



## **SAMRUK-ENERGY JSC**

**Condensed Consolidated Interim Financial Statements (unaudited)**

**30 June 2020**

## Contents

### REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Statement of Financial Position .....	1
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income .....	3
Condensed Consolidated Interim Statement of Changes in Equity .....	4
Condensed Consolidated Interim Statement of Cash Flows .....	5

#### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

1	Samruk-Energy Group and its Operations.....	7
2	Basis of Preparation and Significant Accounting Policies.....	8
3	Changes to Accounting Policies.....	10
4	Critical Accounting Estimates, and Judgements in Applying Accounting Policies .....	10
5	Segment Information.....	14
6	Balances and Transactions with Related parties .....	17
7	Property, plant and equipment.....	19
8	Right-of-use assets and Lease Liabilities.....	20
9	Investments in Joint Ventures and Associates.....	20
10	Other Non-Current Assets .....	21
11	Inventories .....	21
12	Trade and Other receivables .....	22
13	Other Current Assets .....	22
14	Cash and Cash Equivalents.....	22
15	Equity.....	23
16	Borrowings.....	23
17	Other Non-Current Liabilities .....	25
18	Trade and Other payables .....	26
19	Revenue .....	26
20	Cost of Sales .....	26
21	Selling expenses.....	27
22	General and Administrative expenses .....	27
23	Finance Income .....	27
24	Finance Costs.....	28
25	Taxes.....	28
26	Contingencies, Commitments and Operating Risks.....	29
27	Financial risk management.....	29
28	Fair Value Disclosures.....	30
29	Events after Reporting Period.....	31
30	Carrying value of one share.....	32



## ***Report on Review of Condensed Consolidated Interim Financial Statements***

To the Shareholder and Board of Directors of JSC Samruk-Energy

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of JSC Samruk-Energy (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2020 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month period then ended, condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

*PricewaterhouseCoopers LLP*

12 August 2020  
Almaty, Kazakhstan

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

<i>In thousands of Kazakhstan Tenge</i>	Note	30 June 2020 (unaudited)	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	738,202,908	752,989,264
Investment property		298,842	350,401
Intangible assets		3,545,122	3,691,945
Right-of-use assets	8	2,522,675	2,850,017
Investments in joint ventures and associates	9	59,824,880	54,143,504
Other non-current assets	10	5,728,020	4,597,856
<b>Total non-currents assets</b>		<b>810,122,447</b>	<b>818,622,987</b>
<b>Current assets</b>			
Inventory	11	13,335,992	10,572,869
Trade and other receivables	12	32,503,807	28,923,422
Other current assets	13	16,950,620	17,687,371
Income tax prepaid		1,192,242	1,403,568
Cash and cash equivalents	14	8,973,695	12,007,037
<b>Total current assets</b>		<b>72,956,356</b>	<b>70,594,267</b>
<b>TOTAL ASSETS</b>		<b>883,078,803</b>	<b>889,217,254</b>

Signed on behalf of management on 12 August 2020.



Bakitzhan T. Zhulamanov  
 Chairman of the Management Board

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

The accompanying notes on pages 7 to 32 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 June 2020 (unaudited)	31 December 2019
<b>EQUITY</b>			
Share capital	15	376,045,927	373,314,888
Other reserves	15	125,533,478	127,357,014
Accumulated deficit		(16,150,370)	(16,823,598)
<b>Equity attributable to the Group's equity holders</b>		<b>485,429,035</b>	<b>483,848,304</b>
Non-controlling interest		1,099,737	1,168,066
<b>TOTAL EQUITY</b>		<b>486,528,772</b>	<b>485,016,370</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provision for liquidation of ash dump		2,289,555	2,217,222
Employee benefit obligations		1,730,957	1,566,676
Borrowings	16	209,713,011	212,584,076
Other non-current liabilities	17	4,326,679	4,331,376
Non-current lease liabilities	8	1,491,158	1,660,455
Deferred income tax liabilities	25	80,122,006	80,529,427
<b>Total non-current liabilities</b>		<b>299,673,366</b>	<b>302,889,232</b>
<b>Current liabilities</b>			
Provision for liquidation of ash dump		75,091	114,369
Borrowings	16	59,828,724	57,355,607
Employee benefit obligations		136,489	99,197
Trade and other payables	18	32,207,933	38,738,066
Taxes payable and other payables to budget		3,002,388	3,599,886
Current lease liabilities	8	765,656	1,036,163
Income tax payable		860,384	368,364
<b>Total current liabilities</b>		<b>96,876,665</b>	<b>101,311,652</b>
<b>TOTAL LIABILITIES</b>		<b>396,550,031</b>	<b>404,200,884</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>883,078,803</b>	<b>889,217,254</b>
<b>Carrying value of an ordinary share</b>	<b>30</b>	<b>86,219</b>	<b>85,925</b>

Signed on behalf of management on 12 August 2020

Bakitzhan T. Zhulamanov  
 Chairman of the Management Board



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

The accompanying notes on pages 7 to 32 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 Kazakhstani Tenge</i>	<b>Note</b>	<b>6 months ended 30 June 2020 (unaudited)</b>	<b>6 months ended 30 June 2019 (unaudited, restated*)</b>	<b>3 months ended 30 June 2020 (unaudited)</b>	<b>3 months ended 30 June 2019 (unaudited, restated*)</b>
Revenue	19	134,770,330	109,544,713	52,632,959	47,482,684
Cost of Sales	20	(103,360,789)	(89,836,401)	(47,129,153)	(41,876,276)
<b>Gross Profit</b>		<b>31,409,541</b>	<b>19,708,312</b>	<b>5,503,806</b>	<b>5,606,408</b>
Selling expenses	21	(4,781,623)	(2,309,973)	(1,109,883)	(1,039,275)
General and administrative expenses	22	(8,347,324)	(5,637,659)	(5,426,526)	(2,784,008)
Share in profit of joint ventures and associates	9	5,774,997	6,808,898	6,406,749	1,176,036
Net gain on reversal of impairment of financial assets		122,234	650,097	106,593	303,892
Finance income	23	1,092,977	1,985,170	1,189,461	652,124
Finance costs	24	(15,736,209)	(16,689,260)	(7,724,104)	(8,597,465)
Other income		1,014,264	483,594	632,352	136,297
Other expense		(3,618,206)	(345,832)	(3,544,547)	(166,381)
<b>Profit/(loss) before income tax</b>		<b>6,930,651</b>	<b>4,653,347</b>	<b>(3,966,099)</b>	<b>(4,712,372)</b>
Income tax expense	25	(3,259,521)	(2,478,344)	(560,178)	(1,394,343)
<b>Profit/(loss) for the period</b>		<b>3,671,130</b>	<b>2,175,003</b>	<b>(4,526,277)</b>	<b>(6,106,715)</b>
<i>Other comprehensive income/(loss) (Items that will not be reclassified to profit or loss)</i>					
Remeasurement of post-employment benefit obligations		(323,536)	(12,814)	(209,017)	(112,618)
<b>Total comprehensive income/(loss) for the period</b>		<b>3,347,594</b>	<b>2,162,189</b>	<b>(4,735,294)</b>	<b>(6,219,333)</b>
<b>Profit/(loss) attributable to:</b>					
Equity holders of the Group		3,739,459	2,043,220	(4,372,678)	(6,181,951)
Non-controlling interest		(68,329)	131,783	(153,599)	75,236
<b>Profit/(loss) for the period</b>		<b>3,671,130</b>	<b>2,175,003</b>	<b>(4,526,277)</b>	<b>(6,106,715)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the Group		3,415,923	2,030,406	(4,581,695)	(6,294,569)
Non-controlling interest		(68,329)	131,783	(153,599)	75,236
<b>Total comprehensive income/(loss) for the period</b>		<b>3,347,594</b>	<b>2,162,189</b>	<b>(4,735,294)</b>	<b>(6,219,333)</b>

\*- comparative information has been restated to reflect the impact of Tegis Munay's transfer from discontinued operations to continuing operations on the income statement (Note 2)

