



“SAMRUK-ENERGY” JSC

**Separate financial statements in accordance with International
Financial Reporting Standards**

31 March 2023

Contents

SEPARATE FINANCIAL STATEMENTS

Separate Statement of Financial Position	1
Separate Statement of Profit and Loss and other Comprehensive Income	2
Separate Statement of Changes in Equity	3
Separate Statement of Cash Flows	4

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1	General information about Samruk-Energy Company and its operations	5
4	Important accounting estimates and professional judgments in applying accounting policies (continued)	7
5	Settlements and transactions with related parties	7
6	Investments in subsidiaries and joint ventures	9
7	Loans issued and investments in debt instruments	10
8	Other non-current assets	11
9	Other current assets	11
10	Cash and cash equivalents	12
11	Share capital	12
12	Borrowings	12
13	Dividend income	14
14	General and administrative expenses	14
15	Finance income	15
16	Finance costs	15
17	Income tax	15
18	Contingencies, Commitments and Operating Risks	15
19	Fair value of financial instruments (continued)	16
20	Events after the reporting date	16
21	Earnings per Share	17

SAMRUK-ENERGY JSC
Separate Statements of Financial Position

<i>In thousands of Kazakhstani Tenge</i>	<i>Note</i>	31 March 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment		290,703	320,166
Intangible assets		682,848	687,185
Asset on the right of use		869,825	927,762
Investments in subsidiaries and joint ventures	6	521,962,327	521,962,326
Loans issued and investments in debt instruments	7	35,999,636	36,645,365
Other non-current assets	8	558,485	562,390
Total non-current assets		560,343,823	561,115,774
Current assets			
Inventories		19,079	19,317
Loans issued and investments in debt instruments	7	23,635,112	15,632,164
Other current assets	9	36,729,577	8,838,129
Cash and cash equivalents	10	7,202,552	22,029,475
Total current assets		67,586,321	46,519,085
TOTAL ASSETS		627,930,143	607,634,859
EQUITY			
Share capital	11	378,531,570	378,531,570
Other reserve capital		89,220,724	89,220,724
Retained loss		(14,840,713)	(39,788,431)
TOTAL EQUITY		452,911,582	427,963,863
LIABILITIES			
Non-current liabilities			
Borrowings	12	129,428,895	127,830,765
Lease obligations		767,446	806,766
Long-term financial liabilities		166,715	166,715
Total non-current liabilities		130,363,056	128,804,246
Short-term liabilities			
Borrowings	12	41,222,830	47,176,852
Lease obligations		326,671	351,994
Other payables and accrued liabilities		3,068,151	3,253,135
Other taxes payable		37,853	84,769
Total short-term liabilities		44,655,505	50,866,750
TOTAL LIABILITIES		175,018,562	179,670,996
TOTAL LIABILITIES AND EQUITY		627,930,143	607,634,859
Carrying value of one ordinary share (in Kazakhstani tenge)	21	80,292	75,857

Signed on behalf of the management 30 April 2023

Ryskulov Aidan Khatolovich
 Managing Director for Borrowing and
 Finance



Tulekova Saule Bekzadaevna
 Director of "Accounting and Tax Accounting
 Department" – Chief Accountant

The attached notes from page 5 to page 19 are an integral part of these financial statements

“SAMRUK-ENERGY” JSC
SEPARATE STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>In thousands of Kazakhstani tenge</i>		3 months ended 31 March 2023	3 months ended 31 March 2022
	Note		
Dividend income	13	29,183,406	30,597,943
Other operating income and expenses (net)		(39,996)	34,492
General administrative expenses	14	(1,260,428)	(1,277,653)
(Loss) / gain from (impairment) / recovery of financial assets (net)		(41,601)	(39,434)
Operating profit		27,841,381	29,315,348
Finance income	15	2,387,909	2,073,293
Finance costs	16	(5,230,324)	(6,649,138)
Pretax profit/ (loss)		24,998,966	24,739,503
Income tax expense	17	(51,248)	(10,017)
Profit/(loss) for the year		24,947,718	24,729,486
Total income for the year		24,947,718	24,729,486
Earning per share (in Kazakhstani tenge)	21	4,446	4,415

The attached notes from page 5 to page 17 are an integral part of these financial statements

SAMRUK-ENERGY JSC
Separate Statements of Changes in Equity

<i>In thousands of Kazakhstani tenge</i>	Note	Share capital	Other reserve capital	Retained loss	Total equity
Balance as of 1 January 2022		376,045,927	89,328,998	(33,095,568)	432,279,357
Income for the year			-	24,729,486	24,729,486
Total comprehensive (loss)/ income for the year		-	-	24,729,486	24,729,486
Balance as at 31 March 2022		376,045,927	89,328,998	(8,366,082)	457,008,843
Balance as at 1 January 2023		378,531,570	89,220,724	(39,788,431)	427,963,863
Income for the year		-	-	24,947,718	24,947,718
Total comprehensive (loss)/ income for the year		-	-	24,947,718	24,947,718
Balance as at 31 March 2023		378,531,570	89,220,724	(14,840,713)	452,911,581

The attached notes from page 5 to page 17 are an integral part of these financial statements

