



SAMRUK-ENERGY JSC

Condensed Consolidated Interim Financial Statements (unaudited)

30 September 2020

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SAMRUK-ENERGY JSC
Condensed Consolidated Interim Statement of Financial Position (unaudited)

<i>In thousands of Kazakhstan Tenge</i>	Note	30 September 2020 (unaudited)	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	7	730,324,191	752,989,264
Investment property		273,063	350,401
Intangible assets		3,390,278	3,691,945
Right-of-use assets	8	2,184,678	2,850,017
Investments in joint ventures and associates	9	55,107,929	54,143,504
Other non-current assets	10	8,829,522	4,597,856
Total non-currents assets		800,109,661	818,622,987
Current assets			
Inventory	11	12,044,941	10,572,869
Trade and other receivables	12	33,071,025	28,923,422
Other current assets	13	17,594,317	17,687,371
Income tax prepaid		1,282,488	1,403,568
Cash and cash equivalents	14	12,276,398	12,007,037
Total current assets		76,269,169	70,594,267
TOTAL ASSETS		876,378,830	889,217,254

Signed on behalf of management on 4 November 2020.

Aidar K. Ryskulov
 Managing Director on Economics and Finance



Saule B. Tulekova
 Head of Accounting and Tax Department -
 Chief Accountant

The accompanying notes on pages 7 to 28 are an integral part of these condensed consolidated financial statements

SAMRUK-ENERGY JSC
Condensed Consolidated Interim Statement of Financial Position (unaudited)

<i>In thousands of Kazakhstan Tenge</i>	Note	30 September 2020 (unaudited)	31 December 2019
EQUITY			
Share capital	15	376,045,927	373,314,888
Other reserves	15	125,662,727	127,357,014
Accumulated deficit		(22,169,255)	(16,823,598)
Equity attributable to the Group's equity holders		479,539,399	483,848,304
Non-controlling interest		1,190,734	1,168,066
TOTAL EQUITY		480,730,133	485,016,370
LIABILITIES			
Non-current liabilities			
Provision for liquidation of ash dump		2,154,534	2,217,222
Employee benefit obligations		1,585,096	1,566,676
Borrowings	16	206,238,874	212,584,076
Other non-current liabilities	17	4,551,514	4,331,376
Non-current lease liabilities	8	1,390,747	1,660,455
Deferred income tax liabilities		79,584,207	80,529,427
Total non-current liabilities		295,504,972	302,889,232
Current liabilities			
Provision for liquidation of ash dump		75,091	114,369
Borrowings	16	63,528,218	57,355,607
Employee benefit obligations		121,563	99,197
Trade and other payables	18	30,771,982	38,738,066
Taxes payable and other payables to budget		4,092,555	3,599,886
Current lease liabilities	8	626,912	1,036,163
Income tax payable		927,404	368,364
Total current liabilities		100,143,725	101,311,652
TOTAL LIABILITIES		395,648,697	404,200,884
TOTAL LIABILITIES AND EQUITY		876,378,830	889,217,254
Carrying value of an ordinary share	29	85,212	85,925

Signed on behalf of management on 4 November 2020

Aidar K. Ryskulov
 Managing Director on Economics and Finance



Saule B. Tulekova
 Head of Accounting and Tax Department -
 Chief Accountant

The accompanying notes on pages 7 to 28 are an integral part of these condensed consolidated financial statements

SAMRUK-ENERGY JSC
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
(unaudited)

<i>In thousands of Kazakhstan Tenge</i>	Note	9 months ended 30 September 2020 (unaudited)	9 months ended 30 September 2019 (unaudited)	3 months ended 30 September 2020 (unaudited)	3 months ended 30 September 2019 (unaudited)
Revenue	19	198,054,632	171,254,469	63,285,230	61,709,756
Cost of Sales	20	(158,508,354)	(138,541,594)	(55,150,981)	(48,704,728)
Gross Profit		39,546,278	32,712,875	8,134,249	13,005,028
Selling expenses	21	(6,581,088)	(5,296,462)	(1,799,465)	(2,986,489)
General and administrative expenses	22	(11,134,024)	(8,423,767)	(2,786,673)	(2,772,421)
Share in profit of joint ventures and associates	9	3,945,383	9,128,240	(1,829,615)	2,319,342
Net gain on reversal of impairment of financial assets		560,448	1,256,591	438,214	606,493
Finance income	23	1,515,708	2,187,095	422,732	457,604
Finance costs	24	(23,833,466)	(24,748,902)	(8,097,259)	(8,315,321)
Other income		1,148,783	1,331,537	129,345	366,698
Other expense		(4,014,857)	(1,092,324)	(396,652)	(265,246)
Profit/(loss) before income tax		1,153,165	7,054,883	(5,785,124)	2,415,688
Income tax expense	25	(3,409,923)	(3,419,567)	(150,401)	(941,223)
(Loss)/profit for the period		(2,256,758)	3,635,316	(5,935,525)	1,474,465
Other comprehensive (loss)/income <i>(Items that will not be reclassified to profit or loss)</i>					
Remeasurement of post-employment benefit obligations		(194,287)	(139,111)	129,249	(126,297)
Total comprehensive (loss)/income for the period		(2,451,045)	3,496,205	(5,806,276)	1,348,168
(Loss)/profit attributable to:					
Equity holders of the Group		(2,279,426)	3,425,968	(6,026,521)	1,396,900
Non-controlling interest		22,668	209,348	90,996	77,565
(Loss)/profit for the period		(2,256,758)	3,635,316	(5,935,525)	1,474,465
Total comprehensive (loss)/income attributable to:					
Equity holders of the Group		(2,473,713)	3,286,857	(5,897,272)	1,270,603
Non-controlling interest		22,668	209,348	90,996	77,565
Total comprehensive (loss)/income for the period		(2,451,045)	3,496,205	(5,806,276)	1,348,168

The accompanying notes on pages 7 to 28 are an integral part of these condensed consolidated financial statements

SAMRUK-ENERGY JSC
Condensed Consolidated Interim Statement of Changes in Equity (unaudited)

In thousands of Kazakhstan Tenge	Note	Attributable to equity holders of the Group			Total	Non- controlling interest	Total equity
		Share capital	Other reserves	Uncovered loss			
Balance at 1 January 2019		373,314,888	127,412,909	(21,607,444)	479,120,353	891,592	480,011,945
Profit for the period (unaudited)		-	-	3,425,968	3,425,968	209,348	3,635,316
Other comprehensive (loss) (unaudited)		-	(139,111)	-	(139,111)	-	(139,111)
Total comprehensive (loss)/income (unaudited)		-	(139,111)	3,425,968	3,286,857	209,348	3,496,205
Other capital distributions		-	-	(10,029)	(10,029)	-	(10,029)
Dividends		-	-	(2,041,000)	(2,041,000)	-	(2,041,000)
Balance at 30 September 2019 (unaudited)		373,314,888	127,273,798	(20,232,505)	480,356,181	1,100,940	481,457,121
Balance at 1 January 2020		373,314,888	127,357,014	(16,823,598)	483,848,304	1,168,066	485,016,370
(Loss)/profit for the period (unaudited)		-	-	(2,279,426)	(2,279,426)	22,668	(2,256,758)
Other comprehensive (loss) (unaudited)		-	(194,287)	-	(194,287)	-	(194,287)
Total comprehensive (loss)/income (unaudited)		-	(194,287)	(2,279,426)	(2,473,713)	22,668	(2,451,045)
Issue of shares	15	2,731,039	(1,500,000)	-	1,231,039	-	1,231,039
Dividends	15	-	-	(3,066,231)	(3,066,231)	-	(3,066,231)
Balance at 30 September 2020 (unaudited)		376,045,927	125,662,727	(22,169,255)	479,539,399	1,190,734	480,730,133