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

<i>In thousands of Kazakhstani Tenge</i>	Note	Attributable to equity holders of the Group			Total	Non- controlling interest	Total Equity
		Share capital	Other reserves	Uncovered loss			
<b>Balance as of January 1 2019.</b>		<b>373,314,888</b>	<b>127,412,909</b>	<b>(21,607,444)</b>	<b>479,120,353</b>	<b>891,592</b>	<b>480,011,945</b>
Profit for the period (unaudited)		-	-	2,043,220	2,043,220	131,783	2,175,003
Other comprehensive loss (unaudited)		-	(12,814)	-	(12,814)	-	(12,814)
Total comprehensive income/(loss) (unaudited)		-	(12,814)	2,043,220	2,030,406	131,783	2,162,189
Other capital distributions		-	-	(10,029)	(10,029)	-	(10,029)
Dividends		-	-	(2,041,000)	(2,041,000)	-	(2,041,000)
<b>Balance at 30 June 2019 (unaudited)</b>		<b>373,314,888</b>	<b>127,400,095</b>	<b>(21,615,253)</b>	<b>479,099,730</b>	<b>1,023,375</b>	<b>480,123,105</b>
<b>Balance at 1 January 2020</b>		<b>373,314,888</b>	<b>127,357,014</b>	<b>(16,823,598)</b>	<b>483,848,304</b>	<b>1,168,066</b>	<b>485,016,370</b>
Profit/(loss) for the period (unaudited)		-	-	3,739,459	3,739,459	(68,329)	3,671,130
Other comprehensive loss (unaudited)		-	(323,536)	-	(323,536)	-	(323,536)
Total comprehensive (loss)/income (unaudited)		-	(323,536)	3,739,459	3,415,923	(68,329)	3,347,594
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)
<b>Balance at 30 June 2020 (unaudited)</b>		<b>376,045,927</b>	<b>125,533,478</b>	<b>(16,150,370)</b>	<b>485,429,035</b>	<b>1,099,737</b>	<b>486,528,772</b>

The accompanying notes on pages 7 to 32 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	6 months ended 30 June 2020 (unaudited)	6 months ended 30 June 2019 (unaudited)
<b>Cash flows from operating activities</b>			
Profit before income tax		6,930,651	4,796,579
Adjustments for:			
Depreciation and amortisation		28,973,534	27,448,633
Loss/(profit) on disposal of property, plant and equipment and intangible assets		4,034	(24,064)
Losses on impairment of non-financial assets		3,427,633	-
Net gain on reversal of the impairment of financial assets		(122,234)	(650,097)
Finance costs	24	15,736,209	16,614,016
Finance income	23	(1,092,977)	(1,983,885)
Share of profit in joint ventures and associates	9	(5,774,997)	(6,808,898)
Other adjustments		(207,765)	50,278
<b>Operating cash flows before working capital changes</b>		<b>47,874,088</b>	<b>39,442,562</b>
(Increase)/decrease in trade receivables and other current assets		(3,814,636)	5,222,771
Increase in inventories		(1,849,797)	(1,424,866)
Decrease in trade and other current payables		(3,969,355)	(5,455,292)
Decrease in employee benefits payable		(185,808)	(260,330)
Increase/(decrease) in tax and other payables to the budget		63,952	(1,703,430)
<b>Cash generated from operations</b>		<b>38,118,444</b>	<b>35,821,415</b>
Income tax paid		(3,217,671)	(4,865,507)
Interest paid		(11,785,397)	(12,381,401)
Dividends received		93,599	4,113,432
<b>Net cash generated from operating activities</b>		<b>23,208,975</b>	<b>22,687,939</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(23,903,438)	(16,357,736)
Acquisition of intangible assets		(91,230)	(56,949)
Proceeds from sale of property, plant and equipment		9,487	2,995
Proceeds from the sale of debt instruments (bonds)		192,300	-
Interest income received		459,564	759,100
Withdrawal/(placement) of bank deposits, net		1,179,567	(57,969)
Withdrawal of restricted cash		14,072	6,456,186
Collection of receivables - Tauba Invest LLP		193,601	514,140
Loans given		-	(136,263)
Repayment of loans given		-	591,000
Other payments		24,590	(180,585)
<b>Net cash used in investing activities</b>		<b>(21,921,487)</b>	<b>(8,466,081)</b>

The accompanying notes on pages 7 to 32 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.	6 months ended 30 June 2020 (unaudited)	6 months ended June 30 2019 (unaudited)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		46,371,918	116,533,625
Repayment of borrowings		(50,366,168)	(115,403,045)
Repurchase of principal on debt securities issued		-	(17,655,846)
Repayment of principal on finance leases		(430,536)	(562,758)
Dividends paid to shareholders		-	(2,041,000)
Dividends paid to non-controlling interest holders		(195,151)	(187,665)
Payment of bank commission		(30,557)	(685,680)
Other payments		-	(32,762)
<b>Net cash used in financing activities</b>		<b>(4,650,494)</b>	<b>(20,035,131)</b>
Foreign exchange difference effect on cash and cash equivalents		326,003	(378,653)
Provision for impairment of cash and cash equivalents		3,661	(127)
<b>Net decrease in cash and cash equivalents</b>		<b>(3,033,342)</b>	<b>(6,192,053)</b>
<b>Cash at the beginning of the year:</b>	14	<b>12,007,037</b>	<b>13,624,165</b>
<b>Cash and cash equivalents at the end of reporting period:</b>	14	<b>8,973,695</b>	<b>7,432,112</b>

The accompanying notes on pages 7 to 32 are an integral part of these condensed consolidated financial statements

## **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 six months ended 30 June 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 June 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. 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, March 9, 2020, oil quotes collapsed against the backdrop of the collapse of the OPEC deal, 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 six-month period ended 30 June 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 June 2020, the official exchange rate used to translate balances in foreign currency was Tenge 403.93 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 June 30, 2020, the Group's current liabilities exceeded current assets by 23,920,309 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 June 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 70,640,000 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.
- For the second half of 2020, the Group expects positive cash flows from operating activities, less outflow for capital expenditures, in the amount of not less than 25,000,000 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.

## 2 Basis of Preparation and Significant Accounting (Continued)

### Changes in presentation

The Board of Directors of Samruk Energy JSC earlier has approved the privatization plan of some subsidiaries in accordance with the state assets privatization program and these companies were classified as held for sale in the consolidated financial statements of Samruk Energy JSC and subsequently disposed, except for Tegis Munay, including its subsidiary Mangyshlak Munay ("Tegis Munay").

By a decision of the State Commission on the Issues of Modernization of the Economy of the Republic of Kazakhstan on October 14, 2019, the meeting approved the proposal of the sole shareholder of SWF Samruk-Kazyna JSC on the re-inclusion of Tegis Munay in the single list of assets of Samruk-Energy JSC, which subsequently led to the reclassification of this company from assets held for sale back to continuing operations

In accordance with IFRS 5, if non-current assets and disposal groups previously classified as held for sale no longer meet the necessary classification criteria, the Group ceases to account for them as held for sale. Consequently, Tegis Munay's statement of profit or loss has been transferred from discontinued operations to continuing operations at 30 June 2019. The comparative information has also been restated to reflect the results of the transfer from the disposal group. See Note 2 to consolidated financial statements for the year ended December 31, 2019 for more information.

Also, Tegis Munay's statement of profit or loss was transferred from discontinued operations to continuing operations as of June 30, 2019. The comparative information has been restated to reflect the results of the transfer from the disposal group.

The following table summarizes the impact of the classification changes on the presentation of the statement of profit or loss and comprehensive income for the 6 months ended 30 June 2019:

<i>In thousands of Kazakhstani Tenge</i>	<b>As originally presented for 6 months, ended on 30 June 2019</b>	<b>Reclassification Tegis Munay</b>	<b>6 months ended 30 June 2019 (restated)</b>
Revenue	109,544,713	-	109,544,713
Cost of sales	(89,836,401)	-	(89,836,401)
<b>Gross profit</b>	<b>19,708,312</b>	-	<b>19,708,312</b>
Selling expenses	(2,309,973)	-	(2,309,973)
General and administrative expenses	(5,549,501)	(88,158)	(5,637,659)
Share in profit of joint ventures and associates	6,808,898	-	6,808,898
Profit/(loss) from reversal/(impairment) of financial assets (net)	650,097	-	650,097
Finance income	1,983,885	1,285	1,985,170
Finance cost	(16,614,016)	(75,244)	(16,689,260)
Other income	464,709	18,885	483,594
Other expense	(345,832)	-	(345,832)
<b>Profit/(loss) before tax</b>	<b>4,796,579</b>	<b>(143,232)</b>	<b>4,653,347</b>
Income tax expense	(2,478,344)	-	(2,478,344)
<b>Profit/(loss) for the period from continuing operations</b>	<b>2,318,235</b>	<b>(143,232)</b>	<b>2,175,003</b>
Loss for the period from discontinued operations	(143,232)	143,232	-
<b>Total profit for the period</b>	<b>2,175,003</b>	-	<b>2,175,003</b>

## 2 Basis of Preparation and Significant Accounting (Continued)

### Changes in presentation (continued)

The following table summarizes the impact of the classification changes on the presentation of the statement of profit or loss and comprehensive income for the 3 months ended 30 June 2019:

<i>In thousands of Kazakhstani Tenge</i>	<b>As originally presented for 3 months, ended on 30 June 2019</b>	<b>Reclassification Tegis Munay</b>	<b>3 months ended 30 June 2019 (restated)</b>
Revenue	47,482,684	-	47,482,684
Cost of sales	(41,876,276)	-	(41,876,276)
<b>Gross profit</b>	<b>5,606,408</b>	-	<b>5,606,408</b>
Selling expenses	(1,039,275)	-	(1,039,275)
General and administrative expenses	(2,726,365)	(57,643)	(2,784,008)
Share in profit of joint ventures and associates	1,176,036	-	1,176,036
Profit from reversal of financial assets (net)	303,892	-	303,892
Finance income	651,689	435	652,124
Finance cost	(8,535,869)	(61,596)	(8,597,465)
Other income	117,412	18,885	136,297
Other expense	(166,381)	-	(166,381)
<b>Profit/(loss) before tax</b>	<b>(4,612,453)</b>	<b>(99,919)</b>	<b>(4,712,372)</b>
Income tax expense	(1,394,343)	-	(1,394,343)
<b>Profit/(loss) for the period from continuing operations</b>	<b>(6,006,796)</b>	<b>(99,919)</b>	<b>(6,106,715)</b>
Loss for the period from discontinued operations	(99,919)	99,919	-
<b>Total profit for the period</b>	<b>(6,106,715)</b>	-	<b>(6,106,715)</b>

## 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.

#### **4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (continued)**

##### ***Impairment of non-financial assets***

At each reporting date management assesses whether there is any indication of impairment of separate assets or groups of assets, and whether there is any indication that an impairment loss recognised in prior periods for separate assets or groups of assets other than goodwill may no longer exist or may have decreased. If such indications exist, management estimates the recoverable amount of an asset, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The calculation of value in use requires the application of the management's estimates and judgments, which are deemed appropriate under the current circumstances.

Assessment of impairment indicators also requires the use of judgments and estimates in determining possible technological obsolescence of fixed assets, discontinuing operations, residual useful lives, and other changes in operating conditions.

Under IAS 36, one of the possible impairment indicators is the presence of significant changes that had negative consequences for the Group that occurred during the year or are expected in the near future in the technological, market, economic or legal environment in which the Group operates or in the market for which the asset is used. In assessing the recoverable amount of assets, the Group makes estimates and judgments. Estimates and judgments are repeatedly evaluated and based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies.

Measures to contain the spread and impact of COVID-19 severely restrict economic activity in Kazakhstan and have a negative impact and may continue to have a negative impact on the Group's business and customers, as well as on the Kazakh and global economy for an unknown period of time. Accordingly, they can reduce future cash flows or increase operating and other costs, as well as affect the manner in which electricity tariffs are regulated by the Government to support the economy.

As of December 31, 2019, the Group carried out an impairment test for property, plant and equipment and intangible assets of subsidiaries such as Ekibastuz GRES-1 named after Bulat Nurzhanov LLP (hereinafter referred to as EGRES-1), Tegis Munay LLP and its subsidiary Mangyshlak Munay LLP (hereinafter "Tegis Munay") and the joint venture JSC "Station Ekibastuzskaya GRES-2" (hereinafter "SEGRES-2"), and, accordingly, the Company's investments in these enterprises.

As a result of assessing the presence of impairment indicators of fixed assets and intangible assets of the joint venture JSC "Station Ekibastuzskaya GRES-2" (hereinafter "SEGRES-2"), and, accordingly, the Company's investments in these enterprises, the management concluded that there were no signs of impairment at the date of the analysis. As a result, the Group's management decided not to carry out an impairment test for property, plant and equipment and intangible assets of SEGRES-2 and the Company's investment in this entity as of June 30, 2020. The main factors indicating the absence of signs of impairment are a significant increase in the electricity tariff - from 7.73 tenge / kWh to 9.13 tenge / kWh from July 1, 2020, in accordance with the Order of the Minister of Energy of the Republic of Kazakhstan and the application of a new methodology for determining fixed income starting from 2021, taken into account when approving the maximum tariffs for electric energy, as well as fixed profit for balancing, taken into account when approving the maximum tariffs for balancing electricity, approved by Order of the Ministry of Energy of the Republic of Kazakhstan No. 205 dated May 22, 2020.

The Group has updated the tests for impairment of property, plant and equipment and intangible assets of subsidiaries of Ekibastuz GRES-1 named after Bulat Nurzhanov LLP (hereinafter referred to as EGRES-1), Tegis Munay LLP and its subsidiary Mangyshlak Munay LLP (hereinafter "Tegis Munay ") As of June 30, 2020, in accordance with IAS 36 "Impairment of Assets ", these enterprises are subject to the negative impact of the current economic situation.

##### **EGRES-1**

Forecast of the cap tariff for electricity per kW unit per hour. in 2020 is based on the tariff approved by the Order of the Minister of Energy of the Republic of Kazakhstan No. 243 dated June 29, 2020. Starting from 2021, the forecast tariff was calculated using the methodology for determining the fixed profit taken into account when approving the maximum tariffs for electricity, as well as the fixed profit for balancing, taken into account when approving the maximum tariffs for balancing electricity, approved by Order of the Ministry of Energy of the Republic of Kazakhstan No. 205 dated May 22.

#### 4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

##### EGRES-1 (continued)

The following table sets out the major changes in assumptions where the impairment test calculations have been updated as of 31 May 2020:

31 May 2020	Units	2020	2021	2022	2023	2024	2025
Tariff for electrical energy - Kazakhstan	Tenge/kWh	5.80	8.61	8.78	8.80	8.76	8.78
Tariff for maintenance of electric power capacity	mln. Tenge/ (MW *month)	0.59	0.63	0.66	0.70	0.73	0.75
Tariff for power regulation services (KEGOC)	mln. Tenge/ (MW *month)	0.69	0.72	0.76	0.79	0.82	0.84
31 December 2019	Units	2020	2021	2022	2023	2024	2025
Tariff for electrical energy - Kazakhstan	Tenge/kWh	5.76	6.51	6.78	7.06	7.62	7.79
Tariff for maintenance of electric power capacity	mln. Tenge/ (MW *month)	0.59	0.62	0.65	0.67	0.70	0.72
Tariff for power regulation services (KEGOC)	mln. Tenge/ (MW *month)	0.69	0.80	0.84	0.87	0.90	0.93

The Group expects to receive an individual tariff for services to maintain of electric power capacity from 2024 due to the scheduled completion of the investment project "Restoration of Power Unit No.1 with the installation of new electrostatic precipitators" using borrowed funds. On 30 January 2020 an application for the Market Council was submitted in accordance with the Rules of the Ministry of Energy "Admission for consideration, consideration and selection of investment programs of modernization, expansion, reconstruction and (or) renewal, the conclusion of investment agreements for modernization, expansion, reconstruction and (or) renewal, the corresponding conclusion of contracts on the purchase of service on maintaining the readiness of electric capacity and establishment of individual tariffs for these contracts for the service on maintaining the readiness of electric capacity, volumes and terms of purchase of service on maintaining the availability of electric capacity". On March 27, 2020, a meeting of the Presidium of the Market Council was held, where the recommendations of the Expert Commission of the Market Council dated March 11, 2020 were considered and a decision was made to recommend admitting the investment program of EGRES-1 and other energy producing companies to the authorized body.

##### **Volume of sales**

31 May 2020	Unit	7m 2020	2021	2022	2023	2024	2025
Sale of electricity – Kazakhstan	mln kWh	9,607	16,832	18,011	19,026	19,660	20,054
Sale of electric power	mWt	10,931	25,798	26,248	27,078	22,058	22,761
Sale of electricity – Uzbekistan	mln kWh	875	1,500	1,174	31	-	-
31 December 2019	Unit	2020	2021	2022	2023	2024	2025
Sale of electricity – Kazakhstan	mln kWh	17,527	18,935	20,261	21,404	22,117	22,616
Sale of electric power	mWt	18,744	25,800	26,244	27,072	28,056	28,764
Sale of electricity – Uzbekistan	mln kWh	1,500	1,500	1,174	-	-	-

The volume of capacity sales in 2020 was adopted based on the results of centralized bidding held in December 2019. Starting from 2021, EGRES-1 expects an even distribution of capacity sales at tenders between the main market participants at an average market tariff. The management is confident that EGRES-1 will be able to realize the projected capacity volumes starting from 2021, since the capacity is in demand, and this is indicated by the current station load and sales volume. Also, a contract for the supply of electricity for 2020 was signed with Uzbekenergo in 2019.

As a result of this test, management has not identified any impairment. Based on the results of impairment testing, the recoverable amount of assets at 31 May 2020 was determined in the amount of 566,537,919 thousand tenge, which exceeds the carrying amount of assets by 126,954,042 thousand tenge. Accordingly, the Group did not recognize any impairment loss in 2020.