SAMRUK-ENERGY JSC
Separate statements of cash flow

		3 months ended 31 March 2023	3 months ended 31 March 2022
In thousands of Kazakhstani tenge	Note		
Cash flows from operating activities:			
Cash proceeds, total		778,428	643,324
Interest received		726,928	610,179
Other proceeds		51,500	33,145
Cash outflow, total		(3,094,695)	(3,792,442)
Payments to suppliers for goods and services		(715,389)	(434,734)
Advances paid		(33,390)	(49,038)
Payments on wages		(520,688)	(566,889)
Repayment of interest on loans received		(1,622,448)	(2,556,078)
Corporate income tax		(40,814)	(8,247)
Other payments to the budget		(75,318)	(77,343)
Other payments		(86,648)	(100,113)
Net cash used in operating activities		(2,316,267)	(3,149,118)
Cash flows from investment activities			
Cash proceeds, total		2,191,000	14,036,831
Return of bank deposits		1,000	5,500
Repayment of loans issued		-	3,031,331
Repayment of debt instruments by issuers		800,000	11,000,000
Other proceeds		1,390,000	-
Cash outflow		(6,776,657)	(3,178,115)
Acquisition of PPE and intangible assets		(94,536)	(309,139)
Loans and financial aid provided to subsidiaries and associates		(6,682,120)	(2,273,700)
Contribution to equity of subsidiaries		(1)	(595,276)
Net cash used in investment activities		(4,585,657)	10,858,716
Cash flows from financing activities			
Cash proceeds, total		93,922	13,000,000
Obtaining of bank loans		93,922	13,000,000
Obtaining loans from subsidiary		-	-
Cash outflow, total		(8,024,505)	(21,181,368)
Repayment of loans from Samruk-Kazyna		(2,381,109)	(2,381,109)
Repayment of loans from banks and other organizations		(5,630,740)	(18,755,518)
Financial lease principal repayment		(12,656)	(44,741)
Net cash flows used from financial activities		(7,930,583)	(8,181,368)
Foreign exchange difference effect on cash and cash equivalents		4,811	36,591
Change in allowance for impairment of cash and cash equivalents		773	(10)
Net (decrease)/increase in cash and cash equivalents		(14,826,923)	(435,189)
Cash and cash equivalents at the beginning of the year	10	22,029,475	1,481,340
Cash and cash equivalents at the end of the reporting period	10	7,202,552	1,046,151

The attached notes from page 5 to page 17 are an integral part of these financial statements

1 General information about Samruk-Energy Company and its operations

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) for three months ended March 31, 2023 for “Samruk-Energy” JSC (hereinafter - the Company).

“Samruk-Energy” JSC (the Company) was established on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company set up in accordance with legislation of the Republic of Kazakhstan.

The Company's sole shareholder is Samruk-Kazyna Sovereign Wealth Fund JSC (“Samruk-Kazyna”), which holds 100% shares of the Company. The Company's ultimate controlling party is the Government of the Republic of Kazakhstan.

Principal activity

The Company is a holding company (the “Company”), including a number of companies (Note 6), which is engaged in production of electricity, heat and hot water using coal, hydrocarbons and water resources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, construction of hydro and thermal power plants, and lease of hydro power plants' property.

Registered address and the place of business of the Company

The Republic of Kazakhstan, Nur-Sultan city, 15 A, Kabanbay Batyr ave

Presentation currency

Unless otherwise indicated, indicators in these financial statements are denominated in Kazakhstani tenge (“tenge”)

2 Basis of preparation of financial statements and key accounting policies

Basis of preparation of financial statements

These separate condensed interim financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) using the historical cost convention, as adjusted for initial recognition of financial instruments at fair value.

This is followed by main accounting policies that were used in preparing the separate financial statements. These accounting policies have been consistently applied to all periods presented in the financial statements.

The Company has prepared these separate financial statements for management.

Moreover, the Company has prepared consolidated financial statements in accordance with IFRS for the Company and its subsidiaries (the “Group”). In the consolidated financial statements, transactions of subsidiaries identified as companies in which the Group directly or indirectly holds more than half of the voting shares or in respect of which the Company is otherwise able to control their financial and operating policies, are fully consolidated. The consolidated financial statements of the Group can be obtained at the Company's office located at the following address: 15A, Kabanbay batyr avenue, the Republic of Kazakhstan, Nur-Sultan c.

Users should get familiar with these separate condensed interim financial statements together with the condensed consolidated interim financial statements as of and for the period ended December 31, 2019 in order to obtain complete information about the financial position, operating results and changes in the Company's financial standing in general.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions. In addition, management must rely on its judgment in applying the Company's accounting policies. The areas of accounting that involve a higher degree of measurement or complexity, and the areas in which assumptions and estimates are material to the individual financial statements, are disclosed in the Note. Actual results may differ from these estimates.²

Basis of preparation of financial statements and key accounting policies (continued)

Exchange rates

As of March 31, 2023, the official exchange rate, which is used to translate balances in foreign currencies, was 451.75 tenge per 1 US dollar (December 31, 2022: 462.65 tenge per 1 US dollar). At present, restrictions and controls apply to converting tenge into other currencies.

Currently, tenge is not a freely convertible currency outside the Republic of Kazakhstan

3 New standards and interpretations

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after January 1, 2022, and which the Company has not early adopted.

- Amendments to IFRS 10 and IAS 28 - "The sale or contribution of assets between an investor and its associate or joint venture" (issued on September 11, 2014 and effective for annual periods starting on the date, which will be determined by the IASB, or after this date).
- IFRS 17 Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021, the effective date was subsequently moved to 1 January 2023 by the Amendments to IFRS 17 as discussed below).
- Amendments to IFRS 17 and Amendments to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).
- Classification of liabilities as current or non-current - Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022).
- Classification of liabilities as current or non-current – deferral of effective date - Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023 or after this date).
- "Proceeds before intended use, Onerous Contracts - Cost of Fulfilling a Contract", "Reference to the Conceptual Framework" – narrow-scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRS Standards 2018-2020 relating to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning 1 or after January 2022).
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on February 12, 2021 and are effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8: "Definition of Accounting Estimates" (issued on February 12, 2021 and are effective for annual periods beginning on or after 1 January 2023)
- "Covid-19 Related Rent Concessions" – Amendments to IFRS 16 (issued on March 31, 2021 and is effective for annual reporting periods beginning on or after 1 April 2021)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IFRS (IAS) 12 (issued on May 7, 2021., are effective from for annual periods beginning on or after 1 January 2023)

Unless otherwise stated above, these new standards and interpretations are not expected to materially affect the Company's financial statements.

Important accounting estimates and professional judgments in applying accounting policies

While preparing the condensed separate interim financial statements, the Company uses estimates and makes assumptions that affect the applicable accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Applied critical accounting estimates and professional judgments correspond to the accounting estimates and judgments applied in the preparation of the annual separate financial statements for the year ended 31 December 2022.

Going concern principle

Management has prepared these financial statements on a going concern basis. Management decision is based on the financial position of the Company, its current intentions, profitability of operations and access to financial resources and support from the Government, as well as analysis of impact of recent changes in macroeconomic environment on future operations of the Group. As of 31 March 2023, total current assets of the Company exceeded total current liabilities by 22,930,815 thousand tenge. The main part of current liabilities consists of financial aid and loans received from subsidiaries, as part of cash pooling system for distribution of liquidity within the Group. The short-term portion of financial aid and loans received from subsidiaries as at 31 March 2023 amounted to 41, 222, 830 thousand tenge (31 December 2022: 47,176,852 thousand tenge).

4 Important accounting estimates and professional judgments in applying accounting policies (continued)

Modernization of Almaty CHP-2 with minimization of environmental impact

The project is being implemented as part of the execution of the President of the Republic of Kazakhstan's directive to ensure the construction of a new combined cycle gas turbine unit (CCGT) at Almaty CHP-2, aiming to reduce emissions of harmful substances into the atmosphere and provide reliable and efficient energy and heat supply through the use of modern environmentally friendly technologies.

The project is included in the national project "Sustainable economic growth aimed at improving the well-being of Kazakhstani people," approved by the Resolution of the Government of the Republic of Kazakhstan dated October 12, 2021, No. 730.

Conclusion of an investment agreement and obtaining an individual capacity tariff for the financing of the project to convert CHP-2 to gas is expected to be completed by the end of 2023. The project for the modernization of CHP-2 includes the preservation of the existing capacities of CHP-2 after the introduction of the new gas-fired station. The Company's management plans to complete the conversion of CHP-2 to gas by December 31, 2026. In 2021, the Company recognized an impairment reserve of KZT 20,737,321 thousand for the main assets of CHP-2, including coal-fired power units, which will be preserved or dismantled after the commissioning of the CCGT unit. Consequently, the residual value of these assets at the time of commissioning the new CCGT units will be zero.

Modernization of Almaty CHP-3

Almaty Power Plants (APP) has prepared feasibility study for the project "Reconstruction of Almaty CHP-3, including the construction of CCGT unit with a capacity of no less than 450 MW" (referred to as the "Project"). The project is scheduled to be implemented between 2022 and 2025. The main objective of the project is to reconstruct Almaty CHP-3 by replacing the existing coal-fired equipment with advanced and environmentally friendly CCGT units. Additionally, a new CHP unit with higher capacity will be constructed on the existing site to address the shortage of flexible power generation in the Southern region of Kazakhstan.

On January 27, 2023, APP signed a contract with "Settlement-Financial Center for Renewable Energy Support" to purchase services for maintaining capacity availability during the construction of newly commissioned power generating units with flexible generation mode.

The reconstruction project of Almaty CHP-3 involves the replacement of the existing equipment, which will have reached the end of its operational lifespan by the time the new station is commissioned. Consequently, the existing equipment will be fully depreciated, and advanced and environmentally friendly CCGT units will be installed. The Company's management has not identified any significant negative consequences that are expected in the near future.

5 Settlements 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.

The related parties include the companies under control of Samruk-Kazyna. The Government controls over the Company. The Company decided to apply the exemption from disclosure of information on individually insignificant transactions and balances with the government and its related parties, as the Kazakh government exercises control, joint control or exert considerable influence over such parties.

The Company purchases from and sells goods to a large number of government related entities.

Such purchases and sales are individually insignificant and are generally entered into on an arm's length basis.

5 Settlements and transactions with related parties (continued)

The outstanding balances with related parties as at 31 March 2023 are as follows

<i>In thousands of Kazakhstani tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loans issued to subsidiaries	-	-	57,282,159
Interest receivable on loans issued	-	-	1,900,733
Dividends receivable	-	-	29,183,883
Accounts payable	-	58,322	310,972
Borrowings and bonds	74,498,954	-	31,589,054

The outstanding balances with related parties as at 31 December 2022 are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loans issued to subsidiaries	-	-	51,198,130
Accounts receivable	-	-	2,484
Interest receivable on loans issued	-	-	667,744
Dividends receivable	-	-	488
Accounts payable	-	719,616	309,362
Borrowings and bonds	75,136,659	-	30,681,664

The income and expense items with related parties for three months ended 31 March 2023:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividend income	-	-	29,183,406
Finance income	-	-	1,660,903
Finance costs	1,925,640	-	808,659
Financial assets impairment losses	-	-	(42,710)
General and administrative expenses	-	88,960	179,668
Other expenses	-	-	(11)

The income and expense items with related parties for three months ended 31 March 2022:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividend income	-	-	30,597,943
Finance income	-	-	1,829,478
Finance costs	1,877,057	-	772,905
Financial assets impairment losses	-	-	(48,340)
General and administrative expenses	-	45,808	181,133
Foreign exchange gain (net)	-	-	3,933

The Company also issued guarantees to subsidiaries as mentioned in Note 19.

Key executive staff remuneration for three months ended 31 March 2023 including salaries, bonuses and other short-term benefits to employees is 52,287 thous. tenge (for 3 months ended 31 March 2022: 34, 545 thous. tenge). Key executive staff at 31 March 2023 consists of 4 persons (31 December 2022: 4 persons).

6 Investments in subsidiaries and joint ventures

Information on the cost of investments as of March 31, 2023 is presented below:

			31 March 2023		31 December 2022	
			Cost of investment s (in thousands of tenge)	Ownership percentage	Cost of investment s (in thousands of tenge)	Ownership percentage
	Date of acquisition	Country of registration				
Subsidiaries						
Ekibastuz SDPP-1 named after Bulat Nurzhanov" LLP	31.10.2012	Kazakhstan	331,003,748	100%	331,003,748	100%
"Alatau Zharyk Company" JSC	29.07.2009	Kazakhstan	62,914,945	100%	62,914,945	100%
"Almaty Power Plants" JSC	26.07.2011	Kazakhstan	34,061,653	100%	34,061,653	100%
Qazaq Green Power PLC	04.11.2022	Kazakhstan	37,942,210	100%	37,565,637	100%
"Ereymenau Wind Power" LLP	28.05.2016	Kazakhstan	9,253,541	100%	9,253,541	100%
"Shardarinsk HPP" JSC	03.06.2011	Kazakhstan	2,524,772	100%	2,524,772	100%
"Bukhtarminsk HPP" JSC	04.01.2008	Kazakhstan	1,838,100	90%	1,838,100	90%
"Kazhydrotechenergo" LLP	31.03.2014	Kazakhstan	-	100%	376,572	100%
"Almatyenergosbyt" LLP	26.07.2011	Kazakhstan	136,003	100%	136,003	100%
"Energy Solutions Center" LLP	16.03.2019	Kazakhstan	107,449	100%	107,449	100%
Joint ventures and associated companies						
Forum Muider B.V.	23.12.2008	The Netherlands	41,759,543	50%	41,759,543	50%
"Ekibastuz SDPP-2 Plant" JSC	04.01.2008	Kazakhstan	8,725,133	50%	8,725,133	50%
Impaired investments						
Balkhash TPP JSC (Note 4)	24.06.2008	Kazakhstan	32,085,280	100%	32,085,280	100%
"Energia Semirechya" LLP	28.05.2016	Kazakhstan	-	25%	2,411,010	25%
"Shulbinsk HPP" JSC	04.01.2008	Kazakhstan	1,230,658	92.14%	1,230,658	92.14%
"Ust-Kamenogorsk HPP" JSC	04.01.2008	Kazakhstan	465,019	89.99%	465,019	89.99%
Less:						
Investments impairment			(42,085,727)		(44,496,737)	
Total investments			521,962,327		521,962,326	

As at 31 March 2023 and 31 December 2022 the Company has equity stakes in the following jointly controlled entities:

- ESDPP- 2 - 50%. The remaining 50% share belongs to Sovereign Wealth Fund Samruk-Kazyna JSC.
- Forum Muider - 50%. The remaining 50% stake belongs to UC RUSAL.

7 Loans issued and investments in debt instruments

<i>In thousands of Kazakhstani tenge</i>	31 March 2023	31 December 2022
<i>Non-current portion</i>		
“Moynak HPP” JSC bonds	18,000,000	18,000,000
“Shardarinsk HPP” JSC bonds	11,800,000	12,600,000
Loan issued to “Alatau Zharyk Company” JSC	6,337,043	6,182,007
“First Heartland Jusan Bank” JSC (earlier – “Tsesnabank” JSC) bonds	33,753	32,693
“MDPGC” JSC bonds	-	-
Less: provision for impairment	(171,160)	(169,335)
Total loans issued and investments in debt instruments – non-current portion	35,999,636	36,645,365
<i>Current portion</i>		
“Moynak HPP” JSC bonds	7,000,000	7,000,000
Loan issued to “Almaty Power Plants” JSC	5,200,000	-
Financial aid provided to “Ereymtau Wind Power ” LLP	3,979,806	3,881,768
Loan given to “Alatau Zharyk Company” LLP	1,000,000	-
“Shardarinsk HPP” JSC bonds	2,900,000	2,900,000
Loan given to “Ereymtau Wind Power” LLP	2,252,120	1,770,000
Interest accrued on loans issued	416,074	378,133
Loan issued to “Balkhash TPP” JSC	377,301	377,301
“MDPGC” JSC bonds	381,919	374,829
Bonds interest	1,484,660	298,027
Financial aid provided to “Ust-Kamenogorsk HPP” JSC	30,390	30,390
Loans issued to “Zhambyl SDPP named after T.I. Baturov” JSC	5,442	5,442
Short-term notes of SI “National Bank of the Republic of Kazakhstan”	-	-
Loan issued to “Almaty Power Plants” JSC	-	-
Loan issued to “Shardarinsk HPP” JSC	-	-
Less: provision for impairment	(1,392,601)	(1,383,726)
Total loans issued and investments in debt instruments – non-current portion	23,635,112	15,632,164

“Moynak HPP” JSC bonds

18 On June 18, 2019, the Company purchased bonds of “Moynak HPP” JSC issued on the AIX platform in the amount of 47,000,000 thousand tenge, maturity of 7 years, coupon rate of 11% per annum. As of March 31, 2023, the balance of the nominal value of bonds is 25,000,000 thousand tenge (December 31, 2022: 25,000,000 thousand tenge).

“Shardarinsk HPP” JSC bonds

On November 26, 2021, the Company purchased “Shardarinsk HPP” JSC bonds issued on the AIX platform in the amount of 18,400,000 thousand tenge, with a maturity of 6.5 years, a coupon rate of 13% per annum. The bonds were purchased in order to refinance “Shardarinsk HPP” JSC debt to the European Bank for Reconstruction and Development. As at 31 March 2023, the balance of the nominal value of bonds is 11, 800, 000 thousand tenge (December 31, 2022: 12, 600,000 thousand tenge).

First Heartland Jusan Bank JSC bonds (formerly TsesnaBank JSC)

In November 2018, the Company's cash in “Tsesnabank” JSC was converted into bonds in the amount of 153,236 thousand tenge in line with the Government Resolution. The carrying amount of bonds is the present value of future cash flows discounted at a rate of 14%. On January 18, 2019, the National Bank of the Republic of Kazakhstan registered changes to the bond issue prospectus, according to which the amount of the interest rate was changed from 4% to 0.1% per annum.

7 Loans issued and investments in debt instruments (continued)

Loan issued to "Alatau Zharyk Company" JSC

On January 31, 2011, the Company issued a loan to "Alatau Zharyk Company" JSC in the amount of 7,000,000 thousand tenge for construction and reconstruction of substations and other facilities. The loan matures on January 21, 2024, with an interest rate of 2% per annum, payable quarterly. The carrying amount of the loan is the present value of the future cash flows discounted at a rate of 12.5%. The difference between the fair value of the loan at the date of initial recognition and its nominal value in the amount of 3,675,691 thousand tenge, net of income tax, was recognized as an additional investment in AZhC. As at 31 March 2023, the carrying amount of loan issued was 6,337,043 thousand tenge (31 December 2022: 6,182,007 thousand tenge).

Loan and financial assistance issued to "Ereymtau Wind Power" LLP

During 2021, the Company provided financial assistance to "Ereymtau Wind Power" LLP in the amount of 4,100,000 thousand tenge for the implementation of the investment project "Construction of a 50 MW WPP in the vicinity of Ereymtau city". The carrying amount of the financial assistance issued is the present value of future cash flows discounted at rates of 11.2-11.3%. The difference between the fair value of the financial assistance at the date of initial recognition and its nominal value in the amount of 414,162 thousand tenge was recognized as an additional investment in "Ereymtau Wind Power" LLP.

In addition, in 2022 and during the reporting period, the Company issued loans to "Ereymtau Wind Power" LLP. As of March 31, 2023, the carrying amount of the loans issued to "Ereymtau Wind Power" LLP is 2,286,081 thousand tenge, including the principal debt of 2,252,120 thousand tenge and accumulated interest of 68,850 thousand tenge. In 2022, the Company recognized a provision for impairment of loans issued to "Ereymtau Wind Power" LLP in the amount of 8,304,770 thousand tenge.

8 Other non-current assets

<i>In thousands of Kazakhstani Tenge</i>	31 March 2023	31 December 2022
Accounts receivable of subsidiaries' buyers	621,228	621,228
Other accounts receivable from employees	39,041	42,945
Less: provision for impairment	(101,783)	(101,783)
Total financial other non-current assets	558,485	562,390

The accounts receivable represents the long-term portion of the debt owed by "Inform-System" LLP (2021: 712,490 thousand tenge). As of December 31, 2022, the accounts receivable is not impaired, not past due, and fully denominated in tenge with an internal rating of "SK C."

9 Other current assets

<i>In thousands of Kazakhstani Tenge</i>	31 March 2023	31 December 2022
Accounts receivable from subsidiary customers	7,771,806	7,653,881
Restricted cash	10,000	1,400,000
Accounts receivable from "Tauba Invest" LLP	317,200	317,200
Short-term deposits	304	1,304
Dividends receivable	29,183,883	488
Net of: provision for impairment	(923,495)	(891,820)
Total other financial current assets	36,359,698	8,481,053
Advances paid	23,949	5,360
Other	345,929	351,716
Total other current assets	36,729,577	8,838,129

9 Other current assets (continued)

Accounts receivable

Accounts receivable of subsidiaries' buyers mainly includes the short-term part of "OESK Holding" LLP debt (formerly EK EC LLP) in the amount of 7,669,604 thousand tenge for shares of "EK DPC" JSC, which were sold during 2017 with internal rating "SK C". Short-term deposits have a good level with internal rating "SK B".

The receivables from "Tauba Invest" LLP are secured by a real estate pledge agreement dated April 26, 2018. Due to the lack of sufficient information on LLP "Tauba Invest", in the calculation of the model for expected credit losses, the Company assigned a rating of "SK D" and recognized impairment for the entire amount.

10 Cash and cash equivalents

<i>In thousands of Kazakhstani tenge</i>	31 March 2023	31 December 2022
Cash in fixed term deposits up to 3 months – tenge	270,000	11,986,000
Cash from purchase and resale agreements ("reverse repo") with a maturity of up to 3 months	6,851,409	9,999,119
Cash in bank accounts - tenge	29,335	42,668
Cash on hand	4,322	3,681
Cash in bank accounts - euros	48,707	-
Cash in fixed-term deposits up to 3 months - tenge	(1,221)	(1,993)
Total cash and cash equivalents	7,202,552	22,029,475

11 Share capital

As at 31 March 2023, 5,632,537 ordinary shares issued were fully paid in the amount of 378,531,570 thousand tenge (31 December 2022: 5,632,537 shares). Each ordinary share carries one vote. The company has no preferred shares. The number of authorized shares is 8,602,187. As of March 31, 2023, "Samruk-Kazyna" SWF is a 100% shareholder of the Company (31 December 2022: 100%).

As of March 31, 2023, dividends for 2022 operating results have not been announced or paid.

12 Borrowings

<i>In thousands of Kazakhstani Tenge</i>	31 March 2023	31 December 2022
Non-current portion		
Borrowings from "Samruk-Kazyna" SWF" JSC	74,155,603	72,571,081
Long-term bank loans	15,157,740	15,146,449
Bonds	40,115,552	40,113,235
Total non-current portion of borrowings	129,428,895	127,830,765
Current portion		
Loans from subsidiaries (SA)	30,334,891	29,905,606
Bonds	-	-
Short-term bank loans	7,000,000	12,462,014
Borrowings from Samruk-Kazyna	-	2,381,109
Interest accrued – bonds	1,546,581	1,054,029
Interest accrued – bank loans	743,845	413,567
Interest accrued – borrowings from Samruk-Kazyna and SA	1,597,513	960,527
Total current portion of borrowings	41,222,830	47,176,852
Total borrowings	170,651,725	175,007,617

12 Borrowings (continued)

An analysis of the carrying and fair values of these loans is presented below:

<i>In thousands of Kazakhstani tenge</i>	31 March 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings from Samruk-Kazyna and SA	106,088,007	84,586,165	105,818,323	85,586,643
Bank loans	41,662,133	41,662,133	28,662,492	28,662,492
Bonds	22,901,585	18,763,010	40,526,802	32,344,330
Total borrowings	170,651,725	145,011,308	175,007,617	146,593,465

Borrowings from “Samruk-Kazyna” SWF” JSC

On 17 March 2010 the Company signed a loan agreement with Samruk-Kazyna for amount of Tenge 48,200,000 thousand for the purpose of re-financing of debt arising as the result of acquisition of 50% interest in Forum Muider. The loan carries an interest rate of 1.2% per annum with maturity not later than 15 September 2029. The principal amount is payable in equal annual instalments and interest is payable by semi-annual payments starting from the following reporting year after the receipt of loan.

On 14 January 2011 the Company signed a loan agreement with Samruk-Kazyna for amount of Tenge 7,000,000 thousand for the purpose of financing construction of substation of Alatau Zharyk Company JSC. The interest rate is 2% per annum, the maturity is 25 January 2024. The principal amount is payable at maturity and interest is payable by semi-annual payments. The Company made partial repayment of principal in the amount of 205, 746 thous.tenge on January 25, 2021.

On 16 January 2014 the Company signed a loan agreement with Samruk-Kazyna for amount of Tenge 200,000,000 thousand for the purpose of acquisition of remaining share in EGRES-1. The principal amount is payable on 1 December 2028 and interest at 7.8% is payable by semi-annual payments.

On 3 October 2014 the loan agreement was substantially modified pursuant to addendum No. 1 to loan agreement No. 369 as follows:

- Principal amount Tenge 100,000,000 thousand was extinguished as a contribution to share capital;
- Interest rate on the remaining principal amount was increased to 9%

On 25 December 2015 the loan agreement was significantly amended in accordance with the addendum No.2 to credit agreement No.369-I, the interest rate on the principal amount was reduced to 1% per annum. Management estimates that the reduction of the interest rate to a non-market rate of 1% and the change of the priority of a loan to a subordinated one represent a significant modification in the loan terms. Management believes that such change in the conditions of the loan should be considered as a settlement of the original loan and recognition of a new loan at a fair value. At the loan origination date, the market rate was 12.8% per annum. The Company recognised a gain on initial recognition of the loan of Tenge 72,581,903 thousand as part of other reserves. Management believes that by providing a loan at the below-market rate, Samruk-Kazyna acted as a shareholder. Gain on initial recognition of the loan was recorded as the difference between the nominal value and fair value at the recognition date, calculated using the discounted cash flow method at the effective rate of 12.8% per annum.

Bank loans: European Bank for Reconstruction and Development

As of March 31, 2023, the Company fully repaid its debt to the European Bank for Reconstruction and Development.

Bank loans: Asian Development Bank

On November 8 and December 5, 2018, the Company opened non-revolving credit lines in the amount of 120 million USD in the Asian Development Bank to increase the operating efficiency of core activities and identify opportunities related to renewable energy sources. In 2019, the Company received three tranches under the Credit lines for a total amount of 45,860,800 thousand tenge with maturity for tranches A & B after 5 years, for tranche C – after 7 years. The interest rate is set on the basis of actual inflation rates of the Republic of Kazakhstan, plus the bank margin. During the reporting period, tranches A and B were fully repaid. As of March 31, 2023, the nominal outstanding balance of the principal debt for tranche C is 15,234,400 thousand tenge. Within the three months ending on March 31, 2023, the Company made an interest payment of 882,425 thousand tenge under the credit line agreement with the Asian Development Bank for tranche C.

12 Borrowings (continued)

Borrowings from "Bogatyr Komir" LLP

During 2022, the Company obtained loans from "Bogatyr-Komir" LLP for a total amount of 12,482,770 thousand tenge with a term of 12 months, with the condition of repayment of the principal debt and interest at the end of the loan term. The annual interest rate is equal to the base rate of the National Bank of the Republic of Kazakhstan effective on the date of loan disbursement, plus a margin of 1% per annum.

Bonds issued

In November 2018 the Company issued and placed bonds for a total of Tenge 21,736,200 thousand, with a nominal value of Tenge 1000 per bond with a seven-year term. The coupon rate was 11.2% per annum and is payable twice a year.

On November 25, 2021, the Company placed 184 green bonds in the amount of Tenge 18,400,000 thousand with a par value of Tenge 100,000,000 per 1 bond with a maturity of 6.5 years. The coupon rate was 11.4% per annum and is payable twice a year. The bonds were issued in order to refinance "Shardarinsk HPP" JSC loan in the European Bank for Reconstruction and Development through the purchase of "Shardarinsk HPP" JSC bonds.

13 Dividend income

<i>In thousands of Kazakhstani tenge</i>	3 months ended 31 March 2023	3 months ended 31 March 2022
Dividends from "Ekibastuz SDPP-1 named after Bulat Nurzhanov" LLP	29,000,000	29,000,000
Dividends from "FWPP" LLP	-	1,550,822
Dividends from "Energy Solutions Center" LLP	183,406	34,903
Dividends from "Samruk-Green Energy " LLP	-	12,218
Total dividend income	29,183,406	30,597,943

14 General and administrative expenses

<i>In thousands of Kazakhstani tenge</i>	3 months ended 31 March 2023	3 months ended 31 March 2022
Payroll and related expenses	729,615	780,369
Depreciation of PPE and amortization of IA	123,543	117,497
Information system maintenance services	217,517	100,085
Special purpose office services	90,118	71,168
Consulting and other services	45,355	56,221
Insurance	13,531	15,890
Business trip expenses	22,031	11,712
Staff training and related costs	5,265	6,452
Taxes	843	547
Other	12,610	117,712
Total general and administrative expenses	1,260,428	1,277,653

15 Finance income

	3 months ended 31 March 2023	3 months ended 31 March 2022
<i>In thousands of Kazakhstani Tenge</i>		
Interest income on bonds and loans issued	1,393,943	1,624,539
Amortization of discount on financial assets	687,709	384,840
Interest income on bank deposits	290,537	44,931
Income from guarantees issued	13,935	16,416
Other	1,785	2,567
Total finance income	2,387,909	2,073,293

16 Finance costs

	3 months ended 31 March 2023	3 months ended 31 March 2022
<i>In thousands of Kazakhstani Tenge</i>		
Interest expenses on loans and bonds	3,071,704	4,118,013
Amortization of discount of present value on financial instruments	2,097,411	2,487,867
Finance lease costs	56,209	43,258
Other	5,000	-
Total finance costs	5,230,324	6,649,138

17 Income tax

Income tax is a tax withheld at the source of payments on deposits. The Company is not expecting taxable profits in the future..

18 Contingencies, Commitments and Operating Risks

Except for the information indicated below, as of March 31, 2023, there were no contingencies and commitments and operating risks other than those disclosed in the separate financial statements for the year ended December 31, 2022.

Loan covenants.

The Company has certain covenants on loans and bonds. Failure to comply with these covenants may result in negative consequences for the Company, including the growth of borrowing costs and the announcement of a default. According to results of three months ended March 31, 2023, the Company complied with standard values of loan covenants, and also received waivers to reduce the thresholds in cases where the violation was predicted (based on the results of 2022: Fulfilled).

19 Fair value of financial instruments

Fair value measurement

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 (that is, as prices) or indirectly (that is, derived from 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 value measurement at Level 2 and Level 3 of the fair value hierarchy was performed using the discounted cash flow model. The fair value of financial instruments with a floating interest rate that do not have quoted prices in an active market was assumed to be equal to the carrying amount. The fair value of fixed interest rate instruments that do not have quoted prices in an active market is based on a discounted cash flow model using current interest rates in the borrowing market for new instruments with similar credit risk and maturity.

19 Fair value of financial instruments (continued)

In thousands of Kazakhstani tenge	31 March 2023				31 December 2022			
	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
Assets								
Cash and cash equivalents	-	7,202,552	-	7,202,552	-	22,029,475	-	22,029,475
Fixed term deposits	-	10,304	-	10,304	-	1,304	-	1,304
Financial receivables	-	8,048,164	-	7,715,017	-	7,477,118	-	7,596,400
Dividends receivable	-	29,183,883	-	29,183,883	-	488	-	488
Loans issued	-	54,705,515	-	59,634,747	-	47,732,982	-	52,277,529
Receivables from employees	-	39,041	-	39,041	-	42,945	-	42,945
Total financial assets	-	99,189,459	-	103,785,544	-	77,284,312	-	81,948,141
Liabilities								
Borrowings	-	140,074,703	-	170,651,725	-	146,593,465	-	175,007,617
Lease obligations	-	1,225,624	-	1,094,117	-	1,245,198	-	1,158,760
Financial payables	-	808,457	-	808,457	-	1,340,012	-	1,340,012
Total financial liabilities	-	142,108,784	-	172,554,299	-	149,178,675	-	177,506,389

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 risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

Liabilities carried at amortised cost

The estimated fair value of instruments with a fixed interest rate and fixed maturity, which lacks quoted market price, is based on estimated cash flows discounted at current interest rates for new instruments with similar credit risk and maturity.

20 Events after the reporting date

On April 18, 2023, the Company settled the debt of financial assistance received from ESDPP-1, amounting to 13,000,000 thousand tenge.

On April 20, 2023, the Company repaid the loan borrowed from SB AO "Bereke Bank" in the amount of 7,000,000 thousand tenge.

On April 25, 2023, the Company made the payment of the interest under the credit line agreement with the Asian Development Bank for Tranche C, totaling 732,170 thousand tenge.

On April 26, 2023, the Company announced the distribution of dividends to the Sole Shareholder, totaling 2,041,000 thousand tenge, 362.36 tenge per share.

21 Earnings per Share

Basic earnings (loss) per share is calculated as the ratio of profit or loss attributable to the Company's shareholders' share to the weighted average number of ordinary shares outstanding during the year. The Company does not have any potentially dilutive ordinary shares; therefore, diluted earnings per share is the same as basic earnings per share.

	3 months ended 31 March 2023	3 months ended 31 March 2022
<i>In thousands of Kazakhstani tenge</i>		
Earning per year attributable to the Company Shareholders (in thousands of Kazakhstani Tenge)	24,947,718	24,729,486
Weighted average number of ordinary shares in issue	5,611,266	5,601,812
Earning per year attributable to the Company Shareholders (rounded to tenge)	4,446	4,415

Carrying value of one share

In line with the decision of the Exchange Council of "Kazakhstan Stock Exchange" JSC (KASE) dated October 4, 2010, financial statements must include information about carrying value of one share (ordinary and preferred) at the reporting date calculated in accordance with the rules approved by KASE. As at March 31, 2023, this indicator, calculated by the management of the Company using the data of financial statements, amounted to 80,292 tenge (December 31, 2022: 75,857 tenge). Below table shows the calculation of the carrying value of one share:

<i>In thousands of Kazakhstani tenge</i>	31 March 2023	31 December 2022
Total assets	627,930,143	607,634,859
Less: intangible assets	(662,848)	(697,765)
Less: total liabilities	(175,018,562)	(179 670 996)
Net assets for ordinary shares	452,248,734	427,266,098
Number of ordinary shares as 31 December	5,632,537	5,632,537
Carrying value of one share, tenge	80,292	75,857