SAMRUK-ENERGY JSC

International Financial Reporting Standards Separate Financial Statements and Independent Auditor's Report

31 December 2022

Contents

Independent auditor's report

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

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Samruk-Energy JSC (the "Company") as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's separate financial statements comprise:

- the separate statement of financial position as at 31 December 2022;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Kazakhstan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Kazakhstan that are relevant to our audit of the separate financial statements.

PricewaterhouseCoopers LLP
34 Al-Farabi Ave., Building A, 4th floor, Almaty, Kazakhstan, A25D5F6
T: +7 (727) 330-3200, F: +7 (727) 244 6868, www.pwc.com/kz

Our audit approach

Overview

Materiality	• Overall Company's materiality: Tenge 3,000,000 thousand, which represents approximately 0.49 % of the carrying amount of the Company's total assets.
Key audit matters	• Impairment of investments in subsidiaries and associates

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate financial statements as a whole.

Overall Company materiality	Tenge 3,000,000 thousand
How we determined it	approximately 0.49 % of total carrying value of assets
Rationale for the materiality benchmark applied	We chose the total carrying amount of the Company's assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users and is a generally accepted benchmark. We determined materiality as 0.49%. In practice, we chose 1%, which is consistent with quantitative materiality thresholds used for investment-oriented companies in this sector, however, in this case, we reduced this level down to 0.49% based on our materiality assessment as applied to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit procedures performed in relation to key audit matters
Impairment of investments in subsidiaries and associates See Note 4 of the separate financial statements. The Company performed impairment indicator analysis of investments as at 31 December 2022. Based on the assessment performed, the management has not identified any indicators of impairment for traditional power generating and transmission companies. Based on the analysis of indicators of impairment of investments and fair value assessment of renewable energy entities of the Company, management identified indicators of impairment for investments in "Samruk-Green Energy" LLP, "Ereymentau Wind Power" LLP and share in "Semirechye Energy" LLP. We paid special attention to the issue of impairment due to significance of their carrying value, as well as due to the fact that process of assessing by management of impairment indicators and estimating values in use is complex as it is based on the use of significant estimates and judgments with respect to future market and economic conditions and the results of operations of the Company. As a result of the analyses, impairment test was carried out and impairment losses of Tenge 12,193,675 thousand has been recorded in the statement of profit or loss and other comprehensive income.	Our procedures in respect of management's assessment of the impairment indicators of investments included: • verification of accuracy and relevance of key assumptions used by management to perform the impairment indicator analysis; • consideration of economic and market trends in the energy sector. We received, inspected and evaluated the model used by management's experts to assess the impairment of investments in "Samruk-Green Energy" LLP, "Ereymentau Wind Power" LLP and share in "Semirechye Energy" LLP and assessed the methodology and the main assumptions used in the model, and their consistency with the budgets and business plans, external information and our expertise, taking into account the specifics of the industry. We engaged our valuation experts to form our conclusion in relation to the assumptions and methodology used for impairment assessment. Our procedures in respect of management's assessment of the impairment test included: • analysis of determining identifiable groups of assets that generate cash inflows independently from the cash flows generated by other assets; • verification of accuracy and relevance of key assumptions used by management to perform the test; • making a series of inquiries with management on the assumptions to assess the impairment tests; • consideration of other input data for the models and reconciliation of them with supporting documents, such as the Development plan and comparison of the Development plan with actual

Key audit matter	Audit procedures performed in relation to key audit matters
	results, where relevant; • consideration of the potential impact of reasonably possible changes in key assumptions. Also, we paid attention to the adequacy of disclosures in Note 4 to the separate financial statements in accordance with the requirements of IAS 36 "Impairment of Assets".

Other information

Management is responsible for the other information. The other information comprises the Annual report but does not include the separate financial statements and our auditor's report thereon, which is expected to be made available to us after that date.

Our opinion on the separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dana Inkarbekova.

On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Approved and signed by:

Dana Inkarbekova
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of Finance
of the Republic of Kazakhstan №0000005
dated 21 October 1999)

Executive auditor
(Qualification certificate
No. 0000492 dated 18 January 2000)

13 March 2023
Almaty, Kazakhstan

SAMRUK-ENERGY JSC
Separate Statement of Financial Position

In thousands of Kazakhstani Tenge	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment		320,166	392,839
Intangible assets		697,765	659,057
Right-of-use assets		927,762	1,172,090
Investments in subsidiaries and joint ventures	6	521,962,326	547,698,014
Loans issued and investments in debt securities	7	36,645,365	47,240,254
Other non-current assets	8	562,390	6,935,571
Total non-current assets		**561,115,774**	**604,097,825**
Current assets			
Inventories		19,317	53,002
Loans issued and investments in debt securities	7	15,632,164	26,209,385
Other current assets	9	8,838,129	1,031,615
Cash and cash equivalents	10	22,029,475	1,481,340
Total current assets		**46,519,085**	**28,775,342**
TOTAL ASSETS		**607,634,859**	**632,873,167**
EQUITY			
Share capital	11	378,531,570	376,045,927
Other reserves		89,220,724	89,328,998
Accumulated loss		(39,788,431)	(33,095,568)
TOTAL EQUITY		**427,963,863**	**432,279,357**
LIABILITIES			
Non-current liabilities			
Borrowings	13	127,830,765	163,569,258
Lease liabilities		806,766	978,662
Non-current financial guarantee		166,715	32,343
Total non-current liabilities		**128,804,246**	**164,580,263**
Current liabilities			
Borrowings	13	47,176,852	34,252,374
Lease liabilities		351,994	352,000
Other payables and accrued liabilities	12	3,253,135	1,322,483
Other taxes payable		84,769	86,690
Total current liabilities		**50,866,750**	**36,013,547**
TOTAL LIABILITIES		**179,670,996**	**200,593,810**
TOTAL LIABILITIES AND EQUITY		**607,634,859**	**632,873,167**
Carrying amount of an ordinary share (in Kazakhstani Tenge)	24	75,857	77,050

Signed on behalf of management on 13 March 2023.

Aidar K. Ryskulov
Managing Director for Economics and Finance

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

In thousands of Kazakhstani Tenge	**Note**	**2022**	**2021**
Dividend income	14	32,552,145	34,045,809
Other operating income and expenses (net)	15	(14,617,319)	(19,813)
General and administrative expenses	16	(7,173,270)	(5,804,957)
Profit from reversal of/(loss from) impairment of financial assets (net)		305,472	303,280
Operating profit		**11,067,028**	**28,524,319**
Finance income	17	10,004,017	9,060,192
Finance costs	18	(25,673,267)	(22,007,904)
(Loss)/Profit before tax		**(4,602,222)**	**15,576,607**
Income tax expense	19	(49,641)	(347,590)
(Loss)/Profit for the year		**(4,651,863)**	**15,229,017**
Other comprehensive loss		(108,274)	-
Total comprehensive (loss)/profit for the year		**(4,760,137)**	**15,229,017**
(Loss)/Profit per ordinary share for the year (in Kazakhstani Tenge)	24	(830)	2,719

In thousands of Kazakhstani Tenge	**Note**	**Share capital**	**Other reserves**	**Accumulated deficit**	**Total equity**
Balance at 1 January 2021		376,045,927	89,328,998	(45,082,442)	420,292,483
Profit for the year		-	-	15,229,017	15,229,017
Total comprehensive income for the year		**-**	**-**	15,229,017	15,229,017
Dividends declared	11	-	-	(3,242,143)	(3,242,143)
Balance at 31 December 2021		**376,045,927**	**89,328,998**	**(33,095,568)**	**432,279,357**
Balance at 1 January 2022		376,045,927	89,328,998	(33,095,568)	432,279,357
Loss for the year		**-**	-	(4,651,863)	(4,651,863)
Other comprehensive loss		-	(108,274)	-	(108,274)
Total comprehensive loss for the year		**-**	**(108,274)**	**(4,651,863)**	**(4,760,137)**
Share issue	11	2,485,643	-	-	2,485,643
Dividends declared	11	-	-	(2,041,000)	(2,041,000)
Balance at 31 December 2022		**378,531,570**	**89,220,724**	**(39,788,431)**	**427,963,863**