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SAMRUK-ENERGY JSC
Condensed Consolidated Interim Statement of Cashflows (unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	9 months ended 30 September 2020 (unaudited)	9 months ended 30 September 2019 (unaudited)
Cash flows from operating activities			
Total cash inflows		216,956,795	197,947,643
Sale of products and goods		141,838,761	132,533,279
Sales of services		13,379,974	7,523,693
Advances received		60,264,459	48,963,466
Dividends and other receivables from associates		93,599	7,854,641
Others		1,380,002	1,072,564
Total cash outflows		(179,775,216)	(157,125,195)
Payments to suppliers		(99,072,660)	(70,261,811)
Advances paid		(12,699,100)	(19,515,302)
Payment of salary expenses		(24,000,273)	(22,612,727)
Payment of interest on loans received		(18,517,203)	(18,898,099)
Corporate income tax		(3,950,420)	(5,703,675)
Other payments to the budget		(18,790,216)	(17,448,800)
Others		(2,745,344)	(2,684,781)
Net cash from operating activities		37,181,579	40,822,448
Cash flows from investing activities			
Total cash inflows		10,910,835	18,662,492
Proceeds from sale of fixed assets and intangible assets		16,695	41,998
Proceeds from the sale of subsidiaries		2,202,302	-
Proceeds from the sale of debt instruments		192,300	-
Return of bank deposits		7,416,363	2,666,245
Interests received from obligations and deposits		644,351	987,808
Others		438,824	14,966,441
Total cash outflows		(39,512,585)	(29,538,137)
Acquisition of fixed assets		(32,452,439)	(19,561,123)
Purchase of intangible assets		(119,351)	(74,102)
Placement of bank deposits		(6,940,795)	(2,074,766)
Acquisition of shares in associates		-	(2,403,501)
Others		-	(5,424,645)
Net cash (used) in investing activities		(28,601,750)	(10,875,645)

The accompanying notes on pages 7 to 28 are an integral part of these condensed consolidated financial statements

SAMRUK-ENERGY JSC
Condensed Consolidated Interim Statement of Cashflows (unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	9 months ended 30 September 2020 (unaudited)	9 months ended 30 September 2019 (unaudited)
Cash flows from financing activities			
Total cash inflows		67,910,929	146,262,122
Proceeds from short-term loans received		63,045,795	86,971,289
Proceeds from long-term loans received		4,865,134	59,290,833
Total cash outflows		(76,757,564)	(182,145,653)
Payment of principal on short-term loans received		(56,734,693)	(75,651,757)
Payment of principal on long-term loans received		(16,073,975)	(85,268,453)
Payment of principal on issued debt securities (obligations)		-	(16,872,498)
Payment of principal on finance leases		(632,364)	(612,816)
Dividends paid to shareholders of the parent company		(3,066,231)	(2,041,000)
Dividends paid to non-controlling owners		(219,744)	(197,339)
Other payments		(30,557)	(1,501,790)
Net cash (used) in financing activities		(8,846,635)	(35,883,531)
Change in provision for impairment of cash and cash equivalents		3,514	(757)
Foreign exchange difference effect on cash and cash equivalents		532,653	(379,617)
Net increase/(decrease) in cash and cash equivalents		269,361	(6,317,102)
Cash at the beginning of the year, including:	14	12,007,037	13,624,165
Cash at the at the end of reporting period:	14	12,276,398	7,307,063

The cash flow statement for 9 months ended September 30, 2020, as well as previous period, was generated using direct method.

1 Samruk-Energy Group and its Operations

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim financial reporting" for nine months ended 30 September 2020 for Samruk-Energy JSC (the "Company") and its subsidiaries (together referred to as the "Group").

The Company was incorporated on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company and was set up in accordance with regulations of the Republic of Kazakhstan. The Group was established for the purpose of consolidation of entities in electric power industry of the Republic of Kazakhstan (the "RoK").

As of 30 September 2020, the Company's shareholder is Samruk-Kazyna National Welfare Fund JSC ("Samruk-Kazyna"). The Company's ultimate controlling party is the Government of the RoK

Principal activity

The Group's principal activities are production of electricity, heat energy, hot water on the basis of coal, hydrocarbons and water resources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, leasing of property of power stations.

The operations of the Group's subsidiaries and joint ventures are regulated by the Law of the Republic of Kazakhstan on Natural Monopolies and Regulated Markets, the Law on Competition and the Restriction of Monopolistic Activity (the "Antimonopoly legislation"). The tariffs, based on type of energy company, are regulated by the Committee on Regulation of Natural Monopolies of the Ministry of Economics of the Republic of Kazakhstan (the "Committee") or by the relevant ministry - Ministry of Energy of the Republic of Kazakhstan (the "MoE").

Electricity tariffs for electricity producers are approved by the order of the Minister of Energy #243 dated 29 June 2020 on Approval of Cap for Tariffs for Electricity for a Group of Energy Producing Organizations and subsequent amendments and addendum. Tariffs for the supply of electricity produced by renewable energy sources are fixed and approved by the Decree of the Government of Republic of Kazakhstan according to the Renewable Energy technology (separately for wind, solar and other sources), and are subject to annual indexation. Wherein financial center acts as a buyer, and energy producing organizations act as a seller. Tariffs for transmission and distribution of electricity, production of heat energy and energy supply (the "ES") are regulated by Committee on Regulation of Natural Monopolies and Competition Protection of Ministry of Economics. Regulation and control are performed strictly in accordance with regulations.

The tariff related decisions are significantly exposed to social and political issues. Economic, social and other policies of the Government of the Republic of Kazakhstan may have the significant effect on the Group's operations.

Operating environment

In general, the economy of the Republic of Kazakhstan continues to display some characteristics of emerging markets. It is especially sensitive to fluctuations in the price of oil and gas and other minerals, which make up the significant part of the country's exports. These features also include, but are not limited to, the existence of a national currency that is not freely convertible outside the country and a low level of liquidity in the securities market. The continuing political tension in the region and the volatility of the exchange rate have had and may continue to have a negative impact on the economy of the Republic of Kazakhstan, including a decrease in liquidity and the difficulties in attracting international financing.

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. In response to the pandemic, the Kazakh authorities have taken numerous measures to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, restrictions on business activities, etc. These measures, among other things, severely restrict economic activity in Kazakhstan and have a negative impact and may continue to have a negative impact on the business, market participants, customers of the Group, as well as on the Kazakhstani and global economy for an unknown period of time. Management takes the necessary steps to ensure the sustainability of the Group's operations and to support its customers and employees.

At the same time, on March 9, 2020 oil quotes collapsed as a result of the collapse of the OPEC deal, and the price of Brent crude oil in March of this year fell below 25 USD per barrel. The COVID-19 epidemic is spreading globally, having a dramatic negative effect on the entire world economy.

As of the date of these financial statements, the situation is still evolving, to date there has been no significant effect on the Group's revenues and deliveries, however, the future effect is difficult to predict. Management will continue to monitor the potential impact of the above events and will take all necessary measures to prevent negative consequences for the business.