In case the tariff for electricity remains at the level of 5.8 tenge / kWh for 2020-2025, the recoverable amount of the company's assets will be less than their carrying amount of 336,224,812 thousand tenge.

In case the cap tariff for electricity remains at the level at which the Company will neither incur losses nor generate profit (profitability gap), the recoverable amount of the company's assets will be less than their carrying amount by KZT 128,087,779 thousand.

The long-term inflation rate used to calculate the terminal value is 2.31% per annum. The discount rate has been calculated to reflect the current market assessment of the risks inherent in the industry and is based on a weighted average cost of capital for each company of 11.52% (2019: 10.62%).

#### **4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)**

##### **Impairment test for net assets of Tegis Munay**

Proved and probable gas reserves are used in the impairment test. There are many uncertainties associated with the estimation of gas reserves, assumptions that are valid at the time of the assessment, may change significantly when new information is available. Changes in forecast commodity prices, exchange rates, production costs or return rates can change the economic condition of reserves and eventually lead to changes in reserves.

Natural gas production is projected to begin in 2024 and it is estimated that 65% of gas production will be exported annually starting from 2024.

The value in use calculation assumes the following forecasted oil sales prices in US dollars per barrel, which was based on the Consensus economics price predictions dated June 22, 2020, and the management also assumed that export gas sales prices at the border with China are closely related to the oil price due to the high correlation between them, which is confirmed by the analysis.

<i>In US Dollars</i>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Oil Price per Barrel (Brent)*	59.1	60.3	61.7	63.2
Estimated export gas price on the Chinese border per thousand m3	265	270	277	284

\*source: *Consensus economics*

After tax discount rate is 17.3% (2019: 13.9%). Based on the results of impairment testing, the recoverable amount of assets at 30 June 2020 is less than carrying amount of net assets by 3,146 million. The Group recognized the impairment loss of property, plant and equipment in profit or loss for the period as other expenses.

An increase in the discount rate of 1% would lead to an impairment of Tenge 6,265 million. A 10% reduction in oil prices would lead to an impairment of Tenge 8,622 million. A 10% decrease in sales volumes would have resulted in an impairment of KZT 7,728 million.

##### ***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 ordered 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, so the bankruptcy procedure of BTPP was temporarily suspended. Management believes that Group has no control over BTPP and investment in BTPP is fully impaired.

##### ***Agreement on the assignment of rights to a loan between the Group, Vnesheconombank, the Eurasian Development Bank and SEGRES-2***

In 2019, as a part of the transaction to acquire a 50% share in SEGRES-2 by Sovereign Wealth Fund "Samruk-Kazyna" JSC from Inter PJSC RAO UES, an agreement on the transfer of debt between Vnesheconombank and the Eurasian Development Bank (as original lenders), Eurasian Development Bank (as a Loan Agent), Samruk-Energy JSC (as the Acquirer) and SEGRES-2 (as the Borrower) was signed. It provides for Vnesheconombank's assignment of its right of claim under the loan agreement in favour of Samruk-Energy JSC».

According to the agreement on the assignment of debt dated 9 December 2019, Samruk-Energy JSC shall receive a loan in Roubles from Vnesheconombank no later than 21 June 2021, or 60 days after the date of receipt of the notification of the default event, whichever of the said dates falls first.

The management of the Group believes that the events of default did not take place as of 30 June 2020.

After the repurchase of the debt, the rights of claim under this debt transfer from Vnesheconombank to Samruk-Energy JSC and the loan currency should change from Roubles to Tenge. The change in the loan currency, according to the terms of the Loan Agreement dated 23 June 2010, implies a corresponding change in the initial interest rate in Roubles to the interest rate in Tenge.

#### **4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)**

##### ***Agreement on the assignment of rights to a loan between the Group, Vnesheconombank, the Eurasian Development Bank and SEGRES-2 (continued)***

This transaction meets the criteria for a derivative financial instrument and management calculated its fair value and concluded that the fair value of this derivative financial instrument was immaterial at the reporting date, and therefore did not recognize an asset or liability.

##### ***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 June 2020 is 5,841,514 thousand tenge (31 December 2019: Tenge 5,841,514 thousand). As of 30 June 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 June 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	
	six months, ended		six months, ended		six months, ended		six months, ended		six months, ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<i>In thousands of Kazakhstani Tenge</i>										
Total segment revenue –Sales of electricity	78,939,506	66,725,876	-	-	51,288,419	48,982,602	-	-	130,227,925	115,708,478
Inter-segment revenue	(28,491,152)	(25,171,199)	-	-	(349)	(269)	-	-	(28,491,501)	(25,171,468)
<b>External revenue – Sales of electricity</b>	<b>50,448,354</b>	<b>41,554,677</b>	<b>-</b>	<b>-</b>	<b>51,288,070</b>	<b>48,982,333</b>	<b>-</b>	<b>-</b>	<b>101,736,424</b>	<b>90,537,010</b>
<b>Sales of heating energy</b>	<b>9,749,820</b>	<b>8,966,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,749,820</b>	<b>8,966,427</b>
<b>Revenue from the service on maintaining power capacity</b>	<b>15,514,371</b>	<b>2,872,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,514,371</b>	<b>2,872,533</b>
<b>Rental income from renewable energy sources</b>	<b>2,813,466</b>	<b>2,393,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,813,466</b>	<b>2,393,014</b>
Total segment revenue –Transmission of electricity	-	-	19,985,931	18,485,239	-	-	-	-	19,985,931	18,485,239
Inter-segment revenue	-	-	(17,972,013)	(16,730,767)	-	-	-	-	(17,972,013)	(16,730,767)
<b>External revenue –Transmission of electricity</b>	<b>-</b>	<b>-</b>	<b>2,013,918</b>	<b>1,754,472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,013,918</b>	<b>1,754,472</b>
<b>Rental income from investment property</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,084,572</b>	<b>1,949,945</b>	<b>2,084,572</b>	<b>1,949,945</b>
<b>Sales of chemically purified water</b>	<b>756,379</b>	<b>761,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>756,379</b>	<b>761,545</b>
Total other	101,380	309,767	-	-	-	-	622,643	533,035	724,023	842,802
Inter-segment revenue – other-	-	-	-	-	-	-	(622,643)	(533,035)	(622,643)	(533,035)
<b>External revenue – other</b>	<b>101,380</b>	<b>309,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,380</b>	<b>309,767</b>
<b>Total external revenue</b>	<b>79,383,770</b>	<b>56,857,963</b>	<b>2,013,918</b>	<b>1,754,472</b>	<b>51,288,070</b>	<b>48,982,333</b>	<b>2,084,572</b>	<b>1,949,945</b>	<b>134,770,330</b>	<b>109,544,713</b>

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

**5 Segment Information (Continued)**

**(b) Performance of operating segments (Continued)**

<i>In thousands of Kazakhstani Tenge</i>	Production of electricity and heating energy		Electricity transmission and distribution		Sale of electricity		Other		Inter-segment operations		Total	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Cost of sales	(81,329,568)	(67,751,565)	(15,676,636)	(15,142,690)	(52,427,858)	(48,501,563)	(417,693)	(403,696)	46,490,966	41,963,113	<b>(103,360,789)</b>	<b>(89,836,401)</b>
- Less depreciation and amortisation	(24,561,067)	(23,126,071)	(3,938,146)	(3,890,484)	(129,306)	(116,750)	(345,015)	(315,328)	-	-	(28,973,534)	(27,448,633)
Selling expense	(4,781,623)	(2,309,973)	-	-	-	-	-	-	-	-	<b>(4,781,623)</b>	<b>(2,309,973)</b>
Finance cost	(7,923,571)	(6,542,042)	(798,387)	(1,201,318)	(156,020)	(151,375)	(12,111,685)	(11,563,334)	5,253,454	2,768,809	<b>(15,736,209)</b>	<b>(16,689,260)</b>
- Less interest expense	(4,738,065)	(5,402,015)	(389,021)	(821,329)	(125,242)	(119,119)	(6,713,614)	(5,819,935)	-	-	<b>(11,965,942)</b>	<b>(12,162,398)</b>
Finance income	2,674,290	2,872,163	15,686	21,437	30,885	48,078	4,159,400	1,892,843	(5,787,284)	(2,849,351)	<b>1,092,977</b>	<b>1,985,170</b>
Share of profit of joint ventures and associates and investment impairment	-	-	-	-	-	-	5,774,997	6,808,898	-	-	<b>5,774,997</b>	<b>6,808,898</b>
Impairment/(reversal) of impairment of non-financial assets	(281,633)	156,375	-	(895)	-	(349)	(3,146,000)	353,305	-	141,661	<b>(3,427,633)</b>	<b>650,097</b>
Capital expenditure	(15,066,333)	(11,129,579)	(8,640,471)	(5,138,227)	(26,802)	(12,242)	(169,832)	(77,688)	-	-	<b>(23,903,438)</b>	<b>(16,357,736)</b>
Reportable segment assets	704,388,971	709,983,470	134,290,662	132,429,829	13,637,643	12,189,603	660,161,731	156,654,323	(629,400,204)	(122,039,971)	883,078,803	889,217,254
Reportable segment liabilities	261,913,516	250,663,944	40,899,482	41,597,288	16,207,520	12,925,413	213,766,282	215,523,890	(136,236,769)	(116,509,651)	396,550,031	404,200,884

**5 Segment information (Continued)**

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

<i>In thousands of Kazakhstani Tenge</i>	6 months, ended 30 June 2020	6 months, ended 30 June 2019 (restated*)
<b>Adjusted EBITDA for the period</b>	<b>48,200,053</b>	<b>39,347,075</b>
Depreciation and amortisation	(28,973,534)	(27,448,633)
Finance income	1,092,977	1,985,170
Finance costs	(15,736,209)	(16,689,260)
Share of profit of joint ventures and associates	5,774,997	6,808,898
(Reversal)/accrual of the provision for impairment of assets	(3,427,633)	650,097
<b>Profit before income tax for the period</b>	<b>6,930,651</b>	<b>4,653,347</b>

**(d) Major customers**

During the six months ended 30 June 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 June 2020, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk- Energy</b>	<b>JVs and associates of Samruk-Kazyna</b>	<b>Shareholders</b>	<b>Government related entities</b>
Trade and other receivables	9,794,572	4,168	11,985	-	6,738,988
Cash and cash equivalents	58,845	-	-	-	-
Other current assets	233,617	428	-	-	129,844
Assets intended for the benefit of the Shareholder	-	-	-	339,077	-
Borrowings	-	-	4,324	65,124,670	16,874,903
Lease liabilities	14,547	-	-	-	-
Other distributions to the Shareholder	-	-	-	339,077	-
Trade and other payables	4,701,121	1,945,757	-	3,069,073	383,092
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 Kazakhstani Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk- Energy</b>	<b>JVs and associates of Samruk- Kazyna</b>	<b>Shareholders</b>	<b>Government related entities</b>
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 six months ended 30 June 2020 (including turnover of the group disposal) were as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk- Energy</b>	<b>JVs and associates of Samruk- Kazyna</b>	<b>Shareholders</b>	<b>Government related entities</b>
Revenue	24,328,706	612,374	62,334	-	11,347,830
Cost of sales	24,482,224	15,064,051	-	-	1,238,504
General and administrative expenses	151,689	-	-	-	-
Selling expense	4,742,202	-	-	-	-
Other expenses	271	26,706	-	35,358	-
Other income	623	-	-	-	99,216
Finance costs	1,115	-	-	3,355,948	980,981
Finance income	-	24,525	-	-	-
Loss on foreign exchange	-	-	-	-	-

The income and expense items with related parties for six months ended 30 June 2019 (including turnover of the group disposal) were as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>Companies under common control</b>	<b>JVs and associates of Samruk- Energy</b>	<b>JVs and associates of Samruk- Kazyna</b>	<b>Shareholders</b>	<b>Government related entities</b>
Revenue	14,733,571	664,067	11,710	-	10,105,294
Cost of sales	16,212,604	13,414,799	-	-	4,453,791
General and administrative expenses	172,559	-	-	-	14,480
Selling expense	2,278,717	-	-	-	-
Other expenses	202,548	-	-	39,493	-
Other income	198,582	449,363	-	-	-
Finance costs	1,583	-	-	3,236,151	661,928
Finance income	-	37,409	-	-	-
Loss on foreign exchange	-	56,648	-	660,600	109,395

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 June 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 96,070,814 thousand tenge under loan agreement with Eurasian Development Bank (31 December 2019: 95,384,680 thousand tenge).

## 6 Balances and Transactions with Related Parties (Continued)

Key management compensation is presented below:

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019
Key management compensation	64,716	89,311
<b>Total key management compensation</b>	<b>64,716</b>	<b>89,311</b>

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel as at 30 June 2020 comprises 5 persons (30 June 2019: 3 persons).

## 7 Property, plant and equipment

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

<i>In thousands of Kazakhstani 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)
<b>Carrying amount at 1 January 2020</b>	<b>15,287,904</b>	<b>185,669,363</b>	<b>430,158,971</b>	<b>9,739,550</b>	<b>112,133,476</b>	<b>752,989,264</b>
Additions	17,481	6,959	3,107,892	242,025	16,368,226	19,742,583
Change in accounting estimates	-	4,450	-	-	-	4,450
Transfers	4,977	18,062,054	273,376	(415,143)	(17,925,264)	-
Disposal	-	(30,236)	(2,825,406)	(58,438)	-	(2,914,080)
Depreciation	-	(6,629,496)	(21,486,838)	(247,160)	-	(28,363,494)
Depreciation on disposal	-	28,730	87,735	55,353	-	171,818
Impairment	(3,146,000)	(281,633)	-	-	-	(3,427,633)
Cost as at 30 June 2020	15,310,362	274,816,610	646,365,687	15,992,132	113,376,881	1,065,861,672
Accumulated depreciation and impairment	(3,146,000)	(77,986,419)	(237,049,957)	(6,675,945)	(2,800,443)	(327,658,764)
<b>Carrying amount as at 30 June 2020</b>	<b>12,164,362</b>	<b>196,830,191</b>	<b>409,315,730</b>	<b>9,316,187</b>	<b>110,576,438</b>	<b>738,202,908</b>

Additions include capitalized borrowing costs in the amount of KZT 475,734 thousand. The average capitalization rate for interest expenses is 11.05% (2019: 11.41%).

As at 30 June 2020 the property, plant and equipment with carrying value of Tenge 6,102,571 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 Kazakhstani Tenge</i>	6 months, ended 30 June 2020	6 months, ended 30 June 2019
Cost of sales	28,141,802	26,382,280
General and administrative expenses	218,778	435,516
Other expense	2,914	6,410
<b>Total depreciation charges</b>	<b>28,363,494</b>	<b>26,824,206</b>

## 8 Right-of-use assets and Lease Liabilities

<i>In thousands of Kazakhstani Tenge</i>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other (incl. land)</b>	<b>Total</b>
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)
<b>Carrying amount as at 1 January 2020</b>	<b>2,152,215</b>	<b>53,867</b>	<b>643,935</b>	<b>2,850,017</b>
Additions	3,871	19,646	1,767	25,284
Change in accounting estimates	-	-	-	-
Depreciation	(295,282)	(5,052)	(19,062)	(319,396)
Depreciation on disposal	5,556	5,840	-	11,396
Disposal	(12,771)	(31,855)	-	(44,626)
Interest expense	-	-	-	-
Payments	-	-	-	-
Cost at 30 June 2020	2,739,970	51,053	670,562	3,461,585
Accumulated depreciation	(886,381)	(8,607)	(43,922)	(938,910)
<b>Carrying amount as at 30 June 2020</b>	<b>1,853,589</b>	<b>42,446</b>	<b>626,640</b>	<b>2,522,675</b>

The Group recognized the following lease liabilities:

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>1 January 2020</b>
Non-current lease liabilities	1,491,158	1,660,455
Current lease liabilities	765,656	1,036,163
<b>Total lease liabilities</b>	<b>2,256,814</b>	<b>2,696,618</b>

Interest expenses included in finance costs for 6 months of 2020 amounted to 145,440 thousand tenge. Expenses for variable lease payments not included in lease liabilities, which were charged to general and administrative expenses for 6 months of 2020, amounted to 62,058 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 Kazakhstani Tenge</i>	<b>Joint ventures</b>		<b>Associates</b>	<b>Total</b>
	<b>EGRES-2</b>	<b>Forum Muider</b>	<b>Energy Semirechya</b>	
<b>Balance at 1 January 2020</b>	<b>18,852,903</b>	<b>37,007,597</b>	-	<b>55,860,500</b>
Share of profit/(loss) for the period	454,231	6,354,667	-	6,808,898
Dividends received	-	(6,491,795)	-	(6,491,795)
<b>Balance at 30 June 2020</b>	<b>19,307,134</b>	<b>36,870,469</b>	-	<b>56,177,603</b>
<b>Balance at 1 January 2020</b>	<b>17,787,425</b>	<b>33,938,422</b>	<b>2,417,657</b>	<b>54,143,504</b>
Share of profit/(loss) for the period	(1,547,048)	7,437,344	(115,299)	5,774,997
Dividends received	-	(93,621)	-	(93,621)
<b>Balance at 30 June 2020</b>	<b>16,240,377</b>	<b>41,282,145</b>	<b>2,302,358</b>	<b>59,824,880</b>

## 9 Investments in Joint Ventures and Associates (Continued)

As of 30 June 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.

In December 2019, SWF Samruk-Kazyna JSC acquired 50% ownership interest from PJSC Inter-RAO UES for USD 25 million.

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 Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Bonds	1,713,741	2,316,104
Long-term receivables	758,622	733,735
Restricted cash	54,265	54,265
Less: impairment provision	(39,103)	(254,456)
<b>Total other financial non-current assets</b>	<b>2,487,525</b>	<b>2,849,648</b>
Prepayments for non-current assets	2,364,343	1,011,136
Non-current VAT recoverable	545,282	544,282
Other	330,870	192,790
<b>Total other non-current assets</b>	<b>5,728,020</b>	<b>4,597,856</b>

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 Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Construction and reconstruction of substations in Almaty and Almaty region	1,208,170	809,783
Construction of a 50 MW wind farm in Ereimentau	1,050,000	-
Construction of a solar power plant 416 kW in the Almaty region	105,266	99,670
Modernisation of Shardarinskaya HPP	907	101,683
<b>Total prepayments for non-current assets</b>	<b>2,364,343</b>	<b>1,011,136</b>

## 11 Inventories

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Fuel	6,605,064	5,164,188
Spare parts	5,099,307	1,073,183
Auxiliary production materials	2,147,916	5,013,548
Other materials	572,051	308,266
Raw materials	28,594	28,375
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(1,116,940)	(1,014,691)
<b>Total inventories</b>	<b>13,335,992</b>	<b>10,572,869</b>

## 12 Trade and Other receivables

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Financial trade receivables	33,445,904	29,633,498
Less: impairment provision	(1,401,949)	(1,102,970)
<b>Total financial trade receivables</b>	<b>32,043,955</b>	<b>28,530,528</b>
Other receivables	3,988,697	3,933,208
Less: impairment provision	(3,528,845)	(3,540,314)
<b>Total trade and other receivables</b>	<b>32,503,807</b>	<b>28,923,422</b>

Financial receivables of the Group as at 30 June 2020 and 31 December 2019 are denominated in thousands of Tenge.

## 13 Other Current Assets

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Other receivables	11,105,520	10,991,594
Term deposits	1,150,807	2,341,375
Bonds	409,437	24,626
Restricted cash	315,968	318,542
Dividends receivable	428	405
Less: impairment provision	(463,890)	(278,334)
<b>Total other current financial assets</b>	<b>12,518,270</b>	<b>13,398,208</b>
VAT recoverable and prepaid taxes	2,130,983	2,618,561
Advances to suppliers	1,477,024	1,023,621
Assets held for the benefit of the Shareholder	339,077	363,571
Other	847,548	1,076,330
Less: impairment provision	(362,282)	(792,920)
<b>Total other current assets</b>	<b>16,950,620</b>	<b>17,687,371</b>

## 14 Cash and Cash Equivalents

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Cash at current bank accounts	6,062,844	8,798,404
Term deposits	2,892,454	3,193,726
Cash on hand	18,397	14,907
<b>Total cash and cash equivalents</b>	<b>8,973,695</b>	<b>12,007,037</b>

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

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Kazakhstani Tenge	7,029,798	6,460,452
Euro	1,943,834	4,193,576
US Dollar	57	1,353,004
Other currencies	6	5
<b>Total cash and cash equivalents</b>	<b>8,973,695</b>	<b>12,007,037</b>

## 15 Equity

### Authorised capital

At 30 June 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 8,602,312 (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 from changes in value 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). At the end of June 2020, there was no dividend payment.

## 16 Borrowings

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<b>Non-current portion</b>		
Bank term loans	121,257,603	124,330,194
Loans from Samruk-Kazyna	62,540,571	62,284,631
Bonds issued	24,809,776	24,788,748
Loans from customers	1,105,061	1,180,503
<b>Total non-current borrowings</b>	<b>209,713,011</b>	<b>212,584,076</b>
<b>Current portion</b>		
Bank term loans	56,533,284	54,040,175
Loans from Samruk-Kazyna	2,584,099	2,592,353
Bonds issued	360,287	362,792
Loans from customers	351,054	360,287
<b>Total current borrowings</b>	<b>59,828,724</b>	<b>57,355,607</b>
<b>Total borrowings</b>	<b>269,541,735</b>	<b>269,939,683</b>

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

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<i>Samruk-Energy</i>		
Samruk-Kazyna	65,124,670	64,876,984
Asian Development Bank	46,327,957	46,379,037
Bonds	25,170,063	25,160,444
European Bank for Reconstruction and Development ("EBRD")	19,964,678	21,281,118
Sberbank JSC SB	-	4,005,444
Halyk Bank JSC	-	1,932,845
<b>Total Samruk-Energy borrowings</b>	<b>156,587,368</b>	<b>163,635,872</b>
<i>AZhK</i>		
Halyk Bank JSC	10,924,120	9,321,043
Borrowings from customers	1,456,115	1,551,256
<b>Total borrowings of AZhK</b>	<b>12,380,235</b>	<b>10,872,299</b>

**16 Borrowings (Continued)**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
<i>ALES</i>		
Halyk Bank of Kazakhstan JSC	19,499,957	20,559,299
<b>Total borrowings of ALES</b>	<b>19,499,957</b>	<b>20,559,299</b>
<i>Moinak Hydro Power Station JSC</i>		
Development Bank of Kazakhstan JSC	16,874,903	17,669,074
<b>Total borrowings of Moinak HPS</b>	<b>16,874,903</b>	<b>17,669,074</b>
<i>AlmatyEnergoSbyt</i>		
Halyk Bank of Kazakhstan JSC	2,055,093	2,439,719
<b>Total borrowings of AlmatyEnergoSbyt LLP</b>	<b>2,055,093</b>	<b>2,439,719</b>
<i>Shardara HPS JSC</i>		
European Bank of Reconstruction and Development	22,829,657	23,888,308
<b>Total borrowings of Shardara HPS</b>	<b>22,829,657</b>	<b>23,888,308</b>
<i>EGRES-1</i>		
Halyk Bank of Kazakhstan JSC	24,912,294	13,592,750
Sberbank JSC SB	14,402,228	17,282,362
<b>Total borrowings of EGRES-1</b>	<b>39,314,522</b>	<b>30,875,112</b>
<b>Total borrowings</b>	<b>269,541,735</b>	<b>269,939,683</b>

For the six months ended 30 June 2020 the following significant changes in loans:

**Samruk-Energy**

During the six months of 2020, the Company repaid the principal on a loan from the European Bank for Reconstruction and Development of Tenge 1,521,117 thousand.

During the first quarter of 2020, Samruk-Energy JSC received 3 short-term tranches under a non-revolving credit facility in the Halyk Bank of Kazakhstan JSC for a total of Tenge 2,000,000 thousand and repaid loans for a total of 3,900,000 Tenge. As of 30 June 2020, there is no outstanding amount of the principal payable to the Halyk Bank of Kazakhstan JSC.

During the first quarter of 2020, Samruk-Energy JSC received 6 short-term tranches under a revolving credit facility at JSC SB Sberbank for a total of Tenge 13,100,000 thousand with maturity of 1 month at the rate of 9.8%, of which 11,300,000 had been repaid early in the reporting period. As of 30 June 2020, there is no outstanding amount of the principal payable to the JSC SB Sberbank

**AZHK**

During the 6 months ended on 30 June 2020, the Company made scheduled repayment of the principal amount of Tenge 1,367,347 thousand on a loan from Halyk Bank of Kazakhstan JSC within the current credit line with purpose of working capital replenishment.

## 16 Borrowings (Continued)

### ALES

During the 6 months ended on 30 June 2020, the Company received tranches of Tenge 7,324,693 thousand at the rate of 11.25% for replenishment of working capital and of Tenge 1,392,215 thousand at a rate of 12.75% for financing the project "Reconstruction of the gold dump of CHPP-3" under the credit line agreement №KS 02-14-39 dated 26 November 2014 with JSC Halyk Bank of Kazakhstan. As of 30 June 2020, the Company repaid the principal of JSC Halyk Bank of Kazakhstan loan for a total amount of Tenge 10,080,551 thousand.

### Moinak Hydro Power Station JSC

During the 6 months ended on 30 June 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 1,745,240 thousand.

### AlmatyEnergoSbyt

During the 6 months ended on 30 June 2020, AlmatyEnergoSbyt received loans in the total amount of Tenge 3,600,000 thousand under the credit line agreement No.KS 02-15-09 dated April 22, 2015 with JSC Halyk Bank of Kazakhstan. During the 6 months of 2020 the interest rate in Tenge increased from 11% down to 12.5% per annum according the supplementary agreement No.19 dated March 17, 2020 and subsequently reduced from 12.5% to 11.25% per annum in accordance with the supplementary agreement No 20 dated April 13, 2020. The purpose of the loan is working capital replenishment.

### Shardarinskaya HPP JSC

As part the loan agreement between Shardarinskaya HPP JSC, EBRD and Samruk-Energy JSC, no additional tranches were obtained during six months of 2020 and made scheduled repayment of the principal of Tenge 1,066,591 thousand and interest of Tenge 1,076,012 thousand.

### EGRES-1

During the six months of 2020, EGRES-1 LLP has performed early redemption of Tenge 4,200,000 thousand under a credit line from JSC Halyk Bank of Kazakhstan. As of June 30, 2020, loans from JSC Halyk Bank of Kazakhstan are loans received within the disbursement limit of Tenge 24,810,000 thousand for 1 year.

## 17 Other Non-Current Liabilities

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Trade payables	1,296,914	1,216,356
<b>Total financial non-current liabilities</b>	<b>1,296,914</b>	<b>1,216,356</b>
Historical costs associated with obtaining subsoil use rights	2,107,764	1,914,756
Deferred income	735,843	995,311
Other	186,158	204,953
<b>Total other non-current liabilities</b>	<b>4,326,679</b>	<b>4,331,376</b>

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

**18 Trade and Other payables**

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>	<b>31 December 2019</b>
Trade payables	13,883,528	23,683,433
Payables to Almaty Akimat (Note 4)	5,841,514	5,841,514
Dividends payable	4,055,929	892,243
Other financial payables	267,181	1,034,239
<b>Total financial trade payables</b>	<b>24,048,152</b>	<b>31,451,429</b>
Advances received from customers	2,337,928	2,068,623
Other payables	2,219,245	1,266,895
Accrued provisions for unused vacations	2,144,639	2,109,686
Salaries payable	1,118,892	1,477,862
Other distributions to Shareholder	339,077	363,571
<b>Total trade and other payables</b>	<b>32,207,933</b>	<b>38,738,066</b>

**19 Revenue**

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2020</b>	<b>Six months ended 30 June 2019</b>	<b>Three months ended 30 June 2020</b>	<b>Three months ended 30 June 2019</b>
Sales of electricity	101,736,424	90,537,010	38,927,615	41,326,030
Income from maintenance of electric power capacity	15,514,371	2,872,533	8,066,225	1,448,332
Sales of heating energy	9,749,820	8,966,427	2,154,016	1,586,164
Rental income from renewable energy sources	2,813,466	2,393,014	1,164,354	899,482
Rental income from investment property	2,084,572	1,949,945	1,036,690	977,398
Income from transmission of electricity	2,013,918	1,754,472	845,122	781,945
Sales of chemically purified water	756,379	761,545	410,106	393,582
Other	101,380	309,767	28,831	69,751
<b>Total revenue</b>	<b>134,770,330</b>	<b>109,544,713</b>	<b>52,632,959</b>	<b>47,482,684</b>

**20 Cost of Sales**

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2020</b>	<b>Six months ended 30 June 2019</b>	<b>Three months ended 30 June 2020</b>	<b>Three months ended 30 June 2019</b>
Depreciation of property, plant and equipment and amortisation of intangible assets	28,416,691	26,888,168	14,202,248	13,437,759
Fuel	27,507,262	24,120,163	8,787,469	8,628,727
Payroll and related expenses	13,546,798	12,372,069	6,617,934	6,210,329
Cost of purchased electricity	9,345,112	5,352,689	5,200,424	2,834,266
Maintaining electric power capacity	5,004,220	3,846,100	2,464,396	1,923,048
Electricity transmission and other services	4,658,637	4,491,066	2,214,415	2,423,991
Taxes other than on income tax	4,500,951	4,129,660	2,073,074	1,942,014
Third party services	2,804,790	2,397,399	1,304,404	1,089,578
Repairs and maintenance	2,595,106	1,757,490	1,811,359	1,144,498
Water supply	2,140,638	1,699,958	1,069,805	745,688
Materials	663,262	768,407	311,699	393,582
Security services	551,972	539,831	270,570	275,916
Accrual/(reversal) of provision on obsolete and slow-moving inventories	102,248	15,829	99,249	10,118
Electricity losses on transmission	935	57,597	833	37,106
Other	1,522,167	1,399,975	701,274	779,656
<b>Total cost of sales</b>	<b>103,360,789</b>	<b>89,836,401</b>	<b>47,129,153</b>	<b>41,876,276</b>

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

**21 Selling expenses**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2020	Three months ended 30 June 2019
Dispatch and electricity control	3,293,918	2,275,449	1,086,171	1,012,519
Electricity transmission	1,458,238	11,482	10,885	11,482
Payroll and related expenses	28,760	22,732	12,459	15,103
Other	707	310	368	171
<b>Total selling expense</b>	<b>4,781,623</b>	<b>2,309,973</b>	<b>1,109,883</b>	<b>1,039,275</b>

**22 General and Administrative expenses**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019 (restated*)	Three months ended 30 June 2020	Three months ended 30 June 2019
Payroll and related expenses	3,181,529	3,119,340	1,457,973	1,576,580
Taxes other than on income	2,112,485	151,677	2,093,427	49,905
State duty	673,522	12,294	655,659	2,547
Depreciation of property, plant and equipment and amortisation of intangible assets	553,821	551,278	313,411	274,275
Consulting and other professional services	300,822	343,374	53,419	101,642
Security services	236,227	204,374	117,597	86,482
Materials	82,352	89,618	54,098	43,045
Repairs and maintenance	76,641	67,140	49,508	32,789
Business trip and representative expenses	69,969	136,167	11,416	74,269
Insurance	46,382	49,914	22,340	26,581
Communication expenses	45,515	54,423	22,883	26,626
Bank fees	34,110	32,777	16,948	13,941
Other	933,949	825,283	557,847	475,326
<b>Total general and administrative expenses</b>	<b>8,347,324</b>	<b>5,637,659</b>	<b>5,426,526</b>	<b>2,784,008</b>

**23 Finance Income**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019 (restated*)	Three months ended 30 June 2020	Three months ended 30 June 2019 (restated*)
Income from unwinding of discount on non-current receivables	512,966	372,487	348,959	189,751
Interest income on bank deposits	403,925	721,718	211,129	267,754
Income from unwinding of discount on loans receivable and bonds	143,634	96,127	52,013	47,568
Foreign exchange gains less losses	-	618,015	560,109	-
Other	32,452	176,823	17,251	147,051
<b>Total finance income</b>	<b>1,092,977</b>	<b>1,985,170</b>	<b>1,189,461</b>	<b>652,124</b>

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

**24 Finance Costs**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2020	Three months ended 30 June 2019
Interest expense on loans and bonds	11,965,942	12,162,398	5,987,379	6,077,378
Dividends on preference shares of subsidiaries	70,554	70,554	35,277	35,277
Unwinding of the present value of discount:				
- loans and financial aids from the Shareholder	2,637,049	2,610,945	1,321,595	1,220,154
- employee benefit	65,789	113,600	41,368	85,989
- ash dump restoration provision	67,884	81,763	34,064	40,881
- loans from customers	95,447	106,871	47,476	53,436
- bonds issued	9,620	15,015	4,967	4,831
Losses on redemption of bonds	-	783,348	-	783,348
Foreign exchange losses less gains	354,968	-	-	88,955
Other	468,956	744,766	251,978	207,216
<b>Total finance costs recognized in profit or loss</b>	<b>15,736,209</b>	<b>16,689,260</b>	<b>7,724,104</b>	<b>8,597,465</b>

**25 Taxes**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2020	Three months ended 30 June 2019
Current income tax expense	3,668,173	2,658,113	851,781	899,250
Deferred income tax benefit/(expense)	(408,652)	(179,769)	(291,603)	495,093
<b>Total income tax expense</b>	<b>3,259,521</b>	<b>2,478,344</b>	<b>560,178</b>	<b>1,394,343</b>

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

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2020	Three months ended 30 June 2019
<b>Profit/(loss) before tax under IFRS</b>	<b>6,930,651</b>	<b>4,653,347</b>	<b>(3,966,099)</b>	<b>(4,712,372)</b>
Theoretical tax (benefit)/expense at statutory rate of 20% (2019: r. 20%)	1,386,130	930,669	(793,220)	(942,474)
Adjustments for:				
Share in profit of joint ventures and associates not subject to income tax	(1,154,999)	(1,361,780)	(1,281,350)	(235,208)
Other non-deductible expenses	533,377	14,044,443	986,090	717,162
Tax charges and penalties as a result of Tax audit	438,837	-	438,837	-
Expiration of the limitation period for tax losses carried forward	1,124,290	-	1,124,290	-
Temporary differences to be recognised upon termination of investment contract	119,921	117,181	50,740	187,032
Withholding tax	34,105	65,375	21,945	27,102
Adjustment of prior years' income tax	(80,715)	(521,845)	(472,566)	(556,467)
Changes in unrecognised deferred income tax assets	1,705,306	(10,654,461)	1,131,168	2,160,991
Profit of Moinak HPS exempt from income tax	(848,657)	(141,238)	(648,908)	36,205
Non-taxable income	1,926	-	3,152	-
<b>Total income tax expense</b>	<b>3,259,521</b>	<b>2,478,344</b>	<b>560,178</b>	<b>1,394,343</b>

## **26 Contingencies, Commitments and Operating Risks**

In addition to the information below, as of 30 June 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.

### ***Compliance with covenants***

The Group has certain covenants on loans and bonds. Failure to comply with these covenants may result in negative consequences for the Group, including the growth of borrowing costs and the announcement of the default. As of 30 June 2020, the Group was in compliance with its covenants.

### ***Legal cases***

As of June 30, 2020, the Company is involved in legal proceedings with JSC TransTeleCom. JSC TransTeleCom filed a claim for expenses incurred due to services rendered under the procurement contract "Consulting Services for the implementation of target (basic) processes of JSC" Samruk-Energy " 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. As of June 30, 2020, the Company did not create a reserve based on the assumption that it was highly probable that JSC TransTeleCom'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 June 2020. The Group has sufficient financial resources to fulfil its capital commitments and ensure availability working capital.

As at 30 June 2020 the Group had contractual commitments to purchase the property, plant and equipment for Tenge 160,371,086 thousand (31 December 2019: Tenge 160,605,255 thousand).

### ***Capital commitments of joint ventures and associates***

As at 30 June 2020 the Group's share in capital expenditure commitments of Forum Muider and ERGES-2 comprised of Tenge 13,580,203 and 24,495,467 thousand respectively (31 December 2019: Tenge 16,748,835 thousand and Tenge 23,937,977 thousand respectively).

## **27 Financial risk management**

### ***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. In accordance with the Group policy on formation and monitoring of development plans the Group manages the liquidity risk using short-term (one month) forecasts and also mid-term forecast for the next five years. In addition, the Group develops and approves development strategy of the Group for the next ten years. In planning cash flows, the Group also accounts for income from temporary excess cash using the bank deposits.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including future payment of interest and principal.

**27 Financial risk management (continued)**

**Liquidity risk (continued)**

<i>In thousands of Kazakhstani Tenge</i>	<b>Demand and less than 1 month</b>	<b>From 1 to 3 months</b>	<b>From 3 to 12 months</b>	<b>From 12 months to 5 years</b>	<b>Over 5 years</b>
<i>At 30 June 2020</i>					
Borrowings	7,192,595	28,520,024	40,847,927	160,111,122	176,861,648
Other non-current financial liabilities	-	-	855,554	-	-
Trade and other payables	21,035,447	1,599,570	137,232	1,717,263	-
Finance lease	44,436	199,333	545,599	2,065,155	135,798
Derivative financial instruments	-	-	27,788,105	-	-
<b>Total future payments, including future principal and interest payments</b>	<b>28,272,478</b>	<b>30,318,927</b>	<b>70,174,417</b>	<b>163,893,540</b>	<b>176,997,446</b>
<i>At 31 December 2019</i>					
Borrowings	11,443,698	11,844,291	61,898,462	171,939,185	187,901,994
Other non-current financial liabilities	-	89	892,243	-	-
Trade and other payables	26,406,470	5,184,463	524,026	1,216,356	-
Finance lease	240,149	491,845	484,603	1,672,351	266,051
Derivative financial instruments	-	-	-	29,622,719	-
<b>Total future payments, including future principal and interest payments</b>	<b>38,090,317</b>	<b>17,520,688</b>	<b>63,799,334</b>	<b>204,450,611</b>	<b>188,168,045</b>

**28 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:

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2020</b>				<b>31 December 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Carrying amount</b>
<b>ASSETS</b>								
Cash and cash equivalents	-	8,973,695	-	8,973,695	-	12,007,037	-	12,007,037
Restricted cash	-	55,731	-	55,731	-	372,807	-	372,807
Term deposit	-	1,138,431	-	1,138,431	-	2,289,339	-	2,289,339
Financial receivables	-	32,043,955	-	32,043,955	-	28,530,528	-	28,530,528
Other financial receivables	-	10,968,509	-	10,968,509	-	10,765,295	-	10,765,295
Long-term receivables	-	710,978	-	746,759	-	532,490	-	722,234
Dividends receivable	-	-	428	428	-	-	405	405
Bonds	1,278,292	-	1,028,936	2,095,938	1,143,649	-	860,517	2,097,775
<b>Total financial assets</b>	<b>1,278,292</b>	<b>53,891,299</b>	<b>1,029,364</b>	<b>56,023,446</b>	<b>1,143,649</b>	<b>54,497,496</b>	<b>860,922</b>	<b>56,785,420</b>

## 28 Fair Value Disclosures (continued)

### Fair Value Measurement (continued)

In thousands of Kazakhstani Tenge	30 June 2020				31 December 2019			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
<b>Liabilities</b>								
Borrowings	-	276,735,712	-	269,541,735	-	244,714,885	-	269,939,683
Financial payables	-	24,048,152	-	24,048,152	-	31,978,264	-	31,978,264
Non-current trade payables	-	-	1,296,914	1,296,914	-	-	1,216,356	1,216,356
<b>Total financial liabilities</b>	<b>-</b>	<b>300,783,864</b>	<b>1,296,914</b>	<b>294,886,801</b>	<b>-</b>	<b>276,693,149</b>	<b>1,216,356</b>	<b>303,134,303</b>

### 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.

### 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 7,532,690 thousand (31 December 2019: 7,060,789 thousand).

## 29 Events after Reporting Period

On July 16, 2020, the Group fully paid the dividends declared to the Sole Shareholder of Tenge 3,066,231 thousand.

On July 21, 2020, ALES JSC received a short-term loan of Tenge 3,200,000 thousand under the credit facility #KS 02-14-39 dated November 26, 2014 with JSC Halyk Bank of Kazakhstan.

On July 23, 2020, the Company made scheduled repayment under Tranches A, B, and C under Credit Line Agreements with ADB of Tenge 1,462,266 thousand.

On July 23, 2020, the Company made scheduled repayment of interest of Tenge 670,307 thousand and principal of Tenge 1,521,117 thousand under the Loan agreement No.48308 dated December 9, 2016 with the EBRD.

On July 30, 2020 AlmatyEnergSbyt JSC received a tranche in of Tenge 1,500,000 thousand under Agreement No. KS 02-15-09 dated April 22, 2015 with JSC Halyk Bank of Kazakhstan at the interest rate of 11.25% with purpose of working capital replenishment.

During July 2020, Moinak HPS JSC made scheduled repayment of the principal in the amount of Tenge 665,945 thousand and interest in the amount of Tenge 540,833 thousand on loans received from JSC Development Bank of Kazakhstan.

During July 2020, EGRES-1 LLP drawn down credit funds of Halyk Bank of Kazakhstan JSC of Tenge 4,100,000 thousand at the rate of 11.5%.

On August 4, 2020 EGRES-1 LLP acquired borrowed funds of Halyk Bank of Kazakhstan JSC in the amount of 1,200,000 thousand tenge by signing a bank loan agreement No. KD 01-15-06-50. The deadline for granting is 3 August 2021. Purpose - replenishment of working capital. The remuneration rate is 11.5%.

On August 4, 2020, EGRES-1 LLP repaid the principal debt to Halyk Bank of Kazakhstan JSC in the amount of 1,100,000 thousand tenge ahead of schedule.

## **29 Events after Reporting Period (continued)**

On June 26, 2020, JSC Station Ekibastuzskaya GRES-2 received a notification from JSC Halyk Bank of Kazakhstan approving the opening of a credit line in the total amount of 105,000,000 thousand tenge for a period of 8 years and an interest rate of 12% per annum. The Company plans to use the funds received to early repay loans from Vnesheconombank and Eurasian Development Bank.

## **30 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 June 2020, this indicator calculated by the management of the Company based on the financial statements constituted to KZT 86,219 (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>	<b>30 June 2020</b>	<b>31 December 2019</b>
Total assets	883,078,803	889,217,254
Less: intangible assets	(3,545,122)	(3,691,945)
Less: total liabilities	(396,550,031)	(404,200,884)
Net assets for ordinary shares	482,983,650	481,324,425
Number of ordinary shares	5,601,812	5,601,687
<b>Carrying amount of one share, Tenge</b>	<b>86,219</b>	<b>85,925</b>

---