In thousands of Kazakhstani Tenge	**2022**	**2021**
Cash flows from operating activities:		
(Loss)/Profit before tax:	(4,602,222)	15,576,607
Adjustments for:		
Dividend income	(32,552,145)	(34,045,809)
Depreciation and amortisation	468,856	520,144
Finance costs	25,673,267	22,007,904
Finance income	(10,004,017)	(9,060,192)
Foreign exchange (loss)/gain	(34,798)	32,411
Profit from reversal of/(loss) from impairment of assets	13,667,822	(303,280)
Other	(3,899)	-
Cash used in operating activities before working capital changes:	**(7,387,136)**	**(5,272,215)**
(Decrease)/Increase in inventories	33,630	(6,458)
Decrease in trade and other receivables and other current and non-current assets	51,676	71,926
(Decrease)/Increase in other payables	652,800	(694,388)
Increase/(decrease) in other taxes payable	1,400,551	217,902
Cash flows used in operating activities	**(5,248,479)**	**(5,683,233)**
Income tax paid	(48,761)	(359,913)
Dividends received	32,552,145	34,045,361
Interest paid	(15,302,279)	(13,337,654)
Net cash from operating activities	**11,952,626**	**14,664,561**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(394,175)	(30,765)
Proceeds from sales of debt instruments	384,600	1,839,490
Contribution to equity of subsidiaries and associates	(1,971,347)	(1,513,913)
Proceeds from the sale of shares in subsidiaries	14,447,066	1,357,524
Loans and financial aid provided to subsidiaries and jointly controlled entities	(5,248,700)	(8,382,631)
Proceeds from repayment of financial assistance granted to subsidiaries and jointly controlled entities, bonds	5,941,331	13,375,746
Purchase of debt instruments	-	(27,531,800)
Proceeds from the repayment of financial instruments by issuers	20,100,000	7,118,180
Interest received from loans issued and investments in debt instruments	5,851,370	4,701,739
Return of bank deposits, net	(1,395,500)	(500)
Interest received on deposits	233,900	104,331
Repayment of financial receivables	-	290,820
Debt repayment of subsidiaries and dependent companies under the provided financial guarantee	-	2,208,854
Other income from investment activities	115,073	56,787
Net cash from/(used in) investing activities	**38,063,618**	**(6,406,138)**
Cash flows from financing activities:		
Redemption of bonds and repayment of borrowings	(84,427,246)	(93,277,291)
Proceeds from borrowings and bonds issued	54,636,771	88,410,000
Proceeds from share issued	2,485,643	-
Dividends paid	(2,041,000)	(3,242,143)
Finance lease principal repayment	(157,286)	(212,830)
Other payments	-	(17,516)
Net cash used in financing activities	**(29,503,118)**	**(8,339,780)**
Effect of exchange rate changes on cash and cash equivalents	36,634	(32,426)
Change in impairment allowances	(1,625)	(126)
Net increase in cash and cash equivalents	20,548,135	(113,909)
Cash and cash equivalents at the beginning of the year	1,481,340	1,595,249
Cash and cash equivalents at the end of the year	**22,029,475**	**1,481,340**

1 Samruk-Energy and its Operations

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended 31 December 2022 for Samruk-Energy JSC (the "Company").

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 ("RoK").

The Company's sole shareholder is Samruk-Kazyna National Welfare Fund JSC ("Samruk-Kazyna"), which holds 100% of the Company's shares. The Company's ultimate controlling party is the Government of the RoK.

Principal activity

The Company is a holding company (the "Company") controlling the entities (Note 6) which carry out the following activities: on production of electrical electricity and heat using coal, hydrocarbons and water resources; the sale of electricity and heat to households and industrial enterprises; the transmission and technical distribution of electricity; construction of hydro and heat power plants; construction and operation of renewable energy sources; and leasing of property of hydro power plants.

Registered address and place of business

15A, Kabanbay Batyr Avenue, Astana, Republic of Kazakhstan.

Presentation currency

All amounts in these financial statements are presented in Kazakhstani Tenge ("Tenge"), unless otherwise stated.

2 Basis of Preparation and Significant Accounting Policies

Basis of preparation

These separate financial statements have been prepared in accordance with IFRS under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented.

The Company has prepared these separate financial statements for its management.

In addition, the Company has prepared consolidated financial statements in accordance with IFRS for the Company and its subsidiaries (the "Group"). The operations of the subsidiaries defined as companies in which the Group, directly or indirectly, has an interest of more than one half of the voting shares or otherwise has power to govern the financial and operating policies, are fully consolidated in the consolidated financial statements. The Group's consolidated financial statements are available at the Company's office located at the following address: 15A, Kabanbay Batyr Avenue, Astana, Republic of Kazakhstan.

These separate financial statements should be read in conjunction with the consolidated financial statements as of 31 December 2022 and for the year then ended, in order to obtain full information about the financial position, operational performance and changes in the overall financial position of the Company.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in the Note 4 to these separate financial statements. Actual results could differ from those estimates.

Going concern

Management 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 Government support, as well as on the analysis of the impact of recent changes in macroeconomic conditions on future operations of the Company. As at 31 December 2022, the Company's total current liabilities exceed its total current assets by Tenge 4,347,665 thousand (2021 : Tenge 7,238,205 thousand). The main factor behind the increase in short-term liabilities was the attraction of short-term loans from banks and subsidiaries, associated with the Company's policy of reducing the level of long-term borrowings with a higher interest rate. In addition, during the reporting period the Company made early payments on long-term loans.

2 Basis of Preparation and Significant Accounting Policies (Continued)

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

- The Company is strategically important in ensuring the reliability of the Kazakhstan power system. The management and shareholders of the Group have neither the intention nor the need to liquidate the Group.
- In 2023, the Company expects positive net cash generated from operating activities in the amount of more than 20 billion tenge.

As of 31 December 2022, the Company has funds available for disbursement under revolving credit lines for a total amount of more than Tenge 53 billion in second-tier banks of the Republic of Kazakhstan.

These separate financial statements do not include any adjustments to the carrying amounts of assets and liabilities, income and expenses, and the classification of the statement of financial position that would be necessary in case of inability of an entity to continue as a going concern. These adjustments could be material.

Foreign exchange rates

At 31 December 2022, the principal rate of exchange used for translating foreign currency balances was US Dollar per Tenge 462.65 (31 December 2021: US Dollar per Tenge 431.67). Exchange restrictions and currency controls exist relating to converting the Tenge into other currencies. Currently, Tenge is not freely convertible in most countries outside of the Republic of Kazakhstan.

Property, plant and equipment

(i) Recognition and subsequent measurement

Property, plant and equipment are stated at cost less accumulated depreciation and provision for impairment, where required. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and returns, and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and part of production overhead costs..

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is written down. All other repairs and maintenance are charged to profit or loss for the reporting period as incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are recognised in profit or loss for the year within other income or expenses. или расходов.

