services, related to advances, would not be received, the carrying value of advances is a subject to reduction, and related allowance is presented in profit or loss for the year.

Provisions

Provisions are recognised when the Institution has present obligations (legal or constructive) arising as a result of past events, for which settlement probably will need to outflow the resources, embodying economic benefits and the amount of such obligations can be reliably measured.

The amount of provision is the best estimate of indemnification required to settle the obligation at the end of the reporting period, which takes into account risks and uncertainties related with the obligation. In the case of estimation of provision with cash flows required to settle the obligations, the carrying amount of obligation is defined as the cost of such cash flows.

Recognition of revenue and expenses

Revenue

Contracts with customers contain the agreed rights and obligations of the parties, conditions for the cost and volume of services are defined. The Institution recognises revenue from the provision of services as the process of rendering services is completed at each reporting date, as the obligations to provide services are fulfilled over time, and the customer simultaneously receives and consumes the benefits associated with the fulfillment of the specified obligation by the Institution as it is fulfilled. The cost of each service is determined in the contract and does not contain a variable consideration.

Revenue from government grants for the reimbursement of costs

Revenue from government grants for the reimbursement of costs contain the agreed rights and obligations of the parties, the conditions for the cost and volume of services are determined in accordance with the agreement concluded with the government institution – Ministry of Education and Science of the Republic of Kazakhstan. The Institution recognises revenue from government grants for the reimbursement of costs for training specialists with higher and postgraduate education as the service is completed at each reporting date within revenue from educational services.

Expenses

Expenses are recognised at the moment of actual receipt of relevant goods or services, regardless of when cash was paid and are recorded in the separate financial statements in the period to which they relate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes and deductions from employees' remuneration

In 2024, the Institution pays a social tax to the state budget of the Republic of Kazakhstan in accordance with the tax law of the Republic of Kazakhstan at a flat rate of 9.5% of salaries and other payments to employees, including material benefits (2023: 9.5%). Part of the social tax at a flat rate of 3.5% is transferred to the State Social Insurance Fund JSC (2023: 3.5%).

In 2024, the Institution pays obligatory social medical insurance contributions at the rate of 2% of salaries and other payments to employees, including material benefits (2023: 2%).

The Institution also withholds up to 10% from the salaries of its employees as obligatory deductions to Unified Accumulative Pension Fund JSC in 2023 (2023: 10%).

Apart from deductions to Unified Accumulative Pension Fund JSC, the Institution withholds from the salaries and other payments to its employees, including material benefits, a personal income tax at a flat rate of 10%.

Financial instruments

Key measurement terms

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss;
- fair value through other comprehensive income.

The Institution's financial instruments include financial assets and financial liabilities which are carried at amortised cost as described below.

Amortised cost is the amount at which the financial instrument was recognised at initial cost less any principal repayments, plus accrued interest, and for financial assets less any write-down for expected impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related assets and liabilities items in the separate statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. 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 a shorter period, if appropriate, to the net carrying amount of the financial instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Classification of financial assets

Financial assets of the Institution include trade and other accounts receivable, financial aid given and cash. Management determines the classification of its financial assets at initial recognition. Trade and other accounts receivable are recognised initially at fair value plus transaction costs. Subsequently, trade and other accounts receivable are stated at amortised cost using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Classification of financial liabilities

Financial liabilities of the Institution include financial liabilities carried at amortised cost. The Institution's financial liabilities comprise trade accounts payable, loans and financial aid received.

Financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique which inputs include only data from observable markets.

Subsequent measurement of financial assets

Financial asset is measured at amortised cost if the two conditions are met:

- A business model's objective is to hold the financial asset to collect its contractual cash flows; and
- The contractual cash flows are solely payments of interest and principal.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial assets

The Institution derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Institution has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass–through arrangement while (i) also transferred substantially all risks and rewards of ownership of the assets or (ii) neither transferred nor retained substantially all risks and rewards of ownership but not retained control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without a necessity to impose additional restrictions on the sale.

Impairment of financial assets carried at amortised cost

Expected impairment losses are defined as the difference between all contractual cash flows that are due to an entity and the cash flows that it actually expects to receive ("cash shortfalls"). This difference is discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The assessment of impairment for financial assets can either be individually or collectively and is based on how an entity manages its credit risk. If an entity has a small number of receivables with large value and these receivables are managed on an account basis (i.e. individually) it may not be appropriate in that case to base the impairment on a provision matrix as such a matrix would unlikely be in line with the expected credit loss of the individual receivable.