1 Samruk-Energy Group and its Operations (Continued)

Registered address and place of business

The registered address and place of Company's Head Office is: 15A Kabanbay Batyr Avenue, Block B, Nur-Sultan, Republic of Kazakhstan

2 Basis of Preparation and Significant Accounting Policies

Basis of preparation

These condensed consolidated interim financial statements for the nine-month period ended 30 September 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all notes that are normally included in the annual financial statements. Therefore, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2019, which have been prepared in accordance with IFRS. The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those of the previous financial year except for accounting for income taxes and the application of new accounting clauses, as indicated below.

Income tax expenses for the interim period are accrued using the calculated effective tax rate that would be applicable for the financial year.

Seasonality of operations

The Group's operations are exposed to the seasonal fluctuations. Fluctuations in electricity transmission volume, production of heat and electricity relate to heating season from October to April.

Also, the Group's repair and maintenance works might be subject to seasonality. Significant amount of maintenance and repair work are expected to be carried out in the second half of 2020 that will significantly increase the Group's expenses, downtime of power units and low levels of electricity production.

Exchange rates

As of 30 September 2020, the official exchange rate used to translate balances in foreign currency was Tenge 431.82 for 1 US dollar (31 December 2019: Tenge 381.18 for 1 US dollar).

Going Concern Principle

Management has prepared these condensed interim consolidated financial statements on a going concern basis. Management's decision is based on the financial position of the Group, its current intentions, profitability of operations and access to financial resources and government support. As of September 30, 2020, the Group's current liabilities exceeded current assets by 23,874,556 thousand tenge.

The following factors were considered in assessing the Group's ability to continue as a going concern for the foreseeable future:

- The Group is strategically important to ensure the reliability of the power system in Kazakhstan. The management and shareholders of the Group have neither the intention nor the need to liquidate the Group.
- Current liabilities of the Group in the amount of 5,841,514 thousand tenge represent a debt to the Akimat of the city of Almaty and, under a settlement agreement, do not require cash outflows.
- As of September 30, 2020, the Group of Companies has available funds within the framework of revolving credit lines from Halyk Bank of Kazakhstan JSC in the total amount of 65,845,565 thousand tenge, SB JSC "Sberbank of Russia" for the total amount of 14,000,000 thousand tenge and SB JSC "VTB Bank" (Kazakhstan) for the total amount of 6,000,000 thousand tenge.

These condensed consolidated interim financial statements do not include any adjustments to the carrying amounts of assets and liabilities, income and expenses, or the classification of the condensed consolidated interim statement of financial position, which would be necessary in the event of an inability to continue operating, such adjustments could be material.

3 Changes to Accounting Policies

The following revised standards and interpretations became mandatory for the Group from 1 January 2020, but did not have a significant impact on the Group:

- Amendments to the Conceptual Framework for Financial Statements (issued on March 29, 2018 and effective for annual periods beginning on or after January 1, 2020).
- Business Definition - Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of the annual reporting period beginning on or after 1 January 2020).
- Definition of Materiality - Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020).
- Interest rate reform - Amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020).

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

While preparing the condensed consolidated interim financial statements, the Group uses estimates and makes assumptions that affect the accounting policies and assets and liabilities, reported income and expenses. Actual results may differ from these estimates.

Applied key accounting estimates and professional judgments are consistent with those accounting estimates and professional judgments applied in the preparation of the annual financial statements for the year ended 31 December 2019, except for the calculation of income tax provisions and adoption of new and amended standards.

Balkhash Thermal Power Plant

On 29 October 2019, the Group received a consideration and paid the amount of the obligation to Samsung C&T and received 50% + 1 share of BTPP. At the time of the Group's acquisition of a 100% share, BTPP was on the verge of bankruptcy and did not actually carry out any significant activities. Since 2017, the creditors and the suppliers have repeatedly filed lawsuits due to the insolvency of BTPP, which in turn led to the seizure of property, and significantly limited the activities of BTPP. On 6 December 2019, a trust manager was appointed by the court to control and conduct the bankruptcy process.

In view of the introduction of quarantine measures and measures taken by the State to support the national economy, by the Resolution of the Government of the Republic of Kazakhstan dated July 14, 2020 No. 443, it was decided to suspend the filing of applications for bankruptcy of legal entities by creditors represented by state bodies and quasi-public sector entities and individual entrepreneurs until October 1, 2020 - the bankruptcy procedure of BTPP was temporarily suspended. Management believes that Group has no control over BTPP and investment in BTPP is fully impaired.

Settlement agreement with Akimat

In 2009 Alatau Zharyk Company LLP ("AZhK") was involved in litigation with Akimat of Almaty city ("Akimat") related to settlement of AZhK payables to Akimat. On 14 February 2014 AZhK and Akimat signed an amicable agreement for settlement of AZhK liabilities. To settle the liabilities, among other procedures, AZhK shall accept power lines, being in the communal ownership and under trust management of the Akimat, and Akimat assumes to write-off the liabilities of AZhK. The amount of liabilities of the AZhK to Akimat, after deduction of all payments made during the previous years as part of a settlement, as of 30 September 2020 is 5,841,514 thousand tenge (31 December 2019: Tenge 5,841,514 thousand). As of 30 September 2020, the transfer of ownership over power lines has not been completed. The Group will derecognise this liability when it is exempted from payments, i.e. at the time of implementation of all actions by the parties to the amicable agreement, particularly at the time of the assuming the ownership over power lines from the Akimat. At the same time, the Group recognizes a gain on write-off of the liability in the amount of KZT 5,841,514 thousand.

5 Segment Information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the management board of the Group.

CODM is responsible for decision making on operating activities, assess segment results on the basis of revenue and profit before tax. CODM monitors the revenue and operating profit. CODM also monitors the consolidated adjusted EBITDA, which is calculated as profit/(loss) for the period before accounting for finance income and finance expense, income tax expenses, depreciation of property, plant and equipment and amortisation of intangible assets, impairment of property plant and equipment and investment property, impairment of goodwill, share of profit/(loss) of associates and joint ventures and effects, related to acquisition and other similar effects. Sequence for identification of adjusted EBITDA by Group might be different from sequence used by other companies.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of three main business segments:

- Production of electricity and heating energy;
- Transmission and distribution of electricity;
- Sale of electricity.

(b) Performance of operating segments

The CODM evaluates performance of each segment based on a measure of revenue and profit before tax.

SAMRUK-ENERGY JSC
Notes to Condensed Consolidated Interim Financial Statements 30 September 2020 (unaudited)

5 Segment Information (Continued)

(b) Performance of operating segments (continued)

	Production of electric and heating energy		Electricity transmission and distribution		Sale of electricity		Other		Total	
	9 months, ended		9 months, ended		9 months, ended		9 months, ended		9 months, ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019
<i>In thousands of Kazakhstani Tenge</i>										
Total segment revenue –Sales of electricity	117,909,220	110,147,156	-	-	75,596,218	73,306,126	-	-	193,505,438	183,453,282
Inter-segment revenue	(41,883,680)	(37,237,295)	-	-	(446)	(376)	-	-	(41,884,126)	(37,237,671)
External revenue – Sales of electricity	76,025,540	72,909,861	-	-	75,595,772	73,305,750	-	-	151,621,312	146,215,611
Sales of heating energy	11,112,035	10,276,020	-	-	-	-	-	-	11,112,035	10,276,020
Revenue from the service on maintaining electric power capacity	23,590,179	4,331,013	-	-	-	-	-	-	23,590,179	4,331,013
Rental income from renewable energy sources	3,760,455	3,294,045	-	-	-	-	-	-	3,760,455	3,294,045
Total segment revenue –Transmission of electricity	-	-	29,175,110	27,615,443	-	-	-	-	29,175,110	27,615,443
Inter-segment revenue	-	-	(26,252,251)	(24,991,855)	-	-	-	-	(26,252,251)	(24,991,855)
External revenue –Transmission of electricity	-	-	2,922,859	2,623,584	-	-	-	-	2,922,859	2,623,584
Income from lease of investment property	-	-	-	-	-	-	3,058,563	2,937,352	3,058,563	2,937,352
Sales of chemically purified water	1,192,741	1,135,447	-	-	-	-	-	-	1,192,741	1,135,447
Total other	796,488	441,397	-	-	-	-	891,409	840,070	1,687,897	1,281,467
Inter-segment revenue – other	-	-	-	-	-	-	(622,643)	(533,035)	(622,643)	(533,035)
External revenue – other	796,488	441,397	-	-	-	-	-	-	796,488	441,397
Total external revenue	116,477,438	92,387,783	2,922,859	2,623,584	75,595,772	73,305,750	3,058,563	2,937,352	198,054,632	171,254,469

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5 Segment Information (Continued)

(b) Performance of operating segments (Continued)

<i>In thousands of Kazakhstan Tenge</i>	Production of electricity and heating energy		Electricity transmission and distribution		Sale of electricity		Other		Inter-segment operations		Total	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Cost of sales	(81,355,216)	(103,789,622)	(23,949,239)	(22,930,183)	(79,295,121)	(73,377,165)	(613,048)	(566,244)	26,704,270	62,121,620	(158,508,354)	(138,541,594)
- Less depreciation and amortisation	(36,622,707)	(34,721,562)	(5,859,766)	(5,758,116)	(125,927)	(111,731)	(108,621)	(108,421)	-	-	(42,717,021)	(40,699,830)
Selling expense	(6,581,088)	(5,296,462)	-	-	-	-	-	-	-	-	(6,581,088)	(5,296,462)
Finance cost	(12,360,782)	(11,488,440)	(1,176,420)	(1,649,489)	(246,906)	(225,629)	(17,761,388)	(17,506,265)	7,712,030	6,120,921	(23,833,466)	(24,748,902)
- Less interest expense	(7,912,272)	(8,975,668)	(201,988)	(176,381)	(682,800)	(1,187,272)	(9,585,389)	(9,586,100)	473,456	2,478,157	(17,908,993)	(17,447,264)
Finance income	4,058,571	3,783,451	34,918	28,856	44,564	66,990	6,097,758	3,840,499	(8,720,103)	(5,532,701)	1,515,708	2,187,095
Share of profit of joint ventures and associates and investment impairment	-	-	-	-	-	-	3,945,383	9,128,240	-	-	3,945,383	9,128,240
Reversal/ (impairment) of non-financial assets	8,690	163,158	-	-	-	-	(3,146,000)	-	-	-	(3,137,310)	163,158
Capital expenditure	(21,438,788)	(12,905,245)	(10,801,915)	(6,531,995)	(28,952)	(40,442)	(182,785)	(83,440)	-	-	(32,452,440)	(19,561,122)
Reportable segment assets	692,409,439	704,237,579	134,736,975	127,445,179	12,537,466	11,377,294	645,768,150	696,172,745	(609,073,200)	(578,204,720)	876,378,830	961,028,077
Reportable segment liabilities	246,202,451	259,982,242	40,360,785	38,536,009	17,823,086	11,626,118	200,238,317	274,599,263	(108,975,942)	(105,171,677)	395,648,697	479,571,955

5 Segment information (Continued)

(c) Reconciliation of total adjusted EBITDA to total profit before income tax is provided as follows

<i>In thousands of Kazakhstan Tenge</i>	9 months, ended 30 September 2020	9 months, ended 30 September 2019
Adjusted EBITDA for the period	65,379,871	61,025,122
Depreciation and amortisation	(42,717,021)	(40,699,830)
Finance income	1,515,708	2,187,095
Finance costs	(23,833,466)	(24,748,902)
Share of profit of joint ventures and associates	3,945,383	9,128,240
(Reversal)/accrual of the provision for impairment of assets	(3,137,310)	163,158
Profit before income tax for the period	1,153,165	7,054,883

(d) Major customers

During the 9 months ended 30 September 2020, 10% of the total revenue was sold to the companies under the control of Samruk-Kazyna. There were no significant changes in the assets and liabilities of operating segments, except for those disclosed in the latest annual consolidated financial statements.

6 Balances and Transactions with Related parties

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's parent entity and ultimate controlling party are disclosed in Note 1.

Related parties include the companies under control of Samruk-Kazyna. Transactions with the state owned entities are not disclosed when they are entered into in the ordinary course of business with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Group's services are provided on the standard terms available for all customers, or iii) where there is no choice of supplier of such services as electricity transmission services, telecommunications and etc.

At 30 September 2020, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstan Tenge</i>	Companies under common control	JVs and associates of Samruk- Energy	JVs and associates of Samruk-Kazyna	Shareholders	Government related entities
Trade and other receivables	10,151,862	8,317	11,646	-	7,058,712
Cash and cash equivalents	3,182	-	-	-	-
Other current assets	55,490	2,887,764	-	-	-
Assets intended for the benefit of the Shareholder	-	-	-	-	-
Borrowings	-	-	-	66,625,868	15,782,543
Lease liabilities	12,445	-	-	-	-
Trade and other payables	5,617,709	2,695,281	-	21,608	224,738
Other current liabilities	-	-	-	-	5,841,514

6 Balances and Transactions with related parties (Continued)

At 31 December 2019, the outstanding balances with related parties (including balances of the disposal group) were as follows:

<i>In thousands of Kazakhstan Tenge</i>	Companies under common control	JVs and associates of Samruk- Energy	JVs and associates of Samruk- Kazyna	Shareholders	Government related entities
Trade and other receivables	3,203,727	6,572	8,090	-	10,996,767
Cash and cash equivalents	8,511	-	-	-	-
Assets intended for the benefit of the Shareholder	-	-	-	363,571	-
Other current assets	172,471	405	-	-	-
Borrowings	-	-	4,512	64,876,984	17,683,481
Trade and other payables	3,578,422	3,199,392	-	45,093	626,385
Lease liabilities	18,750	-	-	-	-
Other distributions to the Shareholder	-	-	-	363,571	-
Other current liabilities	-	-	-	-	5,841,514

The income and expense items with related parties for 9 months ended 30 September 2020 were as follows:

<i>In thousands of Kazakhstan Tenge</i>	Companies under common control	JVs and associates of Samruk- Energy	JVs and associates of Samruk- Kazyna	Shareholders	Government related entities
Revenue	36,864,184	923,980	89,697	-	13,786,750
Cost of sales	38,669,616	21,853,460	-	-	1,846,666
General and administrative expenses	205,071	-	-	-	-
Selling expense	6,524,720	-	-	-	-
Other expenses	647	36,787	10	52,113	-
Other income	-	-	-	-	99,216
Finance costs	1,674	-	-	5,122,126	915,852
Finance income	-	36,787	-	-	-
Loss on foreign exchange	-	-	-	-	(706,788)

The income and expense items with related parties for 9 months ended 30 September 2019 were as follows:

<i>In thousands of Kazakhstan Tenge</i>	Companies under common control	JVs and associates of Samruk- Energy	JVs and associates of Samruk- Kazyna	Shareholders	Government related entities
Revenue	21,975,836	1,076,612	13,900	-	12,098,767
Cost of sales	26,075,061	14,495,385	-	-	1,688,262
General and administrative expenses	272,733	-	-	-	14,480
Selling expense	5,249,662	-	-	-	-
Other expenses	269,233	-	-	58,314	-
Other income	269,704	644,175	-	-	-
Finance costs	2,374	-	-	4,829,245	930,661
Finance income	-	49,671	-	-	-
Loss on foreign exchange	-	-	-	682,200	(146,286)

In June 2020, Samruk-Kazyna JSC acquired 125 shares of the Company at a price of 21,848,312 tenge for a total amount of 2,731,039 thousand tenge in accordance with the pre-emptive right and paid for the acquired shares by transferring wind and solar energy equipment to the Company. Subsequently, these fixed assets were transferred to the property of Samruk-Green Energy LLP.