(ii) Depreciation

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Useful lives in years
Other property, plant and equipment	3 – 10

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The residual value of an asset set equal to zero, if the Company intends to use the object till the end of its physical useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(iii) Impairment

At the end of each reporting period, management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of: an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in the profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

2 Basis of Preparation and Significant Accounting Policies (Continued)

Intangible assets

All of the Company's intangible assets have definite useful lives and primarily include capitalised computer software. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring it to use. All intangible assets are amortised using the straight-line method over their useful lives, estimated by the management as from 3 to 5 years. If impaired, the carrying amount of intangible assets is written down to the higher of: value in use and fair value less costs to sell.

Right-of-use assets

The Company leases various offices. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- costs to restore the asset to the conditions required by lease agreements,
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets' useful lives.

Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows

	Useful lives in years
Buidlings and cosntructions (office facilities)	5 – 50

Investments in subsidiaries and entities

For the purpose of these separate financial statements, the Company accounted for these investments using historical cost convention less provision for impairment.

Financial instruments

(i) Key measurement terms

Depending on their classification financial instruments are carried at fair value, cost or amortised cost as described below.

Fair value is price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

2 Basis of Preparation and Significant Accounting Policies (Continued)

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. 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 solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period (Note 22).

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes transaction costs. Measurement at cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by, delivery of such unquoted equity instruments.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

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

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

(ii) Financial assets

Measurement categories

The Company classifies financial assets in the following measurement categories: i) carried at fair value through profit or loss (FVTPL), ii) carried at fair value through other comprehensive income (FVOCI), iii) carried at amortised cost (AC). The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Business model. The business model reflects how the Company manages the assets in order to generate cash flows – whether the Company's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL. Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Company undertakes to achieve the objective set out for the portfolio available at the date of the assessment.

2 Basis of Preparation and Significant Accounting Policies (Continued)

Cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Company assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Company did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL

The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC. The Company estimates expected credit losses and recognizes an allowance for credit losses at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information about past events, current conditions and projected future economic conditions that is available at the reporting date without undue cost or effort.

Debt instruments measured at AC are presented in the separate statement of financial position net of the allowance for ECL.

The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition

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

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred.

2 Basis of Preparation and Significant Accounting Policies (Continued)

The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

(iii) Financial liabilities

Measurement categories. Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

(vi) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

Advances to suppliers

Advances to suppliers are carried at cost less provision for impairment. Advances are classified as non-current when the goods or services relating to the advances are expected to be obtained after one year, or when advances relate to an asset which will itself be classified as non-current upon initial recognition. Advances to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other advances are written off to profit or loss when the goods or services relating to the advances are received.

If there is an indication that the assets, goods or services relating to advances will not be received, the carrying value of the advances is written down accordingly, and a corresponding impairment loss is recognised in the profit or loss for the year.

2 Basis of Preparation and Significant Accounting Policies (Continued)

Inventories

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on the first in first out ("FIFO") basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at current bank accounts, reverse repo receivables and deposits with maturities of up to three months. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period are included in other non-current assets; balances restricted for more than three months but less than twelve months after the reporting period are included in other current assets.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. The Board of Directors of the Company determines value per share and a number of shares to be issued on each individual share issue based on the statutory rules.

Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Extension and termination options are included in a number of property lease agreements across the Company. These terms are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, e.g. term, country, currency and collateral.

2 Basis of Preparation and Significant Accounting Policies (Continued)

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at AC using the effective interest method; the difference between the amount of funds received (net of transaction costs) and the redemption amount is recognized in profit or loss during the loan period using the effective interest method.

In accounting for loans from the shareholders with off market terms, the Company records gain/(loss) on origination in equity as a capital contribution/(distribution). The method used reflects the transaction's economic substance and is applied consistently to all similar transactions and is disclosed in the financial statements.

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets. Other borrowing costs are recognized as an expense using the effective interest method. The Company capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. The commencement date for capitalisation is when (a) the Company incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale. Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

Trade and other payables are accrued when the counterparty performed its obligations under the contract. Trade and other payables, except for advances received, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Staff costs and related contributions

Wages, salaries, contributions to pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company.

On behalf of its employees, the Company withholds and transfer those statutory pension and post-employment benefit amounts prescribed by the legal requirements of the Republic of Kazakhstan. Upon retirement, the financial obligations of the Company cease and all subsequent payments to retired employees are administered by the national and private pension funds.

Income taxes

Income taxes have been provided for in these separate financial statements in accordance with legislation of the Republic of Kazakhstan enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to or recovered from the state budget in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

2 Basis of Preparation and Significant Accounting Policies (Continued)

Financial guarantees

Financial guarantees are irrevocable contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period.

Transactions with Shareholder

The accrual of expenses or the distribution of assets at the discretion of the shareholder, including fixed assets, business combinations, interests in other entities and disposal groups, cash and other, are recognised in retained earnings as "Other equity distributions".

3 New Accounting Pronouncements

The following amended standards became effective from 1 January 2022, but did not have any material impact on the Company:

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 IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).

- The amendments to IAS 16 prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Revenues from the sale of such finished products along with the costs of their production, are now recognized in profit or loss. An entity shall apply IAS 2 to measure the cost of such finished goods. The cost will not include depreciation of tested asset since it is not yet ready for its intended use. The amendment to IAS 16 also clarifies that an entity "verifies the proper functioning of an asset" by evaluating the technical and physical characteristics of the asset. Therefore, the asset may perform in accordance with management's intentions and be subject to depreciation before it reaches the level of operating performance expected by management.
- The amendment to IAS 37 clarifies the concept of "costs to fulfill a contract". The amendment explains that the direct costs of fulfilling a contract include the incremental costs of fulfilling the contract and the allocation of other costs that are directly attributable to the fulfillment of the contract. The amendment also clarifies that, before creating a separate provisions for an onerous contract, an entity recognizes all impairment losses on assets used to fulfill the contract, rather than assets held to fulfill the contract.
- IFRS 3 has been updated to include a reference to the 2018 Framework for Financial Statements that allows to determine what constitutes an asset or liability in a business combination. Prior to this amendment, IFRS 3 included a reference to the 2001 Conceptual Framework for Financial ReportingIn addition, IFRS 3 adds a new exemption for liabilities and contingent liabilities. This exception provides that for certain types of liabilities and contingent liabilities, an entity applying IFRS 3 must refer to IAS 37 or IFRIC 21 rather than the 2018 Conceptual Framework for Financial Reporting. Without this new exemption, an entity would have to recognize some liabilities in a business combination that it would not recognize in accordance with IAS 37. Therefore, after the acquisition, the entity would have to derecognise such liabilities and recognize income that does not reflect economic benefits. It was also clarified that the acquirer is not required to recognize contingent assets, as defined in IAS 37, at the acquisition date.
- The amendment to IFRS 9 addresses the question of which payments should be included in the "10% test" to derecognise financial liabilities. Costs or payments may be made to third parties or the lender. Under this amendment, costs or payments to third parties will not be included in the "10% Test".
- Illustrative example 13 of IFRS 16 has been amended to remove the example of lessor payments related to improvements to the leased property. This amendment is made to avoid potential uncertainty regarding the method of accounting leasehold improvements.
- IFRS 1 allows the exemption to be applied if a subsidiary begins to apply IFRS at a later date than its parent organization. A subsidiary may measure its assets and liabilities at the book value that would be included in the parent's consolidated financial statements based on the its date of transition to IFRS if no adjustments had been made for consolidation purposes and to reflect the results of the business combination in which the parent acquired the subsidiary. IFRS 1 was amended to allow entities that have applied the IFRS 1 exemption to also measure cumulative translation differences using the numeric values recorded by the parent based on the parent's date of transition to IFRS. This amendment extends the exemption to accumulated exchange differences in order to reduce costs for first-time adopters of IFRS. This amendment will also apply to associates and joint ventures that have taken advantage of the same exemption under IFRS 1.