Recognition of credit losses is no longer dependent on the Institution first identifying a credit loss event. Instead the Institution considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2);
- Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Impairment of financial assets carried at amortised cost (continued)

If the terms of an impaired financial asset held at amortised cost are renegotiated or otherwise modified because of financial difficulties of the counterparty, impairment is measured using the original effective interest rate before the modification of terms.

Uncollectible assets are written off against the related impairment loss allowance after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to impairment loss account within the profit or loss for the year.

Contingent assets and liabilities

Contingent assets are not recognised in the separate financial statements but are subject to disclosure if there is a probability of an inflow of economic benefits.

Contingent liabilities are recognised in the separate financial statements only if there is probability, that in connection with the repayment of such obligations, an outflow of resources is required, the amount of which can be determined with sufficient accuracy. In other cases, contingent liabilities are disclosed in the separate financial statements.

Events after reporting period

Events occurred after the end of the year, which provide additional information about the position of the Institution and as at the date of the separate statement of financial position (adjusting events) are reflected in the separate financial statements. Events occurred after the end of the year that are not adjusting events are disclosed in notes if they are significant.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Preparation of the separate financial statements requires the preparation of judgments by management of the Institution and use of subjective estimates and assumptions that affect recorded amounts of assets and liabilities and disclosure of information about potential assets and liabilities at the reporting date and recorded amounts of income and expenses during the reporting period. Despite the fact that the estimates are based on historical knowledge and other significant factors, events or actions may arise in such a manner, so actual results may differ from these estimations.

Key assumptions for future and other key sources of estimation of uncertainty at the reporting date that have a significant risk of material adjustment to the carrying amounts of assets and liabilities are presented below.

Useful life of property and equipment and intangible assets

The Institution reviews the useful life of property and equipment and intangible assets at the end of each annual reporting period. Assessment of the useful life of an asset depends on factors such as economic use, repair and maintenance programs, technological improvements and other business conditions. Management's assessment of the useful lives of property and equipment reflects relevant information available as at the reporting date.

Impairment of financial assets

For trade and other accounts receivable, the Institution applied the simplified approach provided in IFRS 9 Financial Instruments and calculated lifetime expected credit losses. The Institution has used a provisioning matrix based on observable historical default data over the life of the trade and other accounts receivable, which are adjusted for forward-looking estimates. The Institution also performs impairment tests on an individual basis for specific debtors based on historical loss experience, current conditions, reasonable and justified forecasts.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for financial guarantee
Taxation

Various Kazakhstani laws and regulations are not always clearly written. There may be cases of divergence of opinions between regional and republican tax authorities. At the same time, in the event that additional taxes are charged by the tax authorities, the existing amounts of fines and penalties are set at a significant amount; the amount of fines is 50% of the amount of additional tax and the amount of penalties is 1.25 of the base rates of the National Bank of the Republic of Kazakhstan on the amount of untimely paid tax. As a result, fines and penalties may significantly exceed the amount of additional taxes assessed.

Due to the uncertainties discussed above, the potential amount of taxes, penalties and interest, if any, may exceed the amounts expensed to date and accrued as at the balance sheet date. Differences between estimates and amounts actually paid, if any, could have a material effect on future operating results.

5. CASH

As at 31 December 2024 and 2023 cash is presented as follows:

In thousands of tenge	**31 December 2024**	31 December 2023
Cash on current bank accounts, in tenge	525,257	559,038
Cash on current bank accounts, in foreign currency	74,349	22,784
Cash on card accounts	1,849	1,282
Less: allowance for expected credit losses	(20,920)	(42,092)
	580,535	**541,012**

As at 31 December 2024 and 2023, cash was not pledged and was not restricted in use.

Changes in the allowance for expected credit losses are presented as follows:

In thousands of tenge	**2024**	2023
At the beginning of the year	42,092	20,919
(Recovery)/accrual during the year	(21,172)	21,173
At the end of the year	**20,920**	**42,092**

5. CASH (CONTINUED)

Cash was denominated in the following currencies:

In thousands of tenge	**31 December 2024**	31 December 2023
Tenge	506,186	518,228
US dollar	53,738	22,728
Russian ruble	20,540	–
British pound	71	56
	580,535	**541,012**

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

As at 31 December 2024 and 2023 trade and other accounts receivable are presented as follows:

In thousands of tenge	Notes	**31 December 2024**	31 December 2023
Accounts receivable from third parties		1,264,597	700,043
Other accounts receivable from third parties		31,467	32,932
Accounts receivable from related parties	24	6,817	9,282
		1,302,881	**742,257**
Less: allowance for expected credit losses		(670,613)	(374,159)
		632,268	**368,098**

Trade and other accounts receivable were denominated in the following currencies:

In thousands of tenge	**31 December 2024**	31 December 2023
Tenge	439,962	320,920
US dollar	169,809	11,561
Russian ruble	22,497	35,617
	632,268	**368,098**

Changes in the allowance for expected credit losses are presented as follows:

In thousands of tenge	**2024**	2023
At the beginning of the year	374,159	164,295
Accrual during the year	296,454	221,449
Write-off during the year	–	(11,585)
At the end of the year	**670,613**	**374,159**

7. FINANCIAL AID GIVEN

As at 31 December 2024 and 2023 financial aid given is presented as follows:

In thousands of tenge	Notes	**31 December 2024**	31 December 2023
Financial aid given to related parties	24	1,332,065	1,051,965
Less: allowance for expected credit losses		(1,332,065)	(1,051,965)
		–	–

Changes in the gross amount and related allowance for expected credit losses of financial aid given are presented as follows:

In thousands tenge	Parent company - Academy	Zeynep Higher Multidisciplinary College LLP	College of International Academy of Business LLP	Kazakh Kense LLP	**Total**
As at 1 January 2023	255,290	–	–	–	**255,290**
Granting of financial aid	–	384,949	50,000	–	**434,949**
Repayment of financial aid	(78,000)	–	–	–	**(78,000)**
Write-off of discount	(12,923)	–	–	–	**(12,923)**
Accrual of expected credit losses	(164,367)	(384,949)	(50,000)	–	**(599,316)**
As at 31 December 2023	–	–	–	–	**–**
Financial aid given	–	145,100	70,000	70,000	**285,100**
Repayment of financial aid given	–	–	(5,000)	–	**(5,000)**
Accrual of expected credit losses	–	(145,100)	(65,000)	(70,000)	**(280,100)**
As at 31 December 2024	**–**	–	–	–	–

8. ADVANCES PAID

As at 31 December 2024 and 2023 advances given are presented as follows:

In thousands of tenge	Notes	**31 December 2024**	31 December 2023
Advances paid for services and goods		434,842	236,634
Advances paid for education		23,291	47,114
Advances paid for rent		11,824	23,564
Other advances paid		49,583	18,235
Short-terms advances given		**519,540**	**325,547**
Less: allowance for advances paid		(31,831)	(21,109)
		487,709	**304,438**

Changes in the allowance for advances given are presented as follows:

In thousands of tenge	**2024**	2023
At the beginning of the year	21,109	17,534
Accrual during the year	10,722	3,575
At the end of the year	**31,831**	**21,109**

9. PROPERTY AND EQUIPMENT

For the years ended 31 December 2024 and 2023, the movement in property and equipment is presented as follows:

In thousands of tenge	Land	Buildings and constructions	Machinery and equipment	Vehicles	Library fund	Other	Total
Initial cost							
As at 31 December 2022	**1,367,628**	**2,960,609**	**207,787**	**44,990**	**95,787**	**163,544**	**4,840,345**
Additions	–	101	183,336	–	16,247	155,581	**355,265**
Disposals	–	–	–	–	(12)	(84)	**(96)**
As at 31 December 2023	**1,367,628**	**2,960,710**	**391,123**	**44,990**	**112,022**	**319,041**	**5,195,514**
Additions	–	–	19,372	57,954	15,088	123,427	**215,841**
Disposals	–	–	(320)	–	(220)	–	**(540)**
As at 31 December 2024	**1,367,628**	**2,960,710**	**410,175**	**102,944**	**126,890**	**442,468**	**5,410,815**
Accumulated depreciation and impairment							
As at 31 December 2022	–	**500,549**	**76,024**	**21,937**	**67,271**	**119,644**	**785,425**
Accrual for the year	–	70,359	51,999	9,022	9,510	61,202	**202,092**
Disposals	–	–	–	–	(3)	(78)	**(81)**
As at 31 December 2023	–	**570,908**	**128,023**	**30,959**	**76,778**	**180,768**	**987,436**
Accrual for the year	–	70,369	74,587	10,397	9,881	81,435	**246,669**
Disposals	–	–	(320)	–	(3)	–	**(323)**
As at 31 December 2024	–	**641,277**	**202,290**	**41,356**	**86,656**	**262,203**	**1,233,782**
Carrying value							
As at 31 December 2023	1,367,628	2,389,802	263,100	14,031	35,244	138,273	4,208,078
As at 31 December 2024	1,367,628	2,319,433	207,885	61,588	40,234	180,265	4,177,033

As at 31 December 2024 and 2023, property and equipment with carrying value of 2,139,688 thousand tenge with the accompanying land plot of 1.7 hectares, cadastral number 20-313-015-178, located at the address: Almaty, Bostandyk district, Rozybakiyev street, 227 owned by the Institution were collateral for a loan (Note 10).

10. LOANS RECEIVED

As at 31 December 2024 and 2023 loans received are presented as follows:

In thousands of tenge	**Repayment terms**	**Interest rate**	**Currency**	**31 December 2024**	31 December 2023
Halyk Bank of Kazakhstan JSC	20 June 2030	12%-14%	Tenge	**958,988**	**1,460,376**
Current part				163,433	694,888
Non-current part				795,555	765,488

The collateral consists of buildings with an accompanying land plot (Note 9). According to the schedule, interest payments are made on a monthly basis.

The movement of loans received is presented as follows:

In thousands of tenge	Note	**31 December 2024**	31 December 2023
At the beginning of the year		1,460,376	654,148
Loans receipt		677,237	1,537,249
Repayment of principal		(1,178,625)	(726,548)
Accrual of interest	18	253,158	154,532
Repayment of interest		(253,158)	(159,005)
At the end of the year		**958,988**	**1,460,376**

11. CONTRACT LIABILITIES

As at 31 December 2024 and 2023 contract liabilities are presented as follows:

In thousands of tenge	**31 December 2024**	31 December 2023
Contract liabilities to third parties	**1,477,161**	1,207,317
Contract liabilities to related parties	**123**	–
	1,477,284	**1,207,317**

As at 31 December 2024 and 2023 contract liabilities represent advances received for the provision of educational services from legal entities and individuals.

12. TRADE AND OTHER ACCOUNTS PAYABLE

As at 31 December 2024 and 2023 trade and other accounts payable are presented as follows:

In thousands of tenge	**31 December 2024**	31 December 2023
Accounts payable for goods and services	112,290	139,655
Accounts payable to partner universities	67,000	64,662
Accounts payable to suppliers and contractors for the construction of the educational campus	24,043	11,548
Other payables to suppliers and contractors	11,634	4,532
	214,967	**220,397**

Trade and other accounts payable were denominated in the following currencies:

In thousands of tenge	**31 December 2024**	31 December 2023
Tenge	158,334	177,372
Russian ruble	32,169	20,962
US dollar	23,340	1,052
Euro	1,124	21,011
	214,967	**220,397**

13. OTHER CURRENT LIABILITIES

As at 31 December 2024 and 2023 other current liabilities are presented as follows:

In thousands of tenge	**31 December 2024**	31 December 2023
Accruals for unused vacation	178,001	121,866
Obligations for pension contributions	33,987	27,135
Salary payable to employees	11,119	40,148
Value added tax	1,666	8,720
Other taxes	15,716	12,549
	240,489	**210,418**

14. REVENUE FROM EDUCATIONAL SERVICES

For the years ended 31 December 2024 and 2023, revenue from educational services is presented as follows:

In thousands of tenge	**2024**	2023
Bachelor's degree	4,468,652	3,700,488
Master of Business Administration (MBA)	1,637,047	1,394,246
Additional courses and seminars	1,291,429	867,422
Doctor of Business Administration (DBA)	119,997	146,427
Magistracy (Masters)	41,815	116,254
Other	2,556	92,345
	7,561,496	**6,317,182**

For the years ended 31 December 2024 and 2023, the Institution had no clients with concentration more than 10%, of revenue unrelated to educational activities.

For the years ended 31 December 2024 and 2023, the Institution recognised income from government grants for reimbursement of costs for the training of specialists with higher and postgraduate education under the state educational order in accordance with agreements concluded with the Ministry of Education and Science of the Republic of Kazakhstan as income from Bachelor degree and Master degree in the amount of 1,079,099 thousand tenge and 832,952 thousand tenge, respectively.

15. COST OF EDUCATIONAL SERVICES

For the years ended 31 December 2024 and 2023, the cost of education services is presented as follows:

In thousands of tenge	**2024**	2023
Payroll and related taxes	1,858,795	1,654,453
Outsourcing of teachers and professors	608,459	425,795
Travel expenses	247,998	107,400
Expenses for events	156,950	79,654
Contributions to partner-universities	156,793	146,604
Rent	146,970	99,704
Accruals for unused vacation	56,135	64,706
Materials	35,746	34,499
Other	134,229	144,610
	3,402,075	**2,757,425**

Contributions to partner-universities are presented by the cost of training of students at cooperating partner-universities in respective programs.

16. SELLING EXPENSES

For the years ended 31 December 2024 and 2023, selling expenses are presented as follows:

In thousands of tengee	**2024**	2023
Advertising expenses	167,884	187,751
Payroll and related taxes	118,201	114,552
Depreciation and amortisation	35,156	36,544
Expenses for events	6,202	12,031
Travel expenses	1,501	2,963
Other	10,468	7,479
	339,412	**361,320**

17. GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended 31 December 2024 and 2023, general and administrative expenses are presented as follows:

In thousands of tenge	**2024**	2023
Payroll and related taxes	1,104,054	1,021,476
Current repair costs	600,963	654,290
Depreciation and amortisation	205,614	156,683
Taxes other than corporate income tax	136,577	115,365
Professional services	89,364	107,918
Travel expenses	78,882	96,770
Materials	76,740	120,284
Security costs	47,540	39,287
Utility costs	39,622	44,490
Representation Expenses	33,127	25,794
Insurance	25,120	23,815
Expenses for events	18,213	28,003
Communication services	12,135	11,996
Membership Fees	3,381	155,679
Other	158,262	231,489
	2,629,594	**2,833,339**

18. FINANCE COSTS, NET

For the years ended 31 December 2024 and 2023 finance costs are presented as follows:

In thousands of tenge	Note	**2024**	2023
Interest income from deposits		42,368	27,554
Discount amortisation		–	16,708
Interest expense on loans received	10	(253,158)	(154,532)
		(210,790)	**(110,270)**

19. EXPECTED CREDIT LOSS EXPENSES

For the years ended 31 December 2024 and 2023 expected credit loss expenses are presented as follows:

In thousands of tenge	Note	**2024**	2023
Trade and other accounts receivable	6	(296,454)	(221,449)
Financial aid given	7	(280,100)	(599,316)
Cash	5	21,172	(21,173)
		(555,382)	**(841,938)**

20. OTHER INCOME, NET

For the years ended 31 December 2024 and 2023 other income is presented as follows:

In thousands of tenge	**2024**	2023
Income from reimbursement for training of specialists	197,898	69,110
Income from reimbursement for the construction cost	87,885	311,228
Income from rent	43,301	70,017
Income from disposal of assets, net	11,161	–
Other expenses, net	(45,706)	(47,902)
	294,539	**402,453**

21. TAXATION

Corporate income tax is calculated in accordance with the legislation of the Republic of Kazakhstan and represents the sum of current and deferred taxes. The Institution is exempt from paying corporate income tax under the tax legislation of the Republic of Kazakhstan, if it receives at least 90% of its total income from educational activities.

Corporate income tax expenses include:

In thousands of tenge	**2024**	2023
Current corporate income tax expense	**–**	–
Deferred corporate income tax expense	**–**	–
	–	–

22. ALLOWANCE FOR FINANCIAL GUARANTEE

On 10 July 2024, the Institution acted as a guarantor for the obligations of College of International Academy of Business LLP, related party, to ForteBank JSC under a loan agreement in the amount of 2,000,000 thousand tenge for the period of 7 years and 20.75% annual interest rate.

As at 31 December 2024 the outstanding debt of College of International Academy of Business LLP due to ForteBank JSC is amounted to 1,947,715 thousand tenge. The Institution recognized a loss allowance in the amount of 584,315 thousand tenge or 30% of the outstanding debt. The decision to recognize a loss allowance is based on professional judgement and an assessment of the credit risk inherent in this guarantee (Note 4).

23. CONTINGENT AND CONTRACTUAL LIABILITIES AND OPERATIONAL RISKS

Operating environment

The economy of the Republic of Kazakhstan continues to show the features inherent in developing countries. Among others, such characteristics include the absence of a freely convertible national currency outside the country and the low level of liquidity of debt and equity securities in the markets.

Prospects for the economic stability of the Republic of Kazakhstan substantially depend on the effectiveness of economic measures taken by the Government, as well as the development of legal, regulatory and political systems that are outside the scope of control of the Institution.

Financial condition and future operations of the Institution may be adversely affected as a result of continuing economic problems inherent in a developing country. Management cannot predict either the extent or duration of the economic difficulties and to assess their impact, if any, will impact these separate financial statements.

Management of the Institution believes that is taking necessary measures to support the economical sustainability of the Institution in the current environment. However, further deterioration of the situation in the areas described above could negatively affect the results and financial position of the Institution. It is currently impossible to determine what exactly this influence might be.

Taxation

The Government of the Republic of Kazakhstan continues to reform the business and commercial infrastructure in its transition to a market economy. As a result, laws and regulations regulating the activities of the Institution continue to change rapidly. These changes are characterised by insufficient drafting, availability of different interpretations and arbitrary application by the authorities.

Particularly taxes are reviewed by several bodies that are legally entitled to impose fines and penalties. The absence of reference to the regulations in Kazakhstan results in a lack of clarity and integrity of regulations. Frequent contradictions in legal interpretations in government bodies and between companies and government bodies create uncertainties and conflicts. These facts create tax risks in Kazakhstan which are much more significant in comparison with such in countries with more developed tax systems. The tax authorities have the right to examine tax records for five years after period end in which the tax base is determined and the taxes amount is accrued. Consequently, the Institution may be charged for additional tax liabilities because of tax audits. The Institution believes that it had adequately reflected all tax liabilities based on its interpretations of tax laws.

23. CONTINGENT AND CONTRACTUAL LIABILITIES AND OPERATIONAL RISKS (CONTINUED)

Insurance

The Institution insures employees under compulsory and voluntary medical insurance contracts in accordance with the requirements of the legislation of the Republic of Kazakhstan. The Institution bears the risk of loss in relation to uninsured or partially insured assets and operations.

Investment related agreements

As at 31 December 2024 and 2023, the Institution has no investment related agreements.

Legal issues

Management believes that there are no pending lawsuits or other claims, the results of which could have a significant impact on the operations or financial position of the Institution, and which have not been accrued or disclosed in these separate financial statements.

Capital expenditures commitments

As at 31 December 2024 and 2023 the Institution has no material commitments for capital expenditures.

Climate-related matters

Management believes that changes in climate-related and environmental regulations are not expected to have a material impact on the separate financial statements. The Institution currently complies with all applicable environmental, health, and safety laws and regulations. As at 31 December 2024 the Institution had not been subject to any environmental claims and had not identified any onerous contracts related to climate matters.

24. RELATED PARTY TRANSACTIONS

In accordance with IAS 24 Related Party Disclosures, the parties are considered to be related if one party has the ability to control or exercise significant influence over operating and financial decisions of another party. In deciding whether the parties are related, attention is drawn to the substance of the relationship, rather than the legal form.

Related parties may enter into transactions which have not been carried out between unrelated parties. The prices and conditions of such transactions may differ from the prices and terms of transactions between unrelated parties.

Terms and conditions of related party transactions

Related party transactions were made on terms agreed between the parties, which were not necessarily carried out on market conditions. Outstanding balances at the end of the year are unsecured, interest free and the disbursements in cash.

As at 31 December 2024 and 2023, the Institution had following outstanding balances on related party transactions:

In thousands of tenge	**31 December 2024**		31 December 2023	
	Related party transactions	**Total category as per financial statement line item**	Related party transactions	Total category as per financial statement line item
Trade and other accounts receivable	**6,817**	**632,268**	**9,282**	**368,098**
- other related parties	***6,817***		***9,282***	
Financial aid given	**1,332,065**	–	**1,051,965**	–
- other related parties	***1,172,406***		***892,306***	
- parent company	***159,659***		***159,659***	
Financial aid received	**13,250**	**13,250**	**13,250**	**13,250**
- other related parties	***13,250***		***13,250***	

24. RELATED PARTY TRANSACTIONS (CONTINUED)

Terms and conditions of related party transactions (continued)

The operations with related parties presented in the separate statement of profit or loss and other comprehensive income, for the years ended 31 December 2024 and 2023 as follows:

In thousands of tenge	**2024**		2023	
	Related party transactions	**Total category as per financial statement line item**	Related party transactions	Total category as per financial statement line item
General and administrative expenses	–	**2,629,594**	***6,450***	**2,833,339**
- parent company - Academy	–	–	***6,450***	–

Compensation to key management personnel

The key management personnel consist of the Rector of the Institution, the First Vice–Rector - Director of the Institute for Educational Development, Vice-Rector for Corporate Development , President, Vice-Rector for Academic Development, Vice-Rector for Science, Vice-Rector for Commercialisation, Vice-Rector for Global Partnership, Managing Director for Strategic Marketing, Managing Director of HR and Managing Director for Digital Transformation with a total of 13 people as at 31 December 2024 (2023: 10 people).

For the year ended 31 December 2024, the total compensation to key management personnel included in general and administrative expenses in the separate statement of profit or loss and other comprehensive income is 232,671 thousand tenge (2023: 171,898 thousand tenge). The compensation to key personnel includes salaries and other short-term benefits in accordance with the internal regulations of the Institution.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICY

Financial risk management policies

The Institution monitors and controls financial risks relating to the Institution's operations through internal risk reports that analyse exposure to risk and the level of risk.

These risks include market risk (including the risk of changes in currency exchange rates), credit risk and liquidity risk. The description of the risk management Institution's policies is provided below.

Market risk

Market risk is the risk that the value of a financial instrument as a result of changes in market prices. The Institution manages market risk by periodically assessing potential losses that may arise due to adverse changes in market conditions, which were considered during the planning of the educational process.

Currency risk

As at 31 December 2024 and 2023, the Institution's total currency assets and liability are presented as follows:

In thousands of tenge	**31 December 2024**	31 December 2023
US dollar	200,207	34,289
Russian ruble	10,868	35,617
British pound	71	56
Euro	(1,124)	(21,011)

The sensitivity level of 15% is used in the analysis and preparation of internal reporting on the foreign currency risk for key management personnel and reflects Management's assessment of a reasonably possible change in exchange rates. The risk sensitivity analysis considers only balances of monetary items denominated in foreign currencies and adjusts the translation of these balances at the reporting date assuming a 15% change in exchange rates.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

Currency risk (continued)

The strengthening or weakening of the tenge against foreign currencies is presented below:

In thousands of tenge	**Changes in the exchange rate**	Russian ruble	US dollar	Euro	British pound
2024	15%	1,630	30,031	(169)	11
	-15%	(1,630)	(30,031)	169	(11)
2023	15%	5,343	5,143	(3,152)	9
	-15%	(5,343)	(5,143)	3,152	(9)

Credit risk

Credit risk is the risk of financial loss to the Institution as a result of a customer or counterparty failing to meet its contract obligations under a financial instrument.

The Institution regularly monitors the recovery of cash, trade and other accounts receivable. In the separate financial statements, allowances for expected credit losses are accrued (Notes 5, 6 and 7).

Trade and other accounts receivable are not credit rated.

The Institution's maximum exposure to credit risk may vary significantly depending on individual asset-specific risks and general market risks. For financial assets, the maximum exposure to credit risk is equal to the carrying value of these assets.

Credit risk in respect of cash placed on current and card bank accounts, using a Fitch credit rating. Credit risk is presented as follows:

In thousands of tenge	Country	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
Halyk Bank of Kazakhstan JSC	Kazakhstan	BBB-	BBB-	580,535	541,012
				580,535	**541,012**

Credit quality by class of financial assets

Probability of Default (PD)	*The Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the asset has not been previously derecognised and is still in the portfolio.
Exposure at Default (EAD)	*The Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
Loss Given Default (LGD)	*The Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The allowance for expected credit losses is calculated based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

Credit quality by class of financial assets (continued)

The table below presents an analysis of the credit quality in terms of asset classes of the credit-related items in the separate statement of financial position, based on the Institution's credit rating system.

31 December 2024	Note		Standard Rating	Sub-standard rating	Impaired	Total
Cash	5	Stage 1	580,535	–	–	**580,535**
Trade and other accounts receivable		Stage 2	632,268	–	–	**632,268**
	6	Stage 3	–	–	670,613	**670,613**
Financial aid given	7	Stage 3	–	–	1,332,065	**1,332,065**
Total			**1,212,803**	–	**2,002,678**	**3,215,481**

31 December 2023	Note		Standard Rating	Sub-standard rating	Impaired	Total
Cash	5	Stage 1	541,012	–	–	**541,012**
Trade and other accounts receivable		Stage 2	368,098	–	–	**368,098**
	6	Stage 3	–	–	374,159	**374,159**
Financial aid given	7	Stage 3	–	–	1,051,965	**1,051,965**
Total			**909,110**	–	**1,426,124**	**2,335,570**

Trade accounts receivable

Trade accounts receivable consist of students obligations. Trade accounts receivable are categorised based on common risk characteristics, which represent the ability of students and third parties (payers for students) to pay the full amount under the contract terms in a timely manner. The estimated allowance for losses on trade accounts receivable is measured at an amount equal to lifetime expected credit losses of the instrument.

The Institution applies a simplified model to recognise expected credit losses over the entire term for all trade accounts receivable. The Institution assesses whether there has been a significant increase in the credit risk of trade accounts receivable since the initial recognition of the financial instrument at each reporting date. Comparing the risk of non-fulfillment of obligations (default risk) with respect to trade accounts receivable at the reporting date, the risk of default of a financial instrument in the evaluation on the date of initial recognition, the Institution determines the assumption that a default if the financial asset is overdue for more than 90 days.

Geographic concentration

As at 31 December 2024 and 2023 geographically the assets and liabilities of the Institution are located in the Republic of Kazakhstan.

Liquidity risk

Liquidity risk is a risk that the Institution is not able to repay all its obligations on the date due. The Institution monitors and controls the liquidity risk. The Institution carries out a detailed budgeting and cash forecasting process, to ensure that cash is sufficient for settlement of liabilities.

The tables below represent the contractual terms of the financial liabilities of the Institution. The table was compiled on the basis of the undiscounted cash flows of financial liabilities based on the earliest date on which the Institution can be required to pay. The table includes cash flows by principal amount.

In thousands of tenge	Effective interest rate	Less than 3 months	3 months to 1 year	1 to 5years	More than 5 years	**Total as at 31 December 2024**
Loans received	12-14%	117,847	261,611	1,078,295	101,205	**1,558,958**
Financial aid received	–	–	–	13,250	–	**13,250**
Trade and other accounts payable		99,763	43,309	71,895	–	**214,967**
		217,610	**304,920**	**1,163,440**	**101,205**	**1,787,175**

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT POLICY (CONTINUED)

Liquidity risk (continued)

In thousands of tenge	Effective interest rate	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	**Total as at 31 December 2023**
Loans received	12-16.75%	433,751	824,759	875,117	221,853	**2,355,480**
Financial aid received	–	–	–	13,250	–	**13,250**
Trade and other accounts payable	–	114,935	105,462	–	–	**220,397**
		548,686	**930,221**	**888,367**	**221,853**	**2,589,127**

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Institution cannot expect to eliminate all operational risks, but a control framework and monitoring and responding to potential risks could be effective tools to manage the risks. Control system should include effective segregation of duties, access, authorisation and reconciliation procedures, staff trainings and assessment processes, including the use of internal audit. Management is responsible for managing operational risks inherent to the Institution's activities, procedures and systems.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is determined as the amount at which the instrument could be exchanged between knowledgeable parties on a commercial basis, except for situations with forced or liquidation sale. Since there are no significant available market mechanisms to determine fair value, for most of the Institution's financial instruments, in assessing fair value, assumptions based on current economic conditions and specific risks inherent in the instruments are used. The Institution believes that as at 31 December 2024 and 2023 the present value of cash, trade and other accounts receivable, financial aid given and received, loans received, and trade and other accounts payable are approximately equal to their fair value.

The Institution uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: valuation models for which all inputs which have significant effect on the fair value recorded in the financial statements are observable in the market, either directly or indirectly;
- Level 3: valuation models which use inputs that have significant impact on the fair value recorded in the financial statements that are not based on observable market data.

All Institution's financial assets and liabilities belong to Level 2 of valuation hierarchy except for cash (Level 1).

For the years ended 31 December 2024 and 2023 there was no movement between levels 1, 2 and 3.

27. CAPITAL MANAGEMENT

Capital includes retained earnings. The main objective of the Institution in relation to capital management is to ensure stable credit rating and an adequate level of capital to conduct the activities of the Institution.

The Institution manages its capital in order to continue to adhere to the principle of going concern together with the maximisation of revenue for stakeholders by optimising the balance of debt and equity. Compared to 2023, the overall strategy of the Institution remained unchanged.

The Institution's Management analyses the capital structure semi-annually. As part of this review, Management considers the cost of capital and risks associated with each class of capital.

27. CAPITAL MANAGEMENT (CONTINUED)

Debt-to-equity ratio at year-end is presented as follows:

In thousands of tenge	**31 December 2024**	31 December 2023
Loans received	958,988	1,460,376
Equity	2,614,604	2,456,945
Leverage ratio	0.37	0.59

28. APPROVAL OF FINANCIAL STATEMENTS

These separate financial statements were approved by management of the Institution on 29 August 2025.