As of September 30, 2020, the Group received the following guarantees from related parties:

- Corporate guarantee of Samruk-Kazyna in the amount of KZT 12,285,000 thousand under a loan agreement with the Development Bank of Kazakhstan (31 December 2019: KZT 12,285,000 thousand).
- Government guarantee in the amount of US \$ 25,000,000 under the loan agreement with the Development Bank of Kazakhstan (31 December 2019: US \$ 25,000,000).
- Corporate guarantee from Samruk-Kazyna in the amount of 99,401,370 thousand tenge under loan agreement with Halyk Bank of Kazakhstan JSC.

6 Balances and Transactions with Related Parties (Continued)

Key management compensation is presented below:

<i>In thousands of Kazakhstan Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019
Key management compensation	90,276	114,477
Total key management compensation	90,276	114,477

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel as at 30 September 2020 comprises 5 persons (30 September 2019: 4 persons).

7 Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In thousands of Kazakhstan Tenge</i>	Oil and gas assets	Buildings and constructio ns	Machinery and equipment	Other	Constructi on in progress	Total
Cost at 1 January 2020	15,287,904	256,773,383	645,809,825	16,223,688	114,933,919	1,049,028,719
Accumulated depreciation and impairment	-	(71,104,020)	(215,650,854)	(6,484,138)	(2,800,443)	(296,039,455)
Carrying amount at 1 January 2020	15,287,904	185,669,363	430,158,971	9,739,550	112,133,476	752,989,264
Additions	38,939	891,305	1,522,315	272,400	20,661,810	23,386,769
Change in accounting estimates	-	(164,635)	-	-	-	(164,635)
Transfers	-	22,683,710	1,647,837	(349,904)	(23,981,643)	-
Disposal	-	(257,128)	(330,918)	(108,453)	-	(696,499)
Depreciation	-	(9,832,216)	(32,359,867)	(490,145)	-	(42,682,228)
Depreciation on disposal	-	53,058	293,699	103,714	-	450,471
Impairment	(3,146,000)	8,690	-	-	-	(3,137,310)
Transfer to assets held for sale	-	49,135	-	2,779	126,445	178,359
Cost as at 30 September 2020	15,326,843	279,975,770	648,649,059	16,040,510	111,740,531	1,071,732,713
Accumulated depreciation and impairment	(3,146,000)	(80,874,488)	(247,717,022)	(6,870,569)	(2,800,443)	(341,408,522)
Carrying amount as at 30 September 2020	12,180,843	199,101,282	400,932,037	9,169,941	108,940,088	730,324,191

Additions include capitalized borrowing costs in the amount of KZT 653,431 thousand. The average capitalization rate for interest expenses is 11.25% (2019: 11.41%).

As at 30 September 2020 the property, plant and equipment with carrying value of Tenge 6,071,575 thousand (31 December 2019: 6,180,278 thousand Tenge) were pledged as collateral for borrowings received by the Group from Development Bank of Kazakhstan JSC.

Depreciation charge is allocated to the following items of profit and loss for the period:

<i>In thousands of Kazakhstan Tenge</i>	9 months, ended 30 September 2020	9 months, ended 30 September 2019
Cost of sales	41,844,286	39,922,145
General and administrative expenses	818,176	677,909
Other expense	19,766	9,323
Total depreciation charge	42,682,228	40,609,377

8 Right-of-use assets and Lease Liabilities

<i>In thousands of Kazakhstani Tenge</i>	Buildings and constructions	Machinery	Land	Total
Cost at 1 January 2020	2,748,870	63,262	668,795	3,480,927
Accumulated depreciation	(596,655)	(9,395)	(24,860)	(630,910)
Carrying amount as at 1 January 2020	2,152,215	53,867	643,935	2,850,017
Additions	3,871	19,646	1,764	25,281
Change in accounting estimates	-	-	-	-
Depreciation	(584,485)	(7,578)	(28,586)	(620,649)
Depreciation on disposal	15,681	5,840	-	21,521
Disposal	(59,021)	(31,855)	(616)	(91,492)
Interest expense	-	-	-	-
Payments	-	-	-	-
Cost at 30 September 2020	2,693,720	51,053	669,943	3,414,716
Accumulated depreciation	(1,165,459)	(11,133)	(53,446)	(1,230,038)
Carrying amount as at 30 September 2020	1,528,261	39,920	616,497	2,184,678

The Group recognized the following lease liabilities:

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	1 January 2020
Non-current lease liabilities	1,390,747	1,660,455
Current lease liabilities	626,912	1,036,163
Total lease liabilities	2,017,659	2,696,618

Interest expenses included in finance costs for 9 months of 2020 amounted to 209,047 thousand tenge. Expenses for variable lease payments not included in lease liabilities, which were charged to general and administrative expenses for 9 months of 2020, amounted to 87,768 thousand tenge.

9 Investments in Joint Ventures and Associates

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures and associates.

<i>In thousands of Kazakhstan Tenge</i>	Joint ventures		Associates	Total
	EGRES-2	Forum Muider	Energy Semirechya	
Balance at 1 January 2019	18,852,903	37,007,597	-	55,860,500
Share of profit/(loss) for the period	(660,111)	9,791,781	(3,430)	9,128,240
Dividends received	-	(11,267,536)	-	(11,267,536)
Contributions to the authorized capital without changing the share of ownership	-	-	2,403,500	2,403,500
Balance at 30 September 2019	18,192,792	35,531,842	2,400,070	56,124,704
Balance at 1 January 2020	17,787,425	33,938,422	2,417,657	54,143,504
Share of profit/(loss) for the period	(3,126,172)	7,320,107	(248,552)	3,945,383
Dividends received	-	(2,980,958)	-	(2,980,958)
Balance at 30 September 2020	14,661,253	38,277,571	2,169,105	55,107,929

9 Investments in Joint Ventures and Associates (Continued)

As of 30 September 2020, The Group has interests in the following jointly controlled entities:

- EGRES-2 – 50%. The remaining 50% interest is owned by Inter-RAO PJSC.
- Forum Muider B.V. – 50%. The remaining 50% is owned by UC RUSAL.

The Group has a share in the Energiya-Semirechya LLP associate (25%). Energiya-Semirechya LLP plans to build a renewable energy source station. The shareholders of Energiya-Semirechya LLP are Hydrochina Corporation (interest share of 50%), Samruk Energy JSC (interest share of 25%), Powerchina Chegdu Engineering Corporation (interest share of 15%), and Powerchina Resources Ltd (interest share of 10%). The Group's ownership interest in Energiya-Semirechya LLP has not changed due to the proportional contribution to the authorized capital by all shareholders according to their ownership interests.

10 Other Non-Current Assets

<i>In thousands of Kazakhstan Tenge</i>	30 September 2020	31 December 2019
Bonds	1,602,782	2,316,104
Long-term receivables	771,429	733,735
Restricted cash	54,265	54,265
Less: impairment provision	(12,050)	(254,456)
Total other financial non-current assets	2,416,426	2,849,648
Prepayments for non-current assets	5,542,618	1,011,136
Non-current VAT recoverable	545,664	544,282
Other	324,814	192,790
Total other non-current assets	8,829,522	4,597,856

Gross amount of other non-current assets includes advances and prepayments for the following types of construction and property, plant and equipment:

<i>In thousands of Kazakhstan Tenge</i>	30 September 2020	31 December 2019
Construction of a 50 MW wind farm in Ereimentau	4,151,430	-
Construction and reconstruction of substations in Almaty and Almaty region	1,267,528	809,783
Construction of a solar power plant 416 kW in the Almaty region	123,222	99,670
Other	438	-
Modernisation of Shardarinskaya HPP	-	101,683
Total prepayments for non-current assets	5,542,618	1,011,136

11 Inventories

<i>In thousands of Kazakhstan Tenge</i>	30 September 2020	31 December 2019
Fuel	5,902,719	5,164,188
Auxiliary production materials	5,090,868	5,013,548
Spare parts	1,590,572	1,073,183
Other materials	548,431	308,266
Raw materials	34,919	28,375
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(1,122,568)	(1,014,691)
Total inventories	12,044,941	10,572,869

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12 Trade and Other receivables

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Financial trade receivables	34,001,609	29,633,498
Less: impairment provision	(1,386,744)	(1,102,970)
Total financial trade receivables	32,614,865	28,530,528
Other receivables	3,976,118	3,933,208
Less: impairment provision	(3,519,958)	(3,540,314)
Total trade and other receivables	33,071,025	28,923,422

13 Other Current Assets

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Other receivables	8,964,874	10,991,594
Dividends receivable	2,887,764	405
Term deposits	1,858,807	2,341,375
Bonds	431,800	24,626
Restricted cash	316,500	318,542
Less: impairment provision	(376,452)	(278,334)
Total other current financial assets	14,083,293	13,398,208
VAT recoverable and prepaid taxes	1,879,243	2,618,561
Advances to suppliers	1,286,109	1,023,621
Other	708,337	1,076,330
Assets held for the benefit of the Shareholder	-	363,571
Less: impairment provision	(362,665)	(792,920)
Total other current assets	17,594,317	17,687,371

14 Cash and Cash Equivalents

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Cash at current bank accounts	9,075,828	8,798,404
Term deposits	3,184,907	3,193,726
Cash on hand	15,663	14,907
Total cash and cash equivalents	12,276,398	12,007,037

Cash and cash equivalents balances are denominated in the following currencies:

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Kazakhstani Tenge	10,131,565	6,460,452
Euro	2,144,657	4,193,576
US Dollar	170	1,353,004
Other currencies	6	5
Total cash and cash equivalents	12,276,398	12,007,037

15 Equity

Authorised capital

At 30 September 2020, 5,601,812 issued ordinary shares were fully paid (31 December 2019: 5,601,687 shares). Each ordinary share carries one vote. The Company does not have any preference shares. Number of authorized shares is 8,602,187 (31 December 2019: 8,601,187 shares).

In June 2020, Samruk-Kazyna JSC acquired 125 shares of the Company at a price of 21,848,312 tenge for a total amount of KZT 2,731,039 thousand in accordance with the pre-emptive right and paid for the acquired shares by transferring wind and solar energy equipment to the Company. As a result of the assessment of the fair value of the property received at the acquisition date, the Company recognized a loss in the amount of KZT 1,500,000 thousand in other capital reserves.

On June 9, 2020, the Group announced the payment of dividends to the Sole Shareholder in the amount of KZT 3,066,231 thousand - KZT 547.38 per share (April 23, 2019: KZT 2,041,000 thousand). Dividends were fully paid on July 16, 2020.

16 Borrowings

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Non-current portion		
Bank term loans	116,471,104	124,330,194
Loans from Samruk-Kazyna	63,898,203	62,284,631
Bonds issued	24,814,586	24,788,748
Loans from customers	1,054,981	1,180,503
Total non-current borrowings	206,238,874	212,584,076
Current portion		
Bank term loans	59,587,589	54,040,175
Loans from Samruk-Kazyna	2,727,665	2,592,353
Bonds issued	867,256	362,792
Loans from customers	345,708	360,287
Total current borrowings	63,528,218	57,355,607
Total borrowings	269,767,092	269,939,683

The carrying amount of borrowings in the context of the Group companies is as follows:

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
<i>Samruk-Energy</i>		
Samruk-Kazyna	66,625,868	64,876,984
Asian Development Bank	46,008,108	46,379,037
Bonds	25,681,842	25,160,444
European Bank for Reconstruction and Development ("EBRD")	18,427,067	21,281,118
Sberbank JSC SB	-	4,005,444
Halyk Bank JSC	-	1,932,845
Total borrowings of Samruk-Energy	156,742,885	163,635,872
<i>Alatau Zharyk Company</i>		
Halyk Bank JSC	10,313,656	9,321,043
Borrowings from customers	1,400,689	1,551,256
Total borrowings of Alatau Zharyk Company	11,714,345	10,872,299

16 Borrowings (Continued)

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
<i>Almaty Power Stations</i>		
Halyk Bank of Kazakhstan JSC	19,095,748	20,559,299
Total borrowings of Almaty Power Stations	19,095,748	20,559,299
<i>Moinak HPS</i>		
Development Bank of Kazakhstan JSC	15,782,543	17,669,074
Total borrowings of Moinak HPS	15,782,543	17,669,074
<i>AlmatyEnergoSbyt</i>		
Halyk Bank of Kazakhstan JSC	2,415,878	2,439,719
Total borrowings of AlmatyEnergoSbyt	2,415,878	2,439,719
<i>Shardara HPS</i>		
European Bank of Reconstruction and Development	22,132,194	23,888,308
Total borrowings of Shardara HPS	22,132,194	23,888,308
<i>Ekibastuz GRES-1</i>		
Halyk Bank of Kazakhstan JSC	28,583,645	13,592,750
Sberbank JSC SB	13,299,854	17,282,362
Total borrowings of Ekibastuz GRES-1	41,883,499	30,875,112
Total borrowings	269,767,092	269,939,683

16 Borrowings (Continued)

For the 9 months ended 30 September 2020 the following significant changes in loans:

«Samruk-Energy» JSC

During 9 months ended on 30 September 2020, the Company repaid the principal on a loan from the European Bank for Reconstruction and Development of Tenge 3,042,235 thousand.

During 9 months ended on 30 September 2020, the Company made early repayment of loans under revolving credit lines with SB Sberbank JSC in the amount of Tenge 13,100,000 thousand and with Halyk Bank of Kazakhstan JSC in the amount of Tenge 2,000,000 thousand.

«Alatau Zharyk Company» JSC

During 9 months ended on 30 September 2020, the Company received loans from JSC Halyk Bank of Kazakhstan in the amount of Tenge 2,945,009 thousand, and made scheduled repayment of the principal amount of Tenge 1,987,577 thousand on a loan from Halyk Bank of Kazakhstan JSC.

«Almaty Power Stations» JSC

During 9 months ended on 30 September 2020, the Company received loans from JSC Halyk Bank of Kazakhstan in the amount of Tenge 11,275,795 thousand for replenishment of working capital, and repaid the principal of JSC Halyk Bank of Kazakhstan loan for a total amount of Tenge 14,717,664 thousand.

«Moinak HPS» JSC

During 9 months ended on 30 September 2020, Moinak Hydro Power Station JSC (the "MHPP") repaid the principal and interest of the loan raised from the State Development Bank of China in amount of Tenge 3,508,415 thousand. The interest rate under the Bank loan agreement No.KI 071-B / 05 of December 14, 2005, concluded with the Development Bank of Kazakhstan JSC, was reduced from 2.2764% to 1.4660% due to a decrease in the 6MLibor rate from 0.9795 % to 0.2748%.

«AlmatyEnergSbyt» LLP

During 9 months ended on 30 September 2020, the Company received loans in the total amount of Tenge 6,180,000 thousand from JSC Halyk Bank of Kazakhstan, and made repayment of principal of JSC Halyk Bank of Kazakhstan loans for a total amount of Tenge 6,116,666 thousand. During the 9 months of 2020 the interest rate in Tenge was changed three times, and at the reporting date it was equal to 11%.

«Shardara HPS» JSC

During 9 months ended on 30 September 2020, no additional tranches were obtained as part the loan agreement between the Company, EBRD and Samruk-Energy JSC, and the Company made scheduled repayment of the principal of Tenge 1,774,832 thousand and interest of Tenge 1,863,627 thousand.

«Ekibastuz GRES-1» LLP

During 9 months ended on 30 September 2020, the Company made early repayment of Tenge 15,000,000 thousand under a credit line from JSC Halyk Bank of Kazakhstan. As of September 30, 2020, loans from JSC Halyk Bank of Kazakhstan are loans received within the disbursement limit of Tenge 28,490,000 thousand for 1 year. During the 9 months of 2020 the interest rate in Tenge was changed two times, and at the reporting date it was equal to 11%.

During 9 months ended on 30 September 2020, within the framework of the Agreement on opening a credit line in SB Sberbank JSC, principal debt in the amount of Tenge 3,500,000 thousand and interest in the amount of Tenge 1,771,000 thousand were repaid according to the schedule. The interest rate of this loan is 11.5%

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17 Other Non-Current Liabilities

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Trade payables	1,430,903	1,216,356
Total financial non-current liabilities	1,430,903	1,216,356
Historical costs associated with obtaining subsoil use rights	2,283,933	1,914,756
Deferred income	795,445	995,311
Other	41,233	204,953
Total other non-current liabilities	4,551,514	4,331,376

18 Trade and Other payables

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Trade payables	15,416,476	23,683,433
Payables to Almaty Akimat (Note 4)	5,841,514	5,841,514
Dividends payable	968,453	892,243
Other financial payables	246,955	1,034,239
Total financial trade payables	22,473,398	31,451,429
Other payables	2,962,755	1,266,895
Advances received from customers	2,605,746	2,068,623
Accrued provisions for unused vacations	1,654,549	2,109,686
Salaries payable	1,075,534	1,477,862
Other distributions to Shareholder	-	363,571
Total trade and other payables	30,771,982	38,738,066

19 Revenue

<i>In thousands of Kazakhstan Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Sale of electricity	151,621,312	146,215,611	49,884,888	55,678,602
Income from maintenance of electric power capacity	23,590,179	4,331,013	8,075,808	1,458,480
Sales of heating energy	11,112,035	10,276,020	1,362,215	1,309,593
Income from lease of renewable energy power plants	3,760,455	3,294,045	946,989	901,031
Income from lease of investment property	3,058,563	2,937,352	973,991	987,407
Income from transmission of electricity	2,922,859	2,623,584	908,941	869,112
Sale of chemical water	1,192,741	1,135,447	436,362	373,902
Other	796,488	441,397	696,036	131,629
Total revenue	198,054,632	171,254,469	63,285,230	61,709,756

20 Cost of Sales

<i>In thousands of Kazakhstan Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Depreciation of property, plant and equipment and amortisation of intangible assets	42,717,021	40,699,830	14,300,330	13,811,663
Fuel	38,686,512	30,299,446	11,179,250	9,203,728
Payroll and related expenses	20,010,437	18,289,829	6,463,639	5,917,760
Cost of purchased electricity	18,079,148	14,726,556	8,737,451	5,906,383
Electricity transmission and other services	8,045,631	7,639,894	3,386,994	3,148,828
Maintaining electric power capacity	7,468,617	4,836,148	2,464,396	2,054,990
Taxes other than on income tax	6,786,202	6,476,843	2,285,250	2,347,183
Repairs and maintenance	4,735,697	3,878,718	2,140,590	2,121,228
Third party services	4,211,161	3,643,028	1,406,372	1,245,628
Water supply	3,513,096	2,859,637	1,372,459	1,159,679
Materials	1,092,180	1,164,868	428,918	396,461
Security service	829,513	814,422	277,540	274,591
Provision on obsolete and slow-moving inventories	107,878	46,839	5,631	31,011
Rent services	23,939	36,770	460	5,517
Electricity losses on transmission	1,952	1,073,544	1,017	393,946
Other	2,199,370	2,055,222	700,684	686,132
Total cost of sales	158,508,354	138,541,594	55,150,981	48,704,728

21 Selling expenses

<i>In thousands of Kazakhstani Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Dispatch and electricity control	5,058,891	3,911,675	1,764,973	1,636,226
Electricity transmission	1,480,260	1,348,739	22,022	1,337,257
Payroll and related expenses	40,998	35,294	12,238	12,562
Other	939	754	232	444
Total selling expense	6,581,088	5,296,462	1,799,465	2,986,489

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22 General and Administrative expenses

<i>In thousands of Kazakhstan Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Payroll and related expenses	4,599,632	4,608,420	1,418,102	1,481,581
Taxes other than on income	2,183,296	262,813	70,811	109,561
Depreciation of property, plant and equipment and amortisation of intangible assets	1,000,773	847,219	446,952	282,223
State duty	737,991	64,273	64,469	51,925
Consulting and other professional services	373,934	474,248	73,111	130,057
Security services	355,499	308,215	119,271	103,841
Charge/(reversal) of provision for impairment of trade and other receivables and other current assets	292,741	(63,268)	17,233	(14,987)
Materials	151,544	141,864	69,192	50,182
Repair and maintenance	108,343	106,571	25,707	36,001
Rent expense	87,768	56,217	25,710	17,086
Business trip and representative expenses	87,419	216,300	17,422	78,829
Insurance	73,676	78,326	27,294	26,186
Communication expenses	67,633	82,810	22,117	27,584
Bank charges	46,515	59,163	12,404	26,226
Transportation expenses	26,958	20,992	9,935	8,861
Other	940,302	1,159,604	366,943	357,265
Total general and administrative expenses	11,134,024	8,423,767	2,786,673	2,772,421

23 Finance Income

<i>In thousands of Kazakhstani Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Interest income on bank deposits	589,554	892,575	185,629	169,572
Income from unwinding of discount on non-current receivables	491,975	565,188	159,563	192,702
Income from unwinding of discount on loans receivable and bonds	386,876	156,814	62,689	48,969
Other	47,303	210,183	14,851	46,361
Foreign exchange gains less losses	-	362,335	-	-
Total finance income	1,515,708	2,187,095	422,732	457,604

24 Finance Costs

<i>In thousands of Kazakhstani Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Interest expense on loans and bonds	17,908,993	17,447,264	5,943,051	5,505,415
Dividends on preference shares of subsidiaries	105,830	105,830	35,276	35,276
Unwinding of the present value of discount:				
- loans and financial aids from the Shareholder	3,994,681	3,849,228	1,357,632	1,493,764
- employee benefit	93,703	113,600	27,914	-
- ash dump restoration provision	101,948	123,205	34,064	41,442
- loans from customers	142,409	218,579	46,962	111,708
- bonds issued	14,429	19,825	4,809	4,810
Losses on redemption of bonds	-	783,348	-	-
Foreign exchange losses less gains	706,788	-	351,820	255,681
Other	764,685	2,088,023	295,731	867,225
Total finance costs recognized in profit or loss	23,833,466	24,748,902	8,097,259	8,315,321

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25 Taxes

<i>In thousands of Kazakhstani Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Current income tax expense	4,355,143	4,583,328	688,199	1,925,216
Deferred income tax (benefit)/expense	(945,220)	(1,163,761)	(537,798)	(983,993)
Total income tax expense	3,409,923	3,419,567	150,401	941,223

Reconciliation between the expected and the actual taxation charge is provided below:

<i>In thousands of Kazakhstani Tenge</i>	9 months ended 30 September 2020	9 months ended 30 September 2019	3 months ended 30 September 2020	3 months ended 30 September 2019
Profit/(loss) before tax under IFRS	1,153,165	7,054,883	(5,785,124)	2,415,688
Theoretical tax (benefit)/expense at statutory rate of 20% (2019: 20%)	230,633	1,410,976	(1,157,025)	483,138
Adjustments for:				
Share in profit of joint ventures and associates not subject to income tax	(789,077)	(1,825,648)	365,923	(463,869)
Other non-deductible expenses	1,618,706	14,589,237	1,086,858	513,316
VAT costs of "Bukhtarma HPP" JSC	256,065	-	(182,772)	-
Expiration of the limitation period for tax losses carried forward	1,124,290	-	-	-
Temporary differences to be recognised upon termination of investment contract	108,218	192,250	(11,703)	75,069
Withholding tax	48,787	66,827	14,682	1,452
Adjustment of prior years' income tax	(80,715)	(680,269)	-	(129,777)
Changes in unrecognised deferred income tax assets	2,212,352	(10,201,012)	507,043	453,449
Profit of Moinak HPS exempt from income tax	(1,327,554)	(132,794)	(478,897)	8,445
Non-taxable income	8,218	-	6,292	-
Total income tax expense	3,409,923	3,419,567	150,401	941,223

26 Contingencies, Commitments and Operating Risks

In addition to the information below, as of 30 September 2020 there were no contingent and contractual liabilities and operational risks other than those disclosed in the consolidated financial statements for the year ended 31 December 2019.

Environmental matters

The enforcement of environmental regulation in the Republic of Kazakhstan is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognized immediately.

Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage in addition to the amounts already accrued and recorded in these consolidated financial statements that could adversely affect operational results or financial position of the Group.

Legal cases

As of September 30, 2020, the Company is involved in legal proceedings with TransTeleCom JSC. TransTeleCom JSC filed a claim for expenses incurred due to services rendered under the procurement contract "Consulting Services for the implementation of target (basic) processes of " Samruk-Energy" JSC in the amount of 661,710 Tenge thousand. On April 16, 2020 preparations were made for a court session in the SIEC of Nur-Sultan. By a court ruling of August 3, 2020 and August 25, 2020, a judicial economic and judicial commodity examination was appointed in this case. The consideration of the case is suspended for the period of this examination. As of September 30, 2020, the Company did not create a reserve based on the assumption that there is a high probability that TransTeleCom JSC's claim would be rejected.

Capital commitments

The Group reviewed its exposure to seasonal and other emerging business risks and did not identify any risks that could affect the financial performance or position of the Group as of 30 September 2020. The Group has sufficient financial resources to fulfil its capital commitments and ensure availability working capital.

As at 30 September 2020 the Group had contractual commitments to purchase the property, plant and equipment for Tenge 156,147,908 thousand (31 December 2019: Tenge 160,605,255 thousand).

Capital commitments of joint ventures and associates

As at 30 September 2020 the Group's share in capital expenditure commitments of Forum Muider and ERGES-2 comprised of Tenge 11,536,703 and 24,393,917 thousand respectively (31 December 2019: Tenge 16,748,835 thousand and Tenge 23,937,977 thousand respectively).

27 Fair Value Disclosures

Fair Value Measurement

To be indicative of the reliability of the data used in determining fair value, the Group classifies its financial instruments at three levels established in accordance with IFRS. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly or indirectly (that is, as prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety. Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

In thousands of Kazakhstani Tenge	30 September 2020				31 December 2019			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
ASSETS								
Cash and cash equivalents	-	12,276,398	-	12,276,398	-	12,007,037	-	12,007,037
Restricted cash	-	370,765	-	370,765	-	372,807	-	372,807
Term deposit	-	1,846,271	-	1,846,271	-	2,289,339	-	2,289,339
Financial receivables	-	32,614,865	-	32,614,865	-	28,530,528	-	28,530,528
Other financial receivables	-	8,915,460	-	8,915,460	-	10,765,295	-	10,765,295
Long-term receivables	-	655,359	-	759,379	-	532,490	-	722,234
Dividends receivable	-	-	2,887,764	2,887,764	-	-	405	405
Bonds	1,286,973	-	829,444	2,034,582	1,143,649	-	860,517	2,097,775
Total financial assets	1,286,973	56,679,118	3,717,208	61,705,484	1,143,649	54,497,496	860,922	56,785,420

In thousands of Kazakhstani Tenge	30 September 2020				31 December 2019			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
Liabilities								
Borrowings	-	261,948,182	-	269,767,092	-	244,714,885	-	269,939,683
Financial payables	-	22,473,398	-	22,473,398	-	31,978,264	-	31,978,264
Non-current trade payables	-	-	1,430,903	1,430,903	-	-	1,216,356	1,216,356
Total financial liabilities	-	284,421,580	1,430,903	293,671,393	-	276,693,149	1,216,356	303,134,303

Financial assets carried at amortised cost

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on the credit risk of the counterparty.

Financial liabilities carried at amortised cost

The estimated fair value of instruments with a fixed interest rate and a fixed maturity date for which no market quotes are available is determined on the basis of estimated cash flows discounted at current interest rates for new instruments with similar credit risk and maturity.

27 Fair Value Disclosures (Continued)

Fair value of investment property.

Investment property include the lease agreement of Bukhtarminskaya HPS evaluated based on the present value of future lease payments. Fair value of the investment property is Tenge 8,181,253 thousand (31 December 2019: 7,060,789 thousand).

28 Events after Reporting Period

Within the framework of the Agreement on the provision of the credit facility #KS 02- 14-39 dated November 26, 2014 with Halyk Bank of Kazakhstan JSC, Almaty Power Stations JSC, borrowed funds were disbursed at an interest rate of 11% per annum in the amount of Tenge 1,916,645 thousand.

29 Carrying value of one share

Pursuant to the resolution of the Exchange Council of Kazakhstan Stock Exchange JSC ("KASE") dated 4 October 2010, financial statements must contain data on the carrying amount of one share (ordinary and preferred) at the reporting date calculated in accordance with the rules approved by KASE. At 30 September 2020, this indicator calculated by the management of the Company based on the financial statements constituted to KZT 85,212 (31 December 2019: KZT 85,925). The table for calculating the carrying amount of one share is as follows:

<i>In thousands of Kazakhstani Tenge</i>	30 September 2020	31 December 2019
Total assets	876,378,830	889,217,254
Less: intangible assets	(3,390,278)	(3,691,945)
Less: total liabilities	(395,648,697)	(404,200,884)
Net assets for ordinary shares	477,339,855	481,324,425
Number of ordinary shares	5,601,812	5,601,687
Carrying amount of one share, Tenge	85,212	85,925