



**SAMRUK-ENERGY JSC**

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

**30 June 2023**



## Report on Review of Condensed Consolidated Interim Financial Statements

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

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Samruk-Energy JSC and its subsidiaries (together - the "Group") as at 30 June 2023 and the related condensed consolidated interim statements 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 the related explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these 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 condensed consolidated 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*

3 August 2023  
Almaty, Kazakhstan

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

<i>In thousands of Kazakhistani Tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	717,616,170	720,275,588
Investment property		103,400	104,999
Intangible assets		3,529,962	3,726,203
Right-of-use assets		2,378,866	2,652,394
Investments in joint ventures and associates	7	96,647,413	88,567,345
Other non-current assets	8	27,637,677	40,566,491
<b>Total non-currents assets</b>		<b>847,812,563</b>	<b>855,893,000</b>
<b>Current assets</b>			
Inventory		17,716,450	15,432,827
Trade and other receivables	9	39,587,007	39,619,591
Other current assets	10	21,721,220	16,273,052
Income tax prepaid		3,726,171	4,010,796
Cash and cash equivalents	11	23,818,154	34,616,760
<b>Total current assets</b>		<b>106,569,002</b>	<b>109,953,026</b>
<b>TOTAL ASSETS</b>		<b>954,381,565</b>	<b>965,846,026</b>

Signed on behalf of management on 3 August 2023.

Ryskulov Aidar Kajratovich  
 Managing Director on Economy and  
 Finance



Saule B. Tulekova  
 Director of Accounting and Tax  
 Department – Chief Accountant


The accompanying notes are an integral part of these condensed consolidated interim financial statements

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

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>30 June 2023 (unaudited)</b>	<b>31 December 2022</b>
<b>EQUITY</b>			
Share capital	12	378,531,570	378,531,570
Other reserves	12	125,066,696	124,850,717
Retained earnings		43,126,721	28,012,639
Equity attributable to the Group's shareholders		546,724,987	531,394,926
Non-controlling interest		1,784,579	1,718,695
<b>TOTAL EQUITY</b>		<b>548,509,566</b>	<b>533,113,621</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Asset restoration provision	13	21,381,368	21,561,994
Employee benefit obligations		1,976,150	2,139,845
Borrowings	14	209,532,636	147,794,163
Other non-current liabilities		159,642	376,922
Non-current lease liabilities		1,036,313	1,132,295
Deferred income tax liabilities		63,868,576	67,254,045
<b>Total non-current liabilities</b>		<b>297,954,685</b>	<b>240,259,264</b>
<b>Current liabilities</b>			
Asset restoration provision	13	445,641	66,400
Borrowings	14	49,561,095	118,132,815
Employee benefit obligations		174,525	187,295
Trade and other payables	15	41,192,465	57,497,678
Taxes payable and other payables to budget		12,117,736	11,311,801
Current lease liabilities		685,198	925,658
Income tax payable		3,740,654	4,351,494
<b>Total current liabilities</b>		<b>107,917,314</b>	<b>192,473,141</b>
<b>TOTAL LIABILITIES</b>		<b>405,871,999</b>	<b>432,732,405</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>954,381,565</b>	<b>965,846,026</b>
Carrying value of an ordinary share, Tenge	25	96,756	93,987

Signed on behalf of management on 3 August 2023.

  
Ryskulov Aidar-Kairatovich  
Managing Director on Economy and  
Finance

  
Saule B. Tulekova  
Director of Accounting and Tax  
Department – Chief Accountant

The accompanying notes are an integral part of these condensed consolidated interim 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 2023 (unaudited)</b>	<b>6 months ended 30 June 2022 (unaudited)</b>	<b>3 months ended 30 June 2023 (unaudited)</b>	<b>3 months ended 30 June 2022 (unaudited)</b>
Revenue	16	212,337,333	181,188,041	98,019,641	85,069,473
Cost of Sales	17	(164,725,065)	(131,703,796)	(76,557,528)	(60,969,663)
<b>Gross Profit</b>		<b>47,612,268</b>	<b>49,484,245</b>	<b>21,462,113</b>	<b>24,099,810</b>
Selling expenses		(4,495,282)	(4,249,976)	(2,076,616)	(1,903,459)
General and administrative expenses	18	(7,216,501)	(9,383,899)	(3,925,949)	(5,343,251)
Share in profit of joint ventures and associates	7	9,132,314	9,928,786	518,436	5,544,586
(Loss)/gain on reversal of impairment of non-financial assets (net)	3	(14,070,319)	49,056	(14,068,725)	49,056
Gain on reversal of (loss on) impairment of financial assets (net)		976,680	(839,493)	927,277	(168,317)
Finance income	19	3,673,296	1,233,239	2,309,095	728,344
Finance costs	20	(12,910,323)	(16,564,685)	(6,417,794)	(7,652,358)
Other income		1,987,735	1,160,491	1,410,695	644,890
Other expense		(201,226)	(214,671)	(132,652)	(43,998)
<b>Profit before income tax</b>		<b>24,488,642</b>	<b>30,603,093</b>	<b>5,880</b>	<b>15,955,303</b>
Income tax expense	21	(7,267,676)	(8,233,966)	(3,438,637)	(4,932,300)
<b>Profit/(loss) for the period</b>		<b>17,220,966</b>	<b>22,369,127</b>	<b>(3,432,757)</b>	<b>11,023,003</b>
Other comprehensive income <i>(Items that will not be reclassified to profit or loss)</i>					
Remeasurement of post-employment benefit obligations		215,979	97,295	236,719	82,402
<b>Total comprehensive income/(loss) for the period</b>		<b>17,436,945</b>	<b>22,466,422</b>	<b>(3,196,038)</b>	<b>11,105,405</b>
<b>Profit/(loss) attributable to:</b>					
Shareholders of the Group		17,155,082	22,262,139	(3,462,081)	10,947,123
Non-controlling interest		65,884	106,988	29,324	75,880
<b>Profit/(loss) for the period</b>		<b>17,220,966</b>	<b>22,369,127</b>	<b>(3,432,757)</b>	<b>11,023,003</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Shareholders of the Group		17,371,061	22,359,434	(3,225,362)	11,029,525
Non-controlling interest		65,884	106,988	29,324	75,880
<b>Total comprehensive income/(loss) for the period</b>		<b>17,436,945</b>	<b>22,466,422</b>	<b>(3,196,038)</b>	<b>11,105,405</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

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

<i>In thousands of Kazakhstani Tenge</i>	Note	Attributable to the shareholders of the Group			Total	Non- controlling interest	Share capital
		Share capital	Other reserves	(Accumulated deficit)/ Retained earnings			
Balance at 1 January 2022		376,045,927	125,128,459	(78,038)	501,096,348	1,544,103	502,640,451
Profit/(loss) for the period (unaudited)		-	-	22,262,139	22,262,139	106,988	22,369,127
Other comprehensive income (unaudited)		-	97,295	-	97,295	-	97,295
<b>Total comprehensive income (unaudited)</b>		-	<b>97,295</b>	<b>22,262,139</b>	<b>22,359,434</b>	<b>106,988</b>	<b>22,466,422</b>
Dividends declared	12	-	-	(2,041,000)	(2,041,000)	-	(2,041,000)
<b>Balance at 30 June 2022 (unaudited)</b>		<b>376,045,927</b>	<b>125,225,754</b>	<b>20,143,101</b>	<b>521,414,782</b>	<b>1,651,091</b>	<b>523,065,873</b>
Balance at 1 January 2023		378,531,570	124,850,717	28,012,639	531,394,926	1,718,695	533,113,621
Profit for the period (unaudited)		-	-	17,155,082	17,155,082	65,884	17,220,966
Other comprehensive income (unaudited)		-	215,979	-	215,979	-	215,979
<b>Total comprehensive income (unaudited)</b>		-	<b>215,979</b>	<b>17,155,082</b>	<b>17,371,061</b>	<b>65,884</b>	<b>17,436,945</b>
Dividends declared	12	-	-	(2,041,000)	(2,041,000)	-	(2,041,000)
<b>Balance at 30 June 2023 (unaudited)</b>		<b>378,531,570</b>	<b>125,066,696</b>	<b>43,126,721</b>	<b>546,724,987</b>	<b>1,784,579</b>	<b>548,509,566</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**SAMRUK-ENERGY JSC**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**

<i>In thousands of Kazakhstani Tenge</i>	Note	6 months ended 30 June	
		2023 (unaudited)	2022 (unaudited)
<b>Cash flows from operating activities</b>			
Profit before income		24,488,642	30,603,093
Adjustments for:			
Depreciation and amortisation		34,216,941	30,022,827
Loss on/(gain on reversal of) impairment of non-financial assets (net)		14,070,319	(39,056)
Gain on reversal of/(loss on) impairment of financial assets (net)		(976,680)	(316,545)
Finance expenses	20	12,910,323	16,564,685
Finance income	19	(3,673,296)	(1,233,239)
Share in profit of joint ventures and associates	7	(9,132,314)	(9,928,786)
Other adjustments		(181,965)	(104,646)
		<b>71,721,970</b>	<b>65,568,333</b>
<b>Operating cash flows before working capital changes</b>			
Change in trade and other receivables and other current assets		3,764,513	(1,029,359)
Change in inventories		(2,371,914)	(76,783)
Change in trade and other payables and other non-current liabilities		(9,294,457)	(7,153,426)
Change in employee benefits payable		(74,732)	(59,143)
Change in taxes payable		976,680	3,079,204
		<b>64,722,060</b>	<b>60,328,826</b>
<b>Cash flows from operating activities</b>			
Income tax paid		(10,827,726)	(8,264,424)
Interest paid		(7,475,549)	(12,152,528)
Dividends received		1,052,246	-
		<b>47,471,031</b>	<b>39,911,874</b>
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(44,963,844)	(22,017,429)
Purchase of intangible assets		(136,127)	(405,187)
Proceeds from sale of debt instruments		1,599,564	9,392,300
Purchase of debt instruments		(4,700,607)	-
Interest income received		2,172,780	778,844
Financial aid paid to Shareholder		-	(518,700)
Financial aid returned from Shareholder		-	518,700
Other (purchases)/proceeds		(16,500)	97,851
		<b>(46,044,734)</b>	<b>(12,153,621)</b>
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		45,145,660	38,069,388
Repayment of borrowings		(54,991,976)	(58,880,809)
Payment of principal on financial lease		(335,614)	(340,913)
Dividends paid to shareholders		(2,041,000)	(2,041,000)
Other proceeds		-	15,000
		<b>(12,222,930)</b>	<b>(23,178,334)</b>
<b>Net cash used in financing activities</b>			
Foreign exchange effect on cash and cash equivalents		19,559	44,517
Less provision for cash impairment		(21,532)	(9,164)
		<b>(10,798,606)</b>	<b>4,615,272</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year	11	34,616,760	12,138,171
<b>Cash and cash equivalents at the end of the period</b>	11	<b>23,818,154</b>	<b>16,753,443</b>

Cash outflows for purchase of property, plant and equipment include capitalised interest paid in the amount of Tenge 4,920,631 thousand (2022: Tenge 2,551,586 thousand).

The accompanying notes are an integral part of these condensed consolidated interim 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 three and six months ended 30 June 2023 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 2023, the Company's single 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, heating energy, hot water on the basis of coal, hydrocarbons and water resources, and renewable energy sources ("RES"), and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, as well as leasing of property of hydro power plants.

The operations of the Group's subsidiaries and joint ventures are regulated by the Law of the Republic of Kazakhstan on Electric Power Industry, the Law on Natural Monopolies and Regulated Markets, and the Commercial Code of the RoK. Tariffs, based on the type of activities of a company, are regulated by the Committee on Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy of the Republic of Kazakhstan ("Committee") or by the relevant ministry – Ministry of Energy of the Republic of Kazakhstan ("ME").

### ***Registered address and place of business***

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

## **2 Basis of Preparation and Significant Accounting Policies**

### ***Basis of preparation***

These condensed consolidated interim financial statements for the three and six-month period ended 30 June 2022 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 of the Group for the year ended 31 December 2022, 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.

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

Amendments to standards effective from 1 January 2023 did not have significant impact on the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued, but is not yet effective.

### ***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 the heating season lasting 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 2023 that will significantly increase the Group's expenses, downtime of power units and low levels of electricity production.

### ***Exchange rates***

As of 30 June 2023, the official exchange rate used to translate balances in foreign currency was Tenge 452.51 for 1 US dollar (31 December 2022: Tenge 462.65 for 1 US dollar).

### ***Going concern***

Management has prepared these condensed interim consolidated financial statements on a going concern basis. This implies the disposal of assets and settlement of liabilities in the normal course of business for the foreseeable future.

### **3 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 applied and reported assets and liabilities, 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 2022, except for the calculation of income tax provisions and adoption of new and amended standards.

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

##### ***Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity***

The Group's management performed the analysis of the impairment indicators of property, plant and equipment of subsidiaries Almaty Electric Stations JSC ("AIES"), Ekibastuz GRES-1 named after Bulat Nurzhanov LLP ("EGRES-1"), Alatau Zharyk Company JSC ("AZhK") as well as investments in the joint venture Station Ekibastuzskaya GRES-2 JSC (hereinafter "SEGRES-2") in accordance with IAS 36 "Impairment of Assets".

The principal facts and assumptions used in the analysis of the impairment indicators are:

- Projected growth in the medium term in demand for electricity in the northern and southern zones of the Republic of Kazakhstan;
- Increase in marginal tariffs for electricity for energy producing organizations from 1 June 2023 by 24-30% comparing to current tariffs in accordance with Order of the ME of the RoK with the possibility of adjusting tariffs with an increase in basic costs, in accordance with the Rules for approving the marginal tariff for electrical energy;
- Lack of significant changes having adverse consequences for subsidiaries, which occurred during the period or may presumably occur in the nearest future;
- Increase in the tariff for electricity transmission from 1 January 2023 by 5% and from 1 July 2023 by 18% according to the joint order of the DKREM of Ministry of National Economy of the RoK of Almaty and Almaty region;
- Increase in the tariff for heat energy from 1 August 2023 with the possibility of adjusting tariffs when changing the type and cost of strategic goods, according to the Law of the Republic of Kazakhstan "On Natural Monopolies";
- Overfulfillment of the plan for the main operational and financial performance indicators as of 30 June 2023;
- It is planned to modernize the two main power plants of AIES (Almaty CHP-2 and CHP-3) (Note 22). The residual value of the existing assets of the coal-fired power units of these plants, subject to conservation or dismantling, by the time the new gas turbine/combined cycle power units are put into operation will be equal to zero;
- No significant changes that have occurred during the period or are expected to occur in the near future and have a significant impact on the recoverable amount of assets.

As a result of the analysis of external and internal impairment indicators, the Group's management concluded that there were no impairment indicators at the date of the analysis. Accordingly, the Group's management has elected not to test for impairment of property, plant and equipment and intangible assets of these subsidiaries and investments in the joint venture at 30 June 2023.

##### ***Analysis of indications of impairment of property, plant and equipment - green energy production***

Based on the assessment of impairment indicators for the green energy assets, the Group did not identify impairment indicators except for individual indicators for Ereymentau Wind Power LLP.

#### ***Ereymentau Wind Power LLP***

The Group has identified an individual impairment indicator of impairment for Ereymentau Wind Power LLP due to the delay in the implementation of the 50 MW wind power plant construction project in Ereymentau and the litigation of Ereymentau Wind Power LLP with the Settlement and Financial Center for Support of Renewable Energy Sources LLP in relation to prolongation of contract on provision of tariff for electricity sales.

The Group recognized a full impairment of construction in progress objects in the amount of Tenge 4,858,146 thousand (Note 6) and prepayments on long-term assets in the amount of Tenge 9,155,825 thousand (Note 8).

#### **4 Segment Information**

Operating segments are components that engage in business activities that may earn revenues or incur expenses, segment 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.

Segment financial information analysed by CODM includes information about revenue and profit before tax. CODM also monitors the EBITDA of the Group, 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 other similar effects. Sequence for EBITDA identification across the Group might be different from the 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 electric 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 pre-tax profit.

**SAMRUK-ENERGY JSC**  
**Notes to Condensed Consolidated Interim Financial Statements – 30 June 2023 (unaudited)**

**4 Segment Information (Continued)**

	Production of electric and heating energy		Electricity transmission and distribution		Sale of electricity		Other		Total	
	6 months ended		6 months ended		6 months ended		6 months ended		6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<i>In thousands of Kazakhstani Tenge</i>										
Total segment revenue – Sales of electricity	136,129,739	117,994,623	-	-	78,317,474	65,364,628	-	-	214,447,213	183,359,251
Inter-segment revenue	(42,303,945)	(40,427,350)	-	-	(931)	(745)	-	-	(42,304,876)	(40,428,095)
External revenue – Sales of electricity	93,825,794	77,567,273	-	-	78,316,543	65,363,883	-	-	172,142,337	142,931,156
Sales of heating energy	12,860,926	10,201,219	-	-	-	-	-	-	12,860,926	10,201,219
Revenue from the service on maintaining power capacity	14,999,051	17,150,970	-	-	-	-	-	-	14,999,051	17,150,970
Rental income from renewable energy sources	3,410,584	2,976,177	-	-	-	-	-	-	3,410,584	2,976,177
Total segment revenue – Transmission of electricity	-	-	30,553,327	25,588,925	-	-	-	-	30,553,327	25,588,925
Inter-segment revenue	-	-	(25,193,423)	(21,955,959)	-	-	-	-	(25,193,423)	(21,955,959)
External revenue – Transmission of electricity	-	-	5,359,904	3,632,966	-	-	-	-	5,359,904	3,632,966
Rental income from investment property	-	-	-	-	-	-	2,222,837	2,050,899	2,222,837	2,050,899
Sales of chemically purified water	902,117	899,782	-	-	-	-	-	-	902,117	899,782
Total other	1,201,972	1,863,755	-	-	-	-	759,162	735,966	1,961,134	2,599,721
Inter-segment revenue – other	(762,395)	(518,883)	-	-	-	-	(759,162)	(735,966)	(1,521,557)	(1,254,849)
External revenue – other	439,577	1,344,872	-	-	-	-	-	-	439,577	1,344,872
<b>Total external revenue</b>	<b>126,438,049</b>	<b>110,140,293</b>	<b>5,359,904</b>	<b>3,632,966</b>	<b>78,316,543</b>	<b>65,363,883</b>	<b>2,222,837</b>	<b>2,050,899</b>	<b>212,337,333</b>	<b>181,188,041</b>

**SAMRUK-ENERGY JSC**
**Notes to Condensed Consolidated Interim Financial Statements – 30 June 2023 (unaudited)**
**4 Segment Information (Continued)**

In thousands of Kazakhstani Tenge	Production of electricity and heating energy		Electricity transmission and distribution		Sale of electricity		Other		Inter-segment operations		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Cost of sales	(131,897,623)	(105,390,159)	(23,915,937)	(21,426,562)	(77,601,006)	(67,918,729)	(500,596)	(471,970)	69,190,097	63,503,624	(164,725,065)	(131,703,796)
Less depreciation and amortisation	29,248,899	25,123,026	4,549,688	4,461,777	133,568	126,937	284,786	311,087	-	-	34,216,941	30,022,827
Selling expense	4,495,282	(4,249,976)	-	-	-	-	-	-	-	-	(4,495,282)	(4,249,976)
Finance costs	5,393,673	(9,402,942)	(575,314)	(689,957)	(489,043)	(221,129)	(10,016,344)	(13,751,548)	3,564,051	7,500,891	(12,910,323)	(16,564,685)
Less interest expense	(2,435,029)	(4,457,320)	(213,762)	(342,586)	(468,927)	(184,388)	(5,744,526)	(8,319,624)	1,283,578	1,289,508	(7,578,666)	(12,014,410)
Finance income	1,295,591	2,327,016	112,695	31,589	113,087	53,311	5,907,086	6,397,078	(3,755,163)	(7,575,755)	3,673,296	1,233,239
Share of profit of joint ventures and associates and investment impairment	-	-	-	-	-	-	9,132,314	9,928,786	-	-	9,132,314	9,928,786
Capital expenditure	(35,540,069)	(15,721,431)	(1,187,094)	(6,080,393)	(10,209)	(31,079)	131,324	(195,431)	149,880	10,905	(36,456,168)	(22,017,429)
Reportable segment assets	707,169,506	710,978,361	149,295,553	145,173,518	17,595,632	17,846,940	663,451,035	171,558,777	(583,130,161)	(112,087,633)	954,381,565	933,469,963
Reportable segment liabilities	268,573,070	276,313,481	39,017,369	42,739,862	27,071,512	27,543,360	159,714,348	193,633,455	(88,504,300)	(129,826,068)	405,871,999	410,404,090

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

In thousands of Kazakhstani Tenge	Production of electricity and heating energy		Electricity transmission and distribution		Sale of electricity		Other		Inter-segment operations		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Total consolidated adjusted EBITDA	75,284,294	60,070,490	10,851,754	8,409,007	314,671	(2,925,138)	13,933,848	22,658,193	(27,503,952)	(22,233,028)	72,880,615	65,979,524
Depreciation and amortization	(29,248,899)	(25,123,026)	(4,549,688)	(4,461,777)	(133,568)	(126,937)	(284,786)	(311,087)	-	-	(34,216,941)	(30,022,827)
Finance income	1,295,591	2,327,016	112,695	31,589	113,087	53,311	5,907,086	6,397,078	(3,755,163)	(7,575,755)	3,673,296	1,233,239
Finance expense	(5,393,673)	(9,402,942)	(575,314)	(689,957)	(489,043)	(221,129)	(10,016,344)	(13,751,548)	3,564,051	7,500,891	(12,910,323)	(16,564,685)
Impairment of non- financial assets	(14,070,319)	49,056	-	-	-	-	-	-	-	-	(14,070,319)	49,056
Share in profits of joint ventures and associated companies	-	-	-	-	-	-	9,132,314	9,928,786	-	-	9,132,314	9,928,786
<b>Profit before tax</b>	<b>27,866,994</b>	<b>27,920,594</b>	<b>5,839,447</b>	<b>3,288,862</b>	<b>(194,853)</b>	<b>(3,219,893)</b>	<b>18,672,118</b>	<b>24,921,422</b>	<b>(27,695,064)</b>	<b>(22,307,892)</b>	<b>24,488,642</b>	<b>30,603,093</b>

#### 4 Segment Information (Continued)

##### (d) Major customers

During the six months ended 30 June 2023, 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.

#### 5 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 2023, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholders	Government related entities
Trade and other receivables	1,778,495	7,866	20,135	-	14,764,156
Cash and cash equivalents	4,209	-	-	-	-
Restricted cash	240,547	-	-	-	-
Cash due from credit institutions	1,209	-	-	-	-
Other current assets	1,300,606	479	-	-	3,907,267
Borrowings	-	14,303,676	3,196	76,122,638	10,508,840
Finance lease liabilities	22,825	-	-	-	-
Trade and other payables	3,198,129	3,888,945	2,024	1,839	13,135,202

At 31 December 2022, the outstanding balances with related parties were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholder	Government related entities
Trade and other receivables	983,678	-	12,871	-	18,265,171
Cash and cash equivalents	179	-	-	-	-
Restricted cash	212,885	-	-	-	-
Cash due from credit institutions	1,106	-	-	-	-
Other short term assets	1,337,074	4,541	-	-	35,600
Borrowings	-	13,258,829	3,384	75,136,656	11,756,694
Finance lease liabilities	28,435	-	-	-	-
Trade and other payables	5,932,455	4,104,161	7,919	30,199	10,680,628

The income and expense items with related parties for six months ended 30 June 2023 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholders	Government related entities
Revenue	24,882,829	998,917	170,940	-	32,386,372
Cost of sales	24,828,939	22,935,104	3,835	-	34,097,255
General and administrative expenses	296,009	-	-	-	-
Selling expense	4,437,996	-	-	-	-
Other expenses	8,832	-	-	-	-
Other income	5,227	6	-	-	812,984
Finance income	7,211	-	2	-	86,396
Finance costs	1,482	961,520	-	4,072,283	455,649

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

The income and expense items with related parties for six months ended 30 June 2022 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	15,999,223	875,784	204,386	-	32,529,958
Cost of sales	12,448,686	16,960,998	2,723	-	23,278,877
General and administrative expenses	203,311	-	-	-	4,956
Selling expense	4,179,068	-	-	-	-
Other expenses	1,655	-	-	-	-
Other income	1,061	1,539	-	-	220,062
Finance income	-	-	-	-	-
Finance costs	1,878	-	-	3,832,471	859,814

The income and expense items with related parties for three months ended 30 June 2023 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	11,466,731	457,515	60,320	-	12,327,438
Cost of sales	10,381,009	10,311,511	3,232	-	18,859,131
General and administrative expenses	149,822	-	-	-	-
Selling expense	2,050,447	-	-	-	-
Other expenses	4,250	6	-	-	-
Other income	3,579	11	2	-	660,942
Finance income	3,667	-	-	-	86,396
Finance costs	741	483,416	-	2,135,054	225,861

The income and expense items with related parties for three months ended 30 June 2022 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	9,620,922	581,266	133,075	-	14,119,627
Cost of sales	3,875,628	7,130,666	2,723	-	8,525,611
General and administrative expenses	103,673	-	-1,379	-	4,956
Selling expense	1,870,105	-	-	-	-
Other expenses	848	-35	-	-	-
Other income	749	1,539	-	-	59,986
Finance costs	939	-	-	1,941,757	260,985

As of 30 June 2023, the Group received the following guarantees from related parties:

- Corporate guarantee of Samruk-Kazyna in the amount of Tenge 12,285,000 thousand under a loan agreement with the Development Bank of Kazakhstan (31 December 2022: Tenge 12,285,000 thousand)
- Government guarantee in the amount of USD 25,000,000 under the loan agreement with the Development Bank of Kazakhstan (31 December 2022: USD 25,000,000).
- Corporate guarantee of Samruk-Kazyna in the amount of Tenge 130,000,000 thousand under the loan agreement of AIES JSC with the EBRD (European Bank for Reconstruction and Development), purpose is to finance the project on transfer of Almaty CHP-2 to gas. The Group also signed a guarantee agreement with Samruk-Kazyna in the amount of Tenge 130,000,000 thousand within the guarantee provided by Samruk-Kazyna to EBRD as a collateral on loan agreement between AIES and EBRD. This loan has not yet been drawdown (Note 14).
- Corporate guarantee of Samruk-Kazyna in the amount of 98,000,000 thousand tenge under the loan agreement of AIES JSC with the ADB (Asian Development Bank), purpose is to finance the project on transfer of Almaty CHP-2 to gas. The Group also signed a guarantee agreement with Samruk-Kazyna in the amount of Tenge 98,000,000 thousand within the guarantee provided by Samruk-Kazyna to ADB as a collateral on loan agreement between AIES and ADB. This loan has not yet been drawdown (Note 14).

## 5 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 2023	Six months ended 30 June 2022
Key management compensation	259,988	71,898
Independent Directors – members of the Board of Directors	18,693	29,405
<b>Total key management compensation</b>	<b>278,681</b>	<b>101,303</b>

Key management personnel compensation represents the salaries, bonuses and other short-term benefits to the employees and members of the Board of Directors. Key management personnel as at 30 June 2023 comprises 5 persons (30 June 2022: 4 persons). Independent Directors – members of the Board of Directors as of 30 June 2023 4 persons (30 June 2022: 4 persons).

## 6 Property, Plant and Equipment

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

<i>In thousands of Kazakhstani Tenge</i>	Buildings and constructions	Machinery and equipment	Other	Construction in progress	Total
Cost at 1 January 2023	291,176,219	712,683,772	19,893,336	174,186,473	1,197,939,800
Accumulated depreciation and impairment	(109,895,804)	(355,865,509)	(8,797,020)	(3,105,899)	(477,664,232)
<b>Carrying amount at 1 January 2023</b>	<b>181,280,415</b>	<b>356,818,263</b>	<b>11,096,316</b>	<b>171,080,574</b>	<b>720,275,568</b>
Additions	8,581	581,019	196,259	35,669,530	36,455,389
Change in accounting estimates	(339,635)	(373,127)	-	-	(712,762)
Transfers	52,238	622,494	13,755	(688,487)	-
Disposal	-	(312,310)	(51,060)	-	(363,370)
Depreciation	(6,969,437)	(25,959,037)	(663,711)	-	(33,592,185)
Depreciation on disposal	-	277,906	34,373	-	312,279
Impairment (Note 3)	(1,594)	-	-	(4,858,146)	(4,859,740)
Cost as at 30 June 2023	290,897,403	713,201,848	20,052,290	209,167,516	1,233,319,057
Accumulated depreciation and impairment	(116,866,835)	(381,546,640)	(9,426,358)	(7,964,045)	(515,803,878)
<b>Carrying amount as at 30 June 2023</b>	<b>174,030,568</b>	<b>331,655,208</b>	<b>10,625,932</b>	<b>201,203,471</b>	<b>717,515,179</b>

Additions include capitalized borrowing costs in the amount of Tenge 5,310,927 thousand. The average capitalization rate for interest expenses is 14.07% (31 December 2022: 12.32%).

Depreciation charge is allocated to the following items of profit and loss and property, plant and equipment for the year:

<i>In thousands of Kazakhstani Tenge</i>	6 months, ended 30 June 2023	6 months, ended 30 June 2022
Cost of sales	33,439,444	29,115,737
General and administrative expenses	108,691	210,983
Other operating expenses	40,486	18,286
Capitalized to construction in progress	3,564	4,816
<b>Total depreciation charges</b>	<b>33,592,185</b>	<b>29,349,822</b>



## 7 Investments in Joint Ventures and Associates

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

<i>In thousands of Kazakhstani Tenge</i>	Joint ventures		Associates	Total
	SEGRES-2	Forum Muider	Energy Semirechya	
Balance at 1 January 2022	18,140,608	53,747,149	2,105,564	73,993,321
Share of profit/(loss) for the period	1,948,430	8,338,484	(358,128)	9,928,786
<b>Balance at 30 June 2022</b>	<b>20,089,038</b>	<b>62,085,633</b>	<b>1,747,436</b>	<b>83,922,107</b>
Balance at 1 January 2023	20,408,582	68,158,762	1	88,567,345
Share of profit for the period	216,463	8,902,953	12,898	9,132,314
Dividends accrued	(1,052,246)	-	-	(1,052,246)
<b>Balance at 30 June 2023</b>	<b>19,572,799</b>	<b>77,061,715</b>	<b>12,899</b>	<b>96,647,413</b>

As of 30 June 2023, The Group has interests in the following jointly controlled entities:

- SEGRES-2 – 50%. The remaining 50% interest is owned by National Welfare Fund Samruk-Kazyna JSC.
- Forum Muider – 50%. The remaining 50% is owned by UC RUSAL.

The Group has a share in the Energiya-Semirechya LLP associate (25%). Energiya-Semirechya LLP plans to build a renewable power plant. The shareholders of Energiya-Semirechya LLP are Hydrochina Corporation (interest share of 50%), Samruk-Energy JSC (interest share of 25% through Qazaq Green Power PLC), Powerchina Chegdu Engineering Corporation (interest share of 15%), and Powerchina Resources Ltd (interest share of 10%).

## 8 Other Non-Current Assets

<i>In thousands of Kazakhstani Tenge</i>	30 June 2023	31 December 2022
Long-term receivables	621,228	621,228
Bonds	392,596	380,375
Restricted cash	274,059	246,252
Other non-current financial assets	39,305	43,878
Less: impairment provision	(101,783)	(112,272)
<b>Total other financial non-current assets</b>	<b>1,225,405</b>	<b>1,179,461</b>
Prepayments for non-current assets	41,876,139	45,229,892
Non-current VAT recoverable	54,754	54,754
Other non-current assets	22,729	322,661
Less: impairment provision	(15,541,350)	(6,220,277)
<b>Total other non-current assets</b>	<b>27,637,677</b>	<b>40,566,491</b>

## 8 Other Non-Current Assets (Continued)

Other non-current assets include advances and prepayments for the following types of construction services and property, plant and equipment:

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Reconstruction of power unit #1 of EGRES-1 with installation of electric filters	23,976,357	27,975,024
Construction of a 50 MW wind farm in Ereymentau	15,376,102	15,376,102
Overhaul of power units of EGRES-1	1,257,704	1,257,704
Other	1,265,976	621,062
<b>Total gross prepayments for non-current assets</b>	<b>41,876,139</b>	<b>45,229,892</b>

As at 30 June 2023 prepayments for Construction of a 50 MW wind farm in Ereymentau in the amount of Tenge 15,376,102 thousand was fully impaired (Note 3). As at 31 December 2022 the Group recognised an impairment loss on this prepayment in the amount of Tenge 6,220,277 thousand.

## 9 Trade and Other Receivables

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Trade receivables	41,611,923	41,969,907
Less: impairment provision	(2,478,220)	(2,916,480)
<b>Total financial receivables</b>	<b>39,133,703</b>	<b>39,053,427</b>
Other receivables	3,332,557	3,445,463
Less: impairment provision	(2,879,253)	(2,879,299)
<b>Total trade and other receivables</b>	<b>39,587,007</b>	<b>39,619,591</b>

## 10 Other Current Assets

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Other receivables	8,151,492	8,083,588
Debt financial instruments	3,498,810	385,631
Restricted cash	318,866	1,708,866
Other current financial assets	38,361	163,498
Less: impairment provision	(774,686)	(1,316,278)
<b>Total other current financial assets</b>	<b>11,232,843</b>	<b>9,025,305</b>
Advances to suppliers	5,846,676	2,850,335
VAT recoverable and prepaid taxes	2,554,487	2,913,218
Other current non-financial assets	2,547,281	1,902,300
Less: impairment provision	(460,067)	(418,106)
<b>Total other current assets</b>	<b>21,721,220</b>	<b>16,273,052</b>

On 29 June 2023 Alatau Zharyk Company JSC invested cash in the amount of Tenge 2,485,643 thousand in short-term notes of National Bank of RoK with an interest rate of 16.74% and maturity of 28 days.

On 29 June 2023 Qazaq Green Power PLC invested cash in the amount of Tenge 1,000,000 thousand in short-term notes of National Bank of RoK with an interest rate of 16.74% and maturity of 28 days.

## 11 Cash and Cash Equivalents

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Purchase and repurchase agreements ("reverse repo") with other banks with an initial maturity of less than three months	17,578,348	9,999,119
Cash at current bank accounts	3,494,377	3,072,728
Term deposits	2,729,916	21,523,461
Cash on hand	15,513	21,452
<b>Total cash and cash equivalents</b>	<b>23,818,154</b>	<b>34,616,760</b>

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

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Kazakhstani Tenge	22,967,725	33,705,253
US Dollar	850,429	-
Euro	-	911,507
<b>Total cash and cash equivalents</b>	<b>23,818,154</b>	<b>34,616,760</b>

## 12 Equity

At 30 June 2023, 5,632,537 issued ordinary shares were fully paid (31 December 2022: 5,632,537 shares). Each ordinary share carries one vote. The Company does not have any preference shares. The number of authorized shares is 8,602,187 (31 December 2022: 8,602,187 shares).

On 26 April 2023, the Group announced the payment of dividends to the sole shareholder in the amount of Tenge 2,041,000 thousand – Tenge 362.36 per share. On 29 May 2023, dividends have been paid in full.

## 13 Asset restoration provision

The movement in the provision on obligations for liquidation of the consequences of operating the facilities is presented below:

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Provision at 1 January		19,146,405	-
Change in estimate	3, 6	(454,453)	19,146,405
Unwinding of discount	20	1,024,592	-
<b>Total provision on obligations for liquidation of the consequences of operating the facilities</b>		<b>19,716,544</b>	<b>19,146,405</b>

The movement in the provision on liquidation of ash dumps is presented below:

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Provision at 1 January		2,481,989	2,826,592
Change in estimate through Property, plant and equipment	3, 6	(258,309)	(672,037)
Change in estimate through Other operating income	3	(264,112)	-
Unwinding of discount	20	150,897	316,612
Other		-	10,822
<b>Total provision on liquidation of ash dumps</b>		<b>2,110,465</b>	<b>2,481,989</b>

## 14 Borrowings

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Non-current portion</b>		
Loan from Samruk-Kazyna	67,014,680	72,571,081
Bonds issued	40,117,870	40,113,235
Bank term loans	101,591,156	34,264,857
Loans from customers	808,930	844,990
<b>Total borrowings – non-current portion</b>	<b>209,532,636</b>	<b>147,794,163</b>
<b>Current portion</b>		
Bank term loans	25,334,456	101,502,163
Loan from Bogatyr-Komir	14,303,676	13,258,829
Loan from Samruk-Kazyna	9,107,958	2,565,578
Bonds issued	413,567	413,567
Loans from customers	401,438	392,678
<b>Total borrowings – current portion</b>	<b>49,561,095</b>	<b>118,132,815</b>
<b>Total borrowings</b>	<b>259,093,731</b>	<b>265,926,978</b>

For the six months ended 30 June 2023 there were the following significant changes in borrowings:

### **Samruk-Energy JSC**

On 30 June 2023 the Company received a loan from the Eurasian Development Bank in the amount of Tenge 6,626,296 thousand with a maturity till 31 October 2034. The purpose of loans is to repay the loan of Ereymentau Wind Power LLP from Eurasian Development Bank. Interest rate is 11.5% per annum until 31 October 2026. From November 2026 interest rate is equal to base rate of National Bank of the RoK and margin of 2.25%.

As of 30 June 2023, the Company has fully repaid its debt to the European Bank for Reconstruction and Development.

During the six months ended 30 June 2023, the Company repaid a loan to Halyk Bank of Kazakhstan JSC in the amount of Tenge 4,000,000 thousand and a loan to Bereke Bank JSC in the amount of Tenge 7,000,000 thousand.

### **Ereymentau Wind Power LLP**

During the six months ended 30 June 2023 Ereymentau Wind Power LLP repaid earlier a loan to Eurasian Development Bank.

### **Almaty Electric Stations JSC**

During the 6 months ended 30 June 2023 the Company under a credit line agreement No.KS 02-14-39 dated 26 November 2014 signed with Halyk Bank of Kazakhstan JSC received borrowings to replenish working capital for the total amount of Tenge 5,997,346 thousand at the rate of 18.75%, and also repaid the principal debt on loans from First Heartland Jusan Bank JSC for a total amount of Tenge 7,489,759 thousand.

On 8 June 2023, AIES JSC and Development Bank of Kazakhstan JSC signed an agreement on opening a credit line No. SKL-04-23 in the amount of Tenge 117,000,000 thousand with a maturity till 2037. On 9 June 2023, AIES JSC and the Asian Development Bank signed a Loan Agreement in the amount of Tenge 98,000,000 thousand with a maturity till 2037. Interest rate is all in cost plus margin. These loans have not been disbursed.

### **Ekibastuz GRES-1 named after Bulat Nurzhanov LLP**

During the first half of 2023, EGRES-1 repaid earlier loans from Halyk Bank of Kazakhstan JSC in the amount of Tenge 5,200,000 thousand. As part of the agreement on the provision of a credit line No. KS 01-15-06 dated 8 April 2015, concluded with Halyk Bank of Kazakhstan JSC, EGRES-1 received loans for working capital replenishment and investment activities in the amount of Tenge 16,918,245 thousand at an interest rate of 18.75%.

On 23 February 2023 EGRES-1 signed additional agreements to the Credit Line Agreements with Halyk Bank which change the period within which the bank has an option to request earlier repayment from 10 months to 13 months. As a result, EGRES-1 reclassified the borrowings in the amount of Tenge 57,842,445 thousand from short-term to long-term.

## 14 Borrowings (continued)

### Alatau Zharyk Company JSC

On 23 February 2023 AZhK signed additional agreements to the Credit Line Agreements with Halyk Bank which change the period within which the bank has an option to request earlier repayment from 10 months to 13 months. As a result, AZhK reclassified the borrowings in the amount of Tenge 1,922,279 thousand from short-term to long-term.

## 15 Trade and Other Payables

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Trade payables	18,715,029	19,498,687
Payables for the purchase of property, plant and equipment	3,131,558	16,990,391
Salaries payable	1,842,828	2,352,092
Dividends payable	493,924	420,552
Other financial payables	3,873,932	4,306,966
<b>Total financial payables</b>	<b>28,057,271</b>	<b>43,568,688</b>
Payables to Almaty City Akimat	5,841,514	5,841,514
Advances received from customers	3,350,553	4,167,068
Accrued provisions for unused vacations	3,110,979	2,637,241
Other non-financial payables	832,148	1,283,167
<b>Total trade and other payables</b>	<b>41,192,465</b>	<b>57,497,678</b>

## 16 Revenue

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2023</b>	<b>Six months ended 30 June 2022</b>	<b>Three months ended 30 June 2023</b>	<b>Three months ended 30 June 2022</b>
Sales of electricity	172,142,333	142,931,156	82,087,506	69,511,991
Income from maintenance of electric power capacity	15,000,425	17,150,970	7,471,180	8,484,635
Sales of heat power	12,860,927	10,201,219	2,824,799	1,927,099
Income from transmission of electricity	5,359,903	2,976,177	2,556,278	1,264,013
Rental income from renewable energy sources	3,410,584	3,632,966	1,286,298	1,750,049
Rental income from investment property	2,222,837	2,050,899	1,083,183	1,019,040
Sales of chemically purified water	902,117	899,782	482,766	488,386
Other	438,207	1,344,872	227,631	624,260
<b>Total revenue</b>	<b>212,337,333</b>	<b>181,188,041</b>	<b>98,019,641</b>	<b>85,069,473</b>

**17 Cost of Sales**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2023	Six months ended 30 June 2022	Three months ended 30 June 2023	Three months ended 30 June 2022
Fuel	44,401,620	32,177,167	17,045,906	12,252,116
Depreciation of property, plant and equipment and amortisation of intangible assets	33,688,863	29,494,556	16,812,380	14,757,264
Cost of purchased electricity	33,675,987	23,008,477	15,608,943	10,791,109
Payroll and related expenses	23,622,769	20,121,598	11,876,578	10,052,697
Electricity transmission and other services	6,219,335	6,140,878	3,105,162	2,781,438
Taxes other than income tax	5,170,202	5,078,210	2,452,558	2,396,143
Maintaining electric power capacity	4,454,547	4,363,031	2,103,141	2,156,951
Water supply	3,506,155	3,326,112	1,995,911	1,834,074
Third party services	3,239,587	2,502,322	1,557,987	1,280,882
Repairs and maintenance	3,172,105	2,580,454	2,236,228	1,271,905
Materials	1,118,430	828,535	669,638	430,965
Security services	750,339	551,491	383,816	280,170
Accrual/(reversal) of provision on obsolete and slow-moving inventories	441,853	(8,327)	20,974	(8,318)
Other	1,263,273	1,539,292	688,306	692,267
<b>Total cost of sales</b>	<b>164,725,065</b>	<b>131,703,796</b>	<b>76,557,528</b>	<b>60,969,663</b>

**18 General and Administrative Expenses**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2023	Six months ended 30 June 2022	Three months ended 30 June 2023	Three months ended 30 June 2022
Payroll and related expenses	4,379,106	3,828,949	2,355,415	1,975,197
Depreciation of property, plant and equipment and amortisation of intangible assets	486,058	481,977	244,855	240,247
Consulting and other professional services	335,042	258,426	206,838	57,821
Security services	247,791	216,953	124,176	106,139
Taxes other than on income	236,863	3,413,399	140,848	2,294,753
Materials	85,914	115,453	49,388	51,614
Other	1,445,727	1,068,742	804,429	617,480
<b>Total general and administrative expenses</b>	<b>7,216,501</b>	<b>9,383,899</b>	<b>3,925,949</b>	<b>5,343,251</b>

**19 Finance Income**

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2023	Six months ended 30 June 2022	Three months ended 30 June 2023	Three months ended 30 June 2022
Interest income on bank deposits	1,691,930	756,880	931,036	512,477
Gain on initial recognition of the borrowings	1,083,195	-	1,075,854	-
Income from unwinding of discount on loans receivable and bonds	497,084	116,010	145,955	34,844
Other	401,087	360,349	156,250	181,023
<b>Total finance income</b>	<b>3,673,296</b>	<b>1,233,239</b>	<b>2,309,095</b>	<b>728,344</b>

## 20 Finance Costs

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2023</b>	<b>Six months ended 30 June 2022</b>	<b>Three months ended 30 June 2023</b>	<b>Three months ended 30 June 2022</b>
Interest expense on borrowings and bonds				
- interest at nominal rate	7,578,666	12,014,410	3,532,732	5,529,690
- unwinding of discount	3,651,289	3,199,667	1,851,159	1,628,215
Unwinding of the present value of discount				
- asset restoration provision (Note 13)	1,175,489	109,891	721,342	54,731
- employee benefit	114,247	87,364	58,535	43,261
Other	390,632	1,153,353	254,026	396,461
<b>Total finance costs</b>	<b>12,910,323</b>	<b>16,564,685</b>	<b>6,417,794</b>	<b>7,652,358</b>

## 21 Income Tax

<i>In thousands of Kazakhstani Tenge</i>	<b>Six months ended 30 June 2023</b>	<b>Six months ended 30 June 2022</b>	<b>Three months ended 30 June 2023</b>	<b>Three months ended 30 June 2022</b>
Current income tax expense	10,653,144	9,867,382	4,773,055	5,976,741
Deferred income tax benefit	(3,385,468)	(1,633,416)	(1,334,418)	(1,044,441)
<b>Total income tax expense</b>	<b>7,267,676</b>	<b>8,233,966</b>	<b>3,438,637</b>	<b>4,932,300</b>

## 22 Contingencies, Commitments and Operating Risks

In addition to the information below, as of 30 June 2023 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 2022.

### **Tax Legislation**

From July 2020, the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - "SRC") launched a pilot project to introduce horizontal monitoring, which will last until 31 December 2023. In 2021 SRC, as part of a pilot project on horizontal monitoring, inspected the historical data of the EGRES-1 and Samruk-Energy (Head office) for the five years period. Based on the results, SRC completed tax audits and issued acts with the results of tax audit. The main non-compliances relate to the interest expense deducted for tax purposes and underaccrual of withholding tax. The Group expressed its disagreement with these notifications and continues to work to appeal its position in the court.

The Group management believes that its interpretation of the relevant legislation is appropriate and the Group's tax positions will be sustained. In the opinion of the Group management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made.

### **Investigation of the Anti-Corruption Agency of the Republic of Kazakhstan**

On 13 July 2023, information appeared in the Kazakhstani media that the Anti-Corruption Agency of the Republic of Kazakhstan (the "Anti-Corruption Service") is investigating the management of Samruk-Kazyna, Samruk-Energy and JSC "NC "Kazakhstan Temir Zholy" (the "KTZh") on management override of control. Also in July 2023, the Anti-Corruption Service published a report on the state of competition in certain commodity markets and measures taken to limit monopolistic activities for 2022, which notes that KTZh, being in the same structure with energy-producing organizations of Samruk-Energy and other energy producing organizations of Samruk-Kazyna purchased electricity not directly from power plants, but through various energy supply organizations.

The Group sells electricity to a significant number of energy supply companies on standard terms and at tariffs approved by the Government. There is a wholesale electricity market in Kazakhstan, where large consumers and power supply organizations have the opportunity to buy electricity from various generating companies. The Group controls only 28% of all electricity generation in Kazakhstan.

## **22 Contingencies, Commitments, and Operating Risks (continued)**

Based on the results of the internal compliance review, the management of the Group concluded that all operations of the Group's activities were carried out in accordance with the law, the probability of loss or reputational damage from this investigation is low, and also that this event does not have an impact on the condensed consolidated interim financial statements of the Group. The Group's management monitors this issue and provides the necessary information and support to the Anti-Corruption Service in relation to this issue.

### ***Pre-trial Investigation of Department of the Department of Economic Investigations for Pavlodar Region (the "DEI") - Bogatyr-Komir LLP***

The DEI is processing the material of the pre-trial investigation, which has not been completed to date. The investigation is related to the acquisition by Bogatyr-Komir LLP of inventory, which subsequently identified as secondhand goods or could not meet the technical specification on the date of acceptance. Estimated cost of total costs for the acquisition of such assets was insignificant. At the time of issuance of the this condensed consolidated interim financial statements, the Group's management believes that the likelihood of loss or reputational loss from this investigation is low, the case is considered isolated and that this event does not have an impact on the condensed consolidated interim financial statements of the Group. The Group 's management monitors this issue and provides the necessary information and support to the DEI in relation to this issue.

### ***Environmental matters***

Under the environmental law, the Group is legally obligated to acquire additional greenhouse gas emissions allowances. The volume of greenhouse gas emissions for the Group was determined based on the projected production of electricity and greenhouse gas emissions coefficient per unit of production till 2025. Due to the growth in electricity consumption in the country and for the purpose of uninterrupted and reliable power supply to consumers, the generating capacities of EGRES-1 were used in full, which led to an increase in electricity generation and a shortage of quotas for greenhouse gas emissions in 2022 and 2021. The Group conducts the work to obtain an additional quota for greenhouse gas emissions in accordance with the Environmental Code of RoK. As at 30 June 2023 there was a provision to acquire additional greenhouse gas emissions for 2022 and 2021. For six month ended 30 June 2023, EGRES-1 did not exceed the emissions set by quotes.

In the period from 27 April to 20 May 2022, the Department of Ecology of the Pavlodar region conducted preventive supervision, and according to its results, an order was issued to eliminate violations. Further, the State Environmental Inspector drew up a Protocol on an administrative offense on violation of the Environmental Code of the Republic of Kazakhstan in regard to exceeding the emissions set be quotes approved for the year.

Due to disagreement with the results of the audit, EGRES-1 has conducted works to appeal the results of the audit and in December 2022 judiciary ruled in favor of EGRES-1. On 23 February 2023, the Department of Ecology filed a cassation complaint with the court, however, due to the missed deadline for filing a cassation complaint, the court ruling of 28 February 2023 returned the complaint. In connection with the restoration of the procedural deadline for filing a cassation complaint in accordance with the court ruling of 5 April 2023, the Department of Ecology filed a cassation complaint with the Supreme Court of the Republic of Kazakhstan. On 15 May 2023, according to the unified database of court cases of the Republic of Kazakhstan, the case was transferred to the judge of the Supreme Court of the Republic of Kazakhstan. As of the date of approval of these consolidated interim financial statements, no court hearing has been scheduled and proceedings have not been completed.

Based on the analysis of the main reasons and facts, Management believes that the obligation of GRES-1 should not exceed the amount of the accrued reserve. The production of an additional volume of electricity not covered by the quota was carried out to ensure reliable operation of the power system of the Republic of Kazakhstan in accordance with the distribution of KEGOC JSC. If the amount of the obligation under the additional quota is exceeded, the production of the necessary electricity will be economically impractical for the Group at current tariffs.

### ***Modernisation of Almaty CHP-2 with the minimization of the environmental impact***

During the first half of 2023 the following activities have been carried out within the framework of the project:

- On 6 June 2023, a loan agreement between AIES and the Development Bank of Kazakhstan was signed. On 9 June 2023, a loan agreement was signed between AIES and the Asian Development Bank. The agreements were concluded under the guarantee of JSC "Samruk-Kazyna" (Note 5).
- On 31 May 2023, an EPC contract was signed between AIES JSC and a consortium of three companies from CHINA: Dongfang Electric International Corporation&Powerchina Sepco1 Electric Power Construction Co., ltd & Powerchina Hebei Electric Power Engineering Co., ltd
- The conclusion of an investment agreement and the receipt of an individual capacity tariff to finance the project of converting CHP-2 to gas is expected by the end of 2023.



## **22 Contingencies, Commitments, and Operating Risks (continued)**

### **Modernisation of Almaty CHP-3**

During the first half of 2023 the following activities have been carried out within the framework of the project:

- The periods of project's realisation were changed to 2023-2027 (31 December 2022: 2023-2027).
- On 17 March 2023 an agreement on the purchase of services for maintaining the electric power capacity during the construction of newly commissioned generating units with maneuverable generation mode was signed with the Settlement and Financial Center for Support of Renewable Energy Sources LLP.

### **Compliance with covenants**

The Group has certain covenants on borrowings. 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 2023, the Group was in compliance with its covenants, except for the Group's joint venture – Bogatyr Komir LLP.

As of 30 June 2023 Bogatyr Komir did not comply with financial covenant on DSCR ratio on a loan with Eurasian Development Bank. Technical default was due to financing of investment projects from own funds. Nevertheless, Bogatyr Komir has an open credit line agreement, drawdown is expected in the second half year. The breach of covenants by Bogatyr Komir LLP does not affect the classification of the Group's loans. The management expects the compliance with this covenant at year end.

### **Legal proceedings**

In the normal course of business, the Group may be subject to legal proceedings and claims. Currently, the Group's management believes that final liabilities as a result of these legal proceedings and claims will not cause any significant negative impact on the Group's future financial position.

### **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 2023. The Group has sufficient financial resources to fulfil its capital commitments and ensure the availability of working capital.

As at 30 June 2023, the Group had contractual commitments to purchase the property, plant and equipment for Tenge 383,676,516 thousand (31 December 2022: Tenge 65,331,177 thousand).

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

As at 30 June 2023, the Group's share in capital expenditure commitments of Forum Muider and SEGRES-2 comprised of Tenge 2,126,528 and 3,839,169 thousand respectively (31 December 2022: Tenge 3,997,304 thousand and Tenge 11,812,824 thousand, respectively).

### **Bukhtarma HPP**

On June 26, 2023, Decree of the Government of the Republic of Kazakhstan No. 494 "On encumbrance of a strategic asset with the rights of third parties" was adopted, in accordance with which the Government of the Republic of Kazakhstan gave permission to encumber the Property Complex of the Bukhtarma HPP by transferring it to a long-term lease.

Currently, corporate events are underway to conclude an additional agreement to the Lease Agreement for the property complex of the Bukhtarma HPP with Kazzinc JSC dated June 26, 1997.

## **23 Fair Value Disclosures**

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). 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:

## 23 Fair Value Disclosures (continued)

In thousands of Kazakhstani Tenge	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
<b>Assets</b>								
Cash and cash equivalents	23,818,154	-	23,818,154	-	34,616,760	-	34,616,760	23,818,154
Restricted cash	592,925	-	592,925	-	1,955,118	-	1,955,118	592,925
Term deposit	1,710	-	1,710	-	12,765	-	12,765	1,710
Financial receivables	39,133,703	-	39,133,703	-	39,053,877	-	39,053,877	39,133,703
Other financial receivables	7,959,527	-	7,971,728	-	7,470,101	-	7,470,101	7,959,527
Dividends receivable	-	36,172	36,172	-	-	488	488	-
Debt financial instruments	3,916,776	-	3,891,406	-	769,766	-	766,006	3,916,776
<b>Total financial assets</b>	<b>75,422,795</b>	<b>36,172</b>	<b>75,445,798</b>	<b>-</b>	<b>83,878,387</b>	<b>488</b>	<b>83,875,115</b>	<b>75,422,795</b>

In thousands of Kazakhstani Tenge	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
<b>Liabilities</b>								
Borrowings	-	231,105,971	-	259,093,731	-	220,483,525	-	265,926,979
Financial payables	-	28,057,271	-	28,057,271	-	43,568,688	-	43,568,688
Lease liabilities	-	1,721,511	-	1,721,511	-	2,057,953	-	2,057,953
<b>Total financial liabilities</b>	<b>-</b>	<b>260,884,753</b>	<b>-</b>	<b>288,872,513</b>	<b>-</b>	<b>266,110,166</b>	<b>-</b>	<b>311,553,620</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.

## 24 Events after the Reporting Period

On 1 July 2023, National Welfare Fund Samruk-Kazyna JSC made a contribution to the share capital of the Company in the amount of Tenge 24,201,138 thousand in order to finance the AIES gasification project (Note 3).

## 25 Carrying Value of One Share

Pursuant to the resolution of the Exchange Council of Kazakhstan Stock Exchange JSC ("KASE") dated 4 October 2010, the consolidated financial statements should contain data on the carrying amount of one share (ordinary and preference) at the reporting date calculated in accordance with the rules approved by KASE. At 30 June 2023, this indicator calculated by the Group's management based on the condensed consolidated interim financial statements amounted to Tenge 96,756 (31 December 2022: Tenge 93,987). The table for calculating the carrying amount of one share is as follows:

In thousands of Kazakhstani Tenge	30 June 2023	31 December 2022
Total assets	954,381,565	965,846,026
Less: intangible assets	(3,529,962)	(3,726,203)
Less: total liabilities	(405,871,999)	(432,732,405)
Net assets for ordinary shares	544,979,604	529,387,418
Number of ordinary shares at the reporting date	5,632,537	5,632,537
<b>Carrying amount of one share, Tenge</b>	<b>96,756</b>	<b>93,987</b>