3 New Accounting Pronouncements (Continued)

- The requirement for entities to exclude cash flows for tax purposes when measuring fair value under IAS 41 was removed. This amendment should ensure compliance with the requirement in the standard to discount after-tax cash flows. The application of the amendment had no impact on the Company's separate financial statements.

New standards and interpretations

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2023, and which the Company has not early adopted.

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).

These limited scope amendments clarify that liabilities are classified into current and non-current based on the rights existing at the end of the reporting period. Liabilities are non-current if the organization has, at the end of the reporting period, a substantial right to defer their repayment for at least 12 months. The Guidelines no longer contains requirement that this right must be unconditional. Management's expectations relating to whether it will subsequently exercise its right to defer repayment do not affect the classification of liabilities. The right to postpone repayment arises only if the organization meets all the applicable conditions at the end of the period. A liability is classified as current if the condition is breached on or before the reporting date, even if a release from the creditor is obtained at the end of the reporting period. At the same time, a loan is classified as non-current if the condition of the loan agreement is breached only after the reporting date. In addition, the amendments clarify the requirements for the classification of debt, which the organization can repay by converting it into equity. "Repayment" is defined as the termination of an obligation through settlement in the form of cash, other resources containing economic benefits, or the entity's own equity instruments. An exception is provided for convertible instruments that can be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

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).

The amendments to IAS 1 regarding classification of liabilities into current and non-current were issued in January 2020 with an initial effective date of January 1, 2022. However, due to the COVID-19 pandemic, the effective date has been pushed back by one year to give organizations more time to implement changes related to the classification as a result of the amendments.

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

The amendment to IAS 8 clarifies how organizations should distinguish changes in accounting policies and changes in accounting estimates.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

IAS 1 was amended to require entities to disclose significant information about their accounting policies instead of the main provisions of the accounting policy. The amendments contain a definition of material accounting policy information. In addition, the amendments clarify that accounting policy information is expected to be material if, without it, users of financial statements would not be able to understand other material information in the financial statements. The amendments provide examples of accounting policy information that is likely to be considered material to an organization's financial statements. In addition, the amendment to IAS 1 clarifies that immaterial accounting policy information should not be disclosed. However, if such information is disclosed, it should not make it difficult to understand the material accounting policy information.

This amendment was also supported by revisions to IFRS Practice Statement 2, Forming Judgements about Materiality, which provides guidance on applying the concept of materiality to accounting policy disclosures.

The Company does not expect the new standards and interpretations to have a material impact on the Company's separate financial statements.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Company makes estimates and assumptions that affect the amounts recognised in the separate financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the separate separate statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment of investments

At each reporting date management assesses whether there is any indication of impairment of separate assets or groups of assets, and whether there is any indication that an impairment loss recognised in prior periods for separate assets or groups of assets other than goodwill may no longer exist or may have decreased.

If such indications exist, management estimates the recoverable amount of an asset, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The calculation of value in use requires the application of the management's estimates and judgments, which are deemed appropriate under the current circumstances.

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

Under IAS 36, one of the possible impairment indicators is the presence of significant changes that had negative consequences for the Group that occurred during the period or are expected in the near future in the technological, market, economic or legal environment in which the Company operates or in the market for which the asset is used.

In assessing the recoverable amount of assets, the Company makes estimates and judgments. Estimates and judgments are repeatedly evaluated and based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies.

Analysis of the impairment indicators of invesmtents – production of electricity and heat based on coal, transmission and distribution of electricity

The Company's management performed the analysis of the impairment indicators of invesmtent in subsidiaries JSC "Almaty Electric Stations" ("AlES"), Ekibastuz GRES-1 named after Bulat Nurzhanov LLP ("EGRES-1"), Alatau Zharyk Company JSC ("AZhK") as well as investments in the joint venture JSC "Station Ekibastuzskaya GRES-2" (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:

- Lack of negative changes in the economic efficiency of subsidiaries for the reporting period;
- Increase in marginal tariffs for electricity for energy producing organizations (hereinafter referred to as "EPO") from 1 July 2022 in accordance with Order of the Minister of Energy of the RoK No. 226 dated 30 June 2022, 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, approved by Order of the Minister of Energy of the RoK No. 147 dated 27 February 2015;
- A change in interest rates on loans will not have a significant impact on the recoverable amount of assets, since an increase in the debt financing rate will be similarly reflected in the WACC rate when calculating the rate of return, in the next validity period of the cap tariffs, according to the methodology for determining the rate of return taken into account when approving the cap tariffs for electricity, as well as a fixed profit for balancing, taken into account when approving cap tariffs for balancing electricity approved by Order of the Minister of Energy of the RoK No. 205 dated 22 May 2020, the cost part of the tariff also includes interest expenses for the previous period;
- A change in inflation rates will not have a significant impact, since the cost part of the tariff includes costs taking into account actual inflation for the previous year, as well as amendments to the Law "On Natural Monopolies" No. 204-VI ZRK dated 27 December 2018 stipulate additional conditions for adjusting tariffs approved for 5 years for the transmission of electricity before its expiration (change in the approved investment program in connection with the implementation of national projects, receipt on the balance sheet or in trust management of networks, change in the average monthly nominal wage);

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

- Lack of significant changes having adverse consequences for subsidiaries, which occurred during the period or may presumably occur in the nearest future;
- Projected growth in the medium term in demand for electricity in the northern and southern zones of the Republic of Kazakhstan;

Additional facts and assumptions used in the analysis of impairment indicators for AlES:

- Increase in the tariff for heat energy from 1 September 2022 with the possibility of adjusting tariffs when changing the type and cost of strategic goods, according to the Law on natural monopolies;
- It is planned to modernize the two main power plants of AlES. 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 can have a material effect on the asset's recoverable amount.

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

The project is being implemented as part of the execution of the order of the President of the Republic of Kazakhstan to ensure the construction of a new combined cycle gas plant at the Almaty CHP-2 to reduce emissions of harmful substances into the atmosphere, ensure the reliability and efficiency of 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 welfare of Kazakhstanis" approved by Decree of the Government of the Republic of Kazakhstan dated 12 October 2021 No. 730.

The conclusion of an investment agreement and the receipt of an individual capacity tariff to finance the project for the conversion of CHP-2 to gas is expected before the end of 2023. The project for the modernization of CHP-2 provides for the conservation of the existing capacities of CHP-2 after the commissioning of a new gas station. The Company's management plans to complete the project of converting CHP-2 to gas by December 31, 2026. In 2021, the Company recognized an impairment loss of Tenge 20,737,321 thousand of the main assets of CHP-2, including the coal energyblocks subject to conservation and dismantling after new combined cycle gas plant is put into use. Hence, at the moment when new combined cycle gas plant is put into use the residual value of these assets will be equal to zero.

Reconstruction of Almaty CHP-3

AlES developed a feasibility study “Reconstruction of the Almaty CHP-3 (with construction of a CCGT unit with a capacity of at least 450 MW)" (the "Project"). The project implementation period: 2022-2025. The purpose of the project: Reconstruction of the Almaty CHP-3 provides for the replacement of the existing pulverized coal-fired equipment with modern environmentally friendly combined cycle power units, the construction of a new CHP plant of greater capacity with a cycling service on the existing site, to partially cover the shortage of maneuverable capacities in the southern zone of Kazakhstan.

On 10 October 2022, AlES received a positive opinion of a comprehensive non-departmental expertise No. 02-0158/22 on the feasibility study of the Project. On 14 December 2022, AlES took part in the auction, and per the results, AlES was declared the winner of the auction (Tenge 9,788,700/MW*month excluding VAT). The committed capacity is 480 MW.

On 27 January 2023, AlES sent to “Financial Settlement Centre for Support of Renewable Energy Sources” LLP a signed Agreement on the purchase of a service to maintain the readiness of electric power during the construction of newly commissioned generating plants with a cycle generation mode.

The Almaty CHP-3 reconstruction project provides for the replacement of the existing equipment, the fleet life of which will be exhausted by the time the new plant is commissioned, with modern environmentally friendly combined cycle power units, so the Group's management did not identify any significant changes having negative consequences for the Group that are expected in the near future.

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

Additional facts and assumptions used in the analysis of impairment indicators for AZhK:

- Overfulfillment of the plan in terms of key operational and financial performance indicators at 31 December 2022;
- Projected growth in the medium term in demand for electricity in the Almaty city and the Almaty region;
- Increase in the tariff for electricity transmission from 1 September 2022 per joint order of the DCRNM of the Ministry of National Economy of the Republic of Kazakhstan for Almaty and Almaty Region No. 89-OD dated 18 August 2022;
- Law of the Republic of Kazakhstan dated 30 December 2022 No. 177-VII amended Law “On Natural Monopolies” dated 27 December 2018 No. 204-VI ZRK allowing to adjust the tariffs for electricity transmission approved for 5 years before expiration.

As a result of the analysis of external and internal impairment indicators, the Company’s management concluded that there were no impairment indicators at the date of the analysis. Accordingly, the Company’s management has elected not to test for impairment of investment of these subsidiaries and investments in the joint venture as at 31 December 2022.

Analysis of indications of impairment of investments - green energy production

In connection with the restructuring of green energy assets associated with the registration of a new subsidiary Qazaq Green Power PLC and the subsequent transfer of a full stake in Moynak HPP JSC, and a stake in First Wind Power Plant LLP, Samruk-Green Energy LLP, the Company carried out a fair value assessment, which revealed that for Samruk-Green Energy LLP the carrying amount of the assets exceeds the fair value at 31 December 2022. For Moynakskaya HPP JSC and First Wind Power Plant LLP, the fair value of the assets was significantly higher than the carrying amount. When analysing impairment indicators for the remaining groups of green energy assets, the Company identified indicators of impairment for Semirechye Energy LLP and Ereymentau Wind Power LLP and performed an impairment test for these investments under IAS 36 “Impairment of Assets”.

The recoverable amount of investments was determined based on the measurement of estimated future cash inflows and outflows from the use of the assets, the discount rate and other indicators.

Management classifies property, plant and equipment and intangible assets of each subsidiary as a single cash-generating unit as it is the smallest identifiable group of assets that generates cash inflows that are substantially independent of the cash flows generated by other assets and the lowest level at which each the subsidiary controls the recovery of the value of the assets. Management has estimated the recoverable amount of property, plant and equipment based on value in use, defined as the sum of the estimated discounted future cash flows that the Company expects to receive from their use.

Samruk-Green Energy LLP

The cash flows under the Samruk-Green Energy LLP’s model were calculated up to 2051 based on the remaining useful life of the assets.

The key assumptions used by management in the financial model in determining value in use are the following:

Forecast volumes and tariffs for the sale of electricity:

The sales price of Samruk-Green Energy LLP is set at fixed tariffs under Law of the Republic of Kazakhstan dated 4 July 2009 No. 165-IV "On supporting the use of renewable energy sources and subject to annual indexation in accordance with the Rules for determining fixed tariffs and maximum auction prices dated 27 March 2014 No. 271.

The sales forecast is based on information from previous years and management's expectations in accordance with the Group's Development Plan for 2023-2027.

	2023	**2024**	**2025**	**2026**	**2027**
Volume of sales of electricity, million kWh	19,930	19,887	19,858	19,829	19,800

The volume of sales for 2028-2051 was determined at the level of the volumes of the Group Development Plan for 2023-2027.

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

Discount rate:

The cash flows were discounted using an after-tax interest rate of 17.33% per annum, which was determined based on the weighted average cost of capital of Samruk-Green Energy LLP.

As a result of the test, the Company recognized an impairment loss of Tenge 1,477,895 thousand.

"Energy Semirechye" LLP

As a result of the test, the investment in Energy Semirechye LLP was completely impaired, as the value in use of the investments was zero. The Company recognised an impairment loss on investments of Tenge 2,411,010 thousand.

Ereymentau Wind Power LLP

The cash flows under Ereymentau Wind Power LLP's model were calculated up to 2044 based on the useful life of assets that are planned to be put into operation in the second half of 2024.

The key assumptions used by management in the financial model in determining value in use are:

Forecast volumes and tariffs for the sale of electricity:

Management, when determining the recoverable amount, decided to take into account the market tariff for the purchase of electricity from renewable energy facilities, but not the tariff of the FSC. At the moment, given the environmental agenda for large Kazakhstani companies that adhere to the principles of ESG, there is a demand for electricity generated by stations using renewable energy sources. The electricity price was determined as the average of commercial offers received by similar companies of the Group, from a number of potential consumers, taking into account annual indexation for forecast inflation.

Commissioning dates are based on the management's expectations, the volumes and period of electricity generation by wind turbines are based on the technical documentation of the project (design estimates, contract with the contractor, etc.).

	2024	**2025**	**2026**	**2027**	**2044**
Electricity sales volume, thousand kWh	88,688	212,850	212,850	212,850	124,163
Tariffs, Tenge/kWh	19.07	20.19	21.27	22.28	38.83

The volume of sales for 2028-2044 was determined at the level of the volumes of the Group Development Plan for 2023-2027.

Discount rate:

The cash flows were discounted using an after-tax interest rate of 16.97% per annum, which was determined based on the weighted average cost of capital of Ereymentau Wind Power LLP.

As a result of the test, the Company recognized an impairment loss of Tenge 8,304,770 thousand.

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

Sensitivity of impairment test - for Green energy production

In thousands of Tenge	**(Decrease)/increase in material assumptions**	**(Decrease)/increase in value in use**
Electricity tariff	-10%	(2,316,504)
	+10%	2,336,474
Sales volume	-10%	(2,790,534)
	+10%	2,790,534
WACC	-1%	1,393,629
	+1%	(1,255,463)

Balkhash Thermal Power Plant

On 29 October 2019, the Company acquired 50% + 1 share of BTPP from Samsung C&T and became the owner of 100% interest in BTPP. As of the acquisition date, BTPP was on the brink of bankruptcy and did not actually perform any relevant activities. Since 2017, creditors and suppliers have repeatedly brought a suit due to the insolvency of BTPP, which in turn led to the seizure of property, and also substantially limited the activities of BTPP. On 6 December 2019, a temporary administrator was appointed by the court to control and conduct the bankruptcy process.

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

On April 20, 2022, at the request of Bank Centercredit JSC, a Specialized Interdistrict Court of the Almaty region (hereinafter - SIEC) initiated a civil proceeding on the bankruptancy of BTPP. The decision of the SIEC of Almaty region dated June 27, 2022 has refused to declare BTPP a bankrupt. The ruling of the Judicial Board for Civil Cases of the Almaty Regional Court upheld the decision, and dismissed the appeal of Bank CenterCredit JSC. According to the courts, the recognition of the BTPP is premature due to the lack of the State's eventual decision on the future fate of the Project and is based on reasoning on the presence of assets and fixed assets in the BTPP, the value of which may be the subject of fulfillment of obligations in the case of the Government of the Republic of Kazakhstan would have a negative opinion in relation to the Project, as well as Prospects for the resumption of the Project and the restoration of the financial situation of the debtor with the possibility of repayment of debt to creditors.

The activity of BTTP are fully suspended as at 31 December 2022. The property of BTTP has been fully seized by bailiffs and tax authorities for subsequent sale through auction to repay debt to creditors. Thus, in the management's opinion, the Group has no control, and the investment in BTTP is fully impaired.

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.

The related parties include the companies under control of Samruk-Kazyna. The State has significant influence over the Company. The Company decided to apply the exemption from disclosure of individually insignificant transactions and balances with the Government related entities because the Government has control, joint control or significant influence over such party.

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

In thousands of Kazakhstani Tenge	**Shareholder**	**Companies under common control**	**Subsidiaries and Joint ventures**
Loan issued to subsidiaries	-	-	51,198,130
Trade receivables	-	-	2,484
Interest income on loans issued	-	-	667,744
Dividends receivable	-	-	488
Trade payables		719,616	309,362
Borrowings	75,136,659	-	30,681,664

At 31 December 2021, the outstanding balances with related parties were as follows:

In thousands of Kazakhstani Tenge	**Shareholder**	**Companies under common control**	**Subsidiaries and Joint ventures**
Loan issued to subsidiaries	-	-	63,396,681
Trade receivables	-	-	2,732
Interest income on loans issued	-	-	435,344
Dividends receivable	-	-	458
Trade payables	-	35,204	348,573
Borrowings	71,139,311	-	23,504,716

The income and expense items with related parties for the year ended 31 December 2022 were as follows:

In thousands of Kazakhstani Tenge	**Shareholder**	**Companies under common control**	**Subsidiaries and Joint ventures**
Dividend income	-	-	32,552,145
Finance income	-	-	9,103,385
Finance cost	7,757,215	-	4,033,929
Asset impairment expense (net)	-	-	(14,670,713)
General and administrative expenses	-	237,649	785,847

5 Balances and Transactions with Related Parties (Continued)

The income and expense items with related parties for the year ended 31 December 2021 were as follows:

In thousands of Kazakhstani Tenge	Shareholder	Companies under common control	Subsidiaries and Joint ventures
Dividend income	-	-	34,045,809
Finance income	-	-	6,520,957
Finance cost	7,257,814		2,915,572
Asset impairment expense (net)	-	-	(791,847)
General and administrative expenses	-	120,722	832,214

Key management personnel compensation for the year ended 31 December 2022 represents the salaries, bonuses and other short-term employee benefits and amounts to Tenge 344,265 thousand (31 December 2021: Tenge 318,044 thousand). These amounts include remuneration to independent directors who are members of the Board of Directors in the total amount of Tenge 48,737 thousand for 2022 (2021: Tenge 57,517 thousand).

6 Investments in Subsidiaries and Joint ventures

Table below summarises the cost of investments as at 31 December 2022:

			31 December 2022		31 December 2021	
	Acquisition date	Country of registration	Cost of investments (in thousands of Tenge)	Percentage of ownership	Cost of investments (in thousands of Tenge)	Percentage of ownership
Subsidiaries						
Ekibastuzskaya GRES-1 named after Bulat Nurzhanov	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 Stations JSC	26.07.2011	Kazakhstan	34,061,653	100%	34,061,653	100%
Qazaq Green Power PLC	04.11.2022	Kazakhstan	37,565,637	100%	-	-
Moinak HPS JSC	04.01.2008	Kazakhstan	-	-	21,864,616	100%
Tegis Munay LLP	29.12.2012	Kazakhstan	-	-	17,531,389	100%
First Wind Turbine LLP	28.05.2016	Kazakhstan	-	-	14,914,271	100%
Ereymentau Wind Power LLP	28.05.2016	Kazakhstan	9,253,541	100%	8,401,189	100%
Shardarinskaya HPP JSC	03.06.2011	Kazakhstan	2,524,772	100%	2,524,772	100%
Bukhtarminskaya HPS JSC	04.01.2008	Kazakhstan	1,838,100	90%	1,050,790	90%
KazGidroTekhEnergo LLP	31.03.2014	Kazakhstan	376,572	100%-	326,840	100%
AlmatyEnergoSbyt LLP	26.07.2011	Kazakhstan	136,003	100%	136,003	100%
Energy Solutions Center LLP	16.03.2019	Kazakhstan	107,449	100%	52,998	100%
Joint ventures and associates						
Forum Muider B.V.	23.12.2008	Netherlands	41,759,543	50%	41,759,543	50%
Ekibastuz SEGRES-2 JSC	04.01.2008	Kazakhstan	8,725,133	50%	8,725,133	50%
Impaired investments						
Balkhash Termal Power Plant (Note 4)	24.06.2008	Kazakhstan	32,085,280	100%	32,085,280	100%
Samruk-Green Energy LLP	13.06.2012	Kazakhstan	-	-	5,684,653	100%
Energiya Semirechiya LLP	28.05.2016	Kazakhstan	2,411,010	25%	2,411,010	25%
Shulbinskaya HPS NJSC	04.01.2008	Kazakhstan	1,230,658	92.14%	1,230,658	92.14%
Ust-Kamenogorskaya HPS JSC	04.01.2008	Kazakhstan	465,019	89.99%	465,019	89.99%
Less:						
Impairment of investments			(44,496,737)		(39,446,496)	
Total investments			**521,962,326**		**547,698,014**	

As at 31 December 2022 and 2021, the Company has ownership interests in the jointly controlled entities as follows:

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

Qazaq Green Power PLC

On 4 November 2022 the Company registered a new subsidiary Qazaq Green Power PLC ("QGP") in the jurisdiction of Astana International Financial Center in the legal form of "Public Company" with share capital of Tenge 48,000 thousand. In December 2022, the Company contributed to the authorized capital of QGP by transferring a full package of shares of Moynak HPP JSC and equity interest of First Wind Turbine LLP, Samruk-Green Energy LLP, and KazGidroTekhEnergo LLP at market value in the amount of 57,742,779 thousand tenge. The Company recognized the investment in QGP at the cost of transferred investments in the amount of 37,942,209 thousand tenge.

6 Investments in Subsidiaries and Joint ventures (Continued)

Samruk-Green Energy LLP, Energiya Semirechiya, Ereymentau Wind Power LLP

As a result of the impairment test, the Company recognized the loss of investment in a separate report on profits and losses. See Note 4.

Tegis Munai LLP

On 28 December 2022 the Company sold its 100% interest in Tegis Munai LLP to JSC NC QazaqGaz (a related party) at market price of 13,178,650 thousand Tenge. The sales price was determined based on an independen valuation of the entity. The Company recognized an impairment loss of 1,760,299 thousand tenge on this disposal.

7 Loans Issued and Investments in Debt Securities

In thousands of Kazakhstani Tenge	**31 December 2022**	**31 December 2021**
Non-current portion		
Bonds of Moinak HPP JSC	18,000,000	26,000,000
Bonds of Shardarinskaya HPP JSC	12,600,000	15,500,000
Loan issued to Alatau Zharyk Company JSC	6,182,007	5,596,912
Bonds of First Heartland Jusan Bank (previously - Tsesnabank JSC)	32,693	28,470
Bonds of MREK JSC	-	340,157
Less: impairment provision	(169,335)	(225,285)
Total Loans issued and investments in debt securities – non-current borrowings	**36,645,365**	**47,240,254**
Current portion		
Bonds of Moinak HPP JSC	7,000,000	7,000,000
Financial aid issued to "Ereymentau Wind Power" LLP	3,881,768	3,868,922
Bonds of Shardarinskaya HPP JSC	2,900,000	2,900,000
Loan issued to "Ereymentau Wind Power" LLP	1,770,000	400,000
Accrued interest on bonds	378,133	363,986
Loan issued to Balkhash Termal Power Plant JSC	377,301	377,301
Bonds of MREK JSC	374,829	384,600
Accrued interest on loans issued	298,027	278,418
Financial assistance to Ust-Kamenogorskaya HPS JSC	30,390	30,390
Loans issued to Zhambyl GRES named after T.I.Baturov JSC	5,442	5,442
Short-term notes of State Institution "National Bank of the Republic of Kazakhstan"	-	9,161,029
Loan issued to Almaty Power Stations JSC	-	1,112,631
Loan issued to Shardara HPS JSC	-	950,000
Less: impairment provision	(1,383,726)	(623,334)
Total Loans issued and investments in debt securities – current borrowings	**15,632,164**	**26,209,385**

Bonds of Moinak HPP JSC

On 18 June 2019, the Company acquired bonds of Moinak HPP JSC issued on the AIX stock exchange for Tenge 47,000,000 thousand, with a maturity of 7 years, and coupon rate of 11% per annum. As at 31 December 2022, the balance of the nominal value of the bonds is Tenge 25,000,000 thousand (2021: Tenge 33,000,000 thousand).

Bonds of Shardarinskaya HPP JSC

On 26 November 2021, the Company purchased bonds of Shardarinskaya HPP JSC placed on the Astana International Exchange ("AIX") stock exchange. The total amount is Tenge 18,400,000 thousand, with a maturity of 6.5 years, and a coupon rate of 13% per annum. The bonds purchased in order to refinance borrowings of Shardarinskaya HPP JSC obtained from the European Bank for Reconstruction and Development.

7 Loans Issued and Investments in Debt Securities (Continued)

Bonds of First Heartland Jusan Bank JSC (formerly TsesnaBank JSC)

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

Loan issued to Alatau Zharyk Company JSC

On 31 January 2011, the Company provided a loan to Alatau Zharyk Company JSC of Tenge 7,000,000 thousand for construction and reconstruction of substations and other facilities. The loan maturity is 21 January 2024, the interest rate is 2% per annum, payable on a quarterly basis. The outstanding amount as at 31 December 2022 is Tenge 6,228,315 thousand (31 December 2021: Tenge 5,644,518 thousand). The carrying amount of the loan is the present value of future cash flows discounted at 12.5%. A difference between the loan's fair value on origination and its nominal value of Tenge 3,675,691 thousand, less income tax, was recognised as additional investments in Alatau Zharyk Company JSC.

Loan and financial aid issued by Ereymentau Wind Power LLP

During 2021, the Company financial assistance of Tenge 4,100,000 thousand for the implementation of the investment project "Construction of a wind farm of 50 MW capacity near Eereymentau town". The carrying value of the financial assistance issued is the present value of future cash flows, discounted using rates of 11.2-11.3%. The difference between the fair value of financial assistance at the date initial recognition and its nominal value of Tenge 414,162 thousand was recognized as an additional investment in Ereymentau Wind Power LLP.

In addition, during the reporting period the Company issued loans to Ereymentau Wind Power LLP. As at 31 December 2022 the carrying amount of the loans issued to Ereymentau Wind Power LLP was Tenge 1,838,850 thousand, including principal amount of Tenge 1,770,000 thousand and accrued interest of Tenge 68,850 thousand. In 2022 the Company recognized allowance for impairment of loans issued to Ereymentau Wind Power LLP in the amount of Tenge 715,728 thousand.

Reconciliation of loans issued and investments in debt instruments

The table below sets out an analysis of net debt and the movements in the Company's assets from financing activities for each of the periods presented. The items of these assets are those that are reported as financing in the statement of cash flows.

In thousands of Kazakhstani Tenge	**2022**	**2021**
Loans issued and investments in debt securities at 1 January	73,449,639	58,166,102
Loans issued and financial aid issued	5,248,700	8,382,631
Purchase of debt instruments	-	18,400,000
Purchase of notes of the National Bank of the Republic of Kazakhstan	-	9,131,800
Repayment of loans and bonds purchased	(26,041,331)	(20,493,926)
Interest obtained	(5,852,250)	(4,701,739)
Sales of debt instruments	(384,600)	(1,839,490)
Interest income on loans issued and bonds	5,924,977	4,945,664
Gain/(loss) from modification of loans issued	(392,576)	-
Discount when organizing the issued financial assistance	-	(414,162)
Finance income on amortization of discount on financial assistance provided	1,029,413	1,022,682
Other movements	-	12,323
Reversal/(accrual for) of impairment provision (net)	(704.443)	837,754
Loans and and investments in debt securities at 31 December	**52,277,529**	**73,449,639**

As at 31 December 2022, loans issued by Ereymentau Wind Power LLP were classified as stage 2. All other loans issued and investments in debt instruments were classified as stage 1 (2021: all loans issued and investments in debt instruments were classified as stage 1).

8 Other Non-Current Assets

In thousands of Kazakhstani Tenge	31 December 2022	31 December 2021
Trade receivables from the sale of disposed subsidiaries	621,228	8,273,935
Other receivables from employees	42,945	54,345
Less: provision for impairment	(101,783)	(1,392,709)
Total other non-current financial assets	**562,390**	**6,935,571**

Trade receivables represent all of the non-current portion of the debt of Inform-System LLP (2021: Tenge 712,490 thousand). As at 31 December 2022 the receivables are neither impaired nor overdue and are fully denominated in Tenge with an internal rating of "SK C".

9 Other Current Assets

In thousands of Kazakhstani Tenge	31 December 2022	31 December 2021
Trade receivables from the sale of disposed subsidiaries	7,653,881	851,457
Restricted cash	1,400,000	-
Receivables from Tauba Invest	317,200	469,205
Term deposits	1,304	5,804
Dividends receivable	488	458
Less: provision for impairment	(891,820)	(612,434)
Total other current financial assets	**8,481,053**	**714,490**
Advances paid	5,360	19,908
Other	351,716	297,217
Total other current assets	**8,838,129**	**1,031,615**

Trade and other receivables

The receivables from the sale of subsidiaries mainly include the short-term part of the debt of OESK Holding LLP (previously VKEK LLP) in the amount of 7.560.135 thousand tenge for shares of VK REK JSC, which were implemented during 2017 with the internal rating of “SK C". The receivables of Tauba Invest LLP are completely depreciated (default). Short -term deposits have a good level with the internal rating of “SK B”.

The table below presents the analysis of the credit quality of deposit balances and restricted cash balances based on credit risk levels as at 31 December 2022. A description of the Company's credit risk classification system is provided in Note 21.

	31 December 2022		31 December 2021	
In thousands of Kazakhstani Tenge	Deposits in banks	Restricted cash	Deposits in banks	Restricted cash
- Excellent level	-	-	-	-
- Good Level	1,304	1,400,000	5,804	-
- Satisfactory level	-	-	-	-
Total cash and cash equivalents, excluding cash on hand	**1,304**	**1,400,000**	**5,804**	**-**

10 Cash and Cash Equivalents

In thousands of Kazakhstani Tenge	**31 December 2022**	**31 December 2021**
Term deposits up to 3 months - Tenge	11,986,000	810,000
Cash under agreement of purchase and reverse sale ("reverse repo") for up to 3 months	9,999,119	-
Cash at current bank accounts – Tenge	42,668	112,140
Cash on hand	3,681	3,321
Cash at current bank accounts – Euro	-	556,245
Cash at current bank accounts – US Dollar	-	2
Less: provision for impairment	(1,993)	(368)
Total cash and cash equivalents	**22,029,475**	**1,481,340**

As at 31 December 2022, the weighted average interest rate on term deposits was 15.95% in tenge (31 December 2021: 8.7% in tenge).

In order to diversify the treasury portfolio, the Company at the reporting date used purchase and repurchase agreements (“reverse repo agreements”) that represent transactions for the placement of funds for a short-term period (1-7 days) through an authorized broker secured by liquid securities with a rating no less than sovereign. These transactions made it possible to reduce risks for counterparty banks and increase profitability.

The degree of credit risk mitigation provided by collateral is presented by disclosing collateral values separately for (i) assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("overcollateralised assets") and (ii) assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets").

	Overcollateralised assets		**Under-collateralised assets**	
In thousands of Kazakhstani Tenge	**Carrying amount of assets**	**Fair value of collateral**	**Carrying amount of assets**	**Fair value of collateral**
31 December 2022.				
Repurchase and reverse repurchase agreements ("reverse repo") with other banks with an original maturity of less than three months	9,999,119	9,999,119	-	-
31 December 2021.				
Repurchase and reverse repurchase agreements ("reverse repo") with other banks with an original maturity of less than three months	-	-	-	-

The Company has not recognized any expected credit losses in respect of short-term reverse repurchase agreements with excessive collateral. The collateral represents traded government and quasi-government bonds.

10 Cash and Cash Equivalents (Continued)

The table below analyses the credit quality of cash and cash equivalents balances based on credit risk levels as at 31 December 2022. A description of the Company's credit risk classification system is provided in Note 21.

In thousands of Kazakhstani Tenge	Correspondent accounts	Deposits in banks	Reverse REPO agreements with other banks	Total
- Excellent level	-	-	9,999,119	9,999,119
- Good level	42,668	11,986,000	-	12,028,668
- Satisfactory Level	-	-	-	-
Total cash and cash equivalents, excluding cash on hand	**42,668**	**11,986,000**	**9,999,119**	**22,027,787**

The table below analyses the credit quality of cash and cash equivalents balances based on credit risk levels as at 31 December 2022. A description of the Company's credit risk classification system is provided in Note 21.

In thousands of Kazakhstani Tenge	Correspondent accounts	Deposits in banks	Reverse REPO agreements with other banks	Total
- Good level	668,388	810,000	-	1,478,388
- Satisfactory Level	-	-	-	-
Total cash and cash equivalents, excluding cash on hand	**668,388**	**810,000**	**-**	**1,478,388**

11 Share Capital

At 31 December 2022, 5,632,537 issued ordinary shares were fully paid in the amount of Tenge 378,531,570 thousand (2021: 5,601,812 shares in the amount of Tenge 376,045,927 thousand). Each ordinary share carries one vote. The Company does not have any preference shares. The number of authorised shares is 8,602,187. As at 31 December 2022, SWF Samruk-Kazyna holds 100% shares in the Company (2021: 100%).

On 20 December 2022, Samruk-Kazyna JSC acquired 30,725 shares of the Company at the placement price of 80,899 tenge, 70 tiyn per 1 ordinary share by transferring cash in the total amount of 2,485,643 thousand tenge in accordance with the right of first refusal..

On 28 April 2022 the Company announced a dividend payment to the Sole Shareholder in the amount of Tenge 2,041,000 thousand - Tenge 364.35 per share (30 March 2021: Tenge 3,242,143 thousand). On 9 June 2022 the Company fully paid the declared dividends.

12 Other payables and accrued liabilities

In thousands of Kazakhstani Tenge	Note	31 December 2022	31 December 2021
Accrued tax provisions	20	1,425,750	-
Estimated liability to Qazaq Gaz JSC		678,309	-
Debt to suppliers		661,703	880,222
Other		487,373	442,261
Total other payables and accrued liabilities		**3,253,135**	**1,322,483**

13 Borrowings

In thousands of Kazakhstani Tenge	31 December 2022	31 December 2021
Non-current portion		
Loans from JSC SWF Samruk-Kazyna	72,571,081	68,565,478
Bank loans	15,146,449	54,899,816
Bonds issued	40,113,235	40,103,964
Total non-current borrowings	**127,830,765**	**163,569,258**
Current portion		
Loans from subsidiaries	29,905,606	23,504,716
Bonds issued	-	3,117,605
Current bank loans	12,462,014	3,042,235
Loans from JSC SWF Samruk-Kazyna	2,381,109	2,381,109
Interests accrued – bank loans	1,054,029	1,449,766
Interests accrued – bonds issued	413,567	564,220
Interests accrued – loans from JSC SWF Samruk-Kazyna and subsidiaries	960,527	192,723
Total current borrowings	**47,176,852**	**34,252,374**
Total borrowings	**175,007,617**	**197,821,632**

Carrying amounts and fair value of borrowings are analysed below:

	31 December 2022		31 December 2021	
In thousands of Kazakhstani Tenge	Carrying amount	Fair value	Carrying amount	Fair value
Loans from JSC SWF Samruk-Kazyna and subsidiaries	105,818,323	85,586,643	94,644,026	90,544,180
Bank loans	28,662,492	28,662,492	59,391,817	59,391,817
Bonds	40,526,802	32,344,330	43,785,789	39,571,453
Total borrowings	**175,007,617**	**146,593,465**	**197,821,632**	**189,507,450**

Loans from JSC SWF Samruk-Kazyna

On 17 March 2010 the Company signed a loan agreement with JSC SWF Samruk-Kazyna for the amount of 48,200,000 thousand Tenge for the purpose of refinancing its debt by acquiring a 50% interest in Forum Muider. The loan has an interest rate of 1.2% per annum and matures on or before 15 September 2029. The principal is repayable in equal annual instalments and the interest is payable in semi-annual instalments starting from the next accounting year after the borrowing.

On 14 January 2011 the Company signed a loan agreement with JSC SWF Samruk-Kazyna for Tenge 7,000,000 thousand to finance the 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.

On 16 January 2014 the Company signed a loan agreement with JSC SWF Samruk-Kazyna for Tenge 200,000,000 thousand to acquire the retained interest 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 of Tenge 100,000,000 thousand was converted into the Company's shares;
- Interest rate on the remaining principal amount was increased to 9%.

13 Borrowings (Continued)

On 25 December 2015 the loan agreement was significantly modified in accordance with the addendum No.2 to loan 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 modification 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, JSC SWF 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

In December 2016, the Company opened a non-revolving credit facility for EUR 100 million to refinance Eurobonds. In September 2019, the Company received two tranches of Tenge 39,114,450 thousand within this credit facility. The interest rate is set based on the independent indicative interest rate for loans on All-in-cost basis, plus margin of 3.5% and 4.5% per annum. Changes in the independent indicative interest rate are recorded on a quarterly basis. The principal is payable twice a year and at maturity. As of 31 December 2022, the nominal balance of debt principal on the first tranche is Tenge 1,630,740 thousand.

Bank loans: Asian Development Bank

On 8 November and 5 December 2018, the Company opened non-revolving credit facilities for USD 120 million with the Asian Development Bank in order to increase the operational efficiency of core activities and identify opportunities associated with renewable energy sources. In 2019, the Company received three tranches under credit facilities for a total of Tenge 45,860,800 thousand with maturities of tranche A and B after 5 years, tranche C after 7 years. The interest rate is set on the basis of actual inflation indicators of the Republic of Kazakhstan, plus bank margin. During the reporting period tranches A and B were repaid in full. As at 31 December 2022 the nominal principal balance of Tranche C is Tenge 15,234,400 thousand.

Loans from Bogatyr-Komir LLP

During 2022 the Company received loans from Bogatyr-Komir LLP in the total amount of Tenge 12,482,770 thousand for 12 months with the condition that the principal and interest be repaid 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 issuance of tranches, plus a margin of 1% per annum.

Bonds issued

In November 2018, the Company issued and placed bonds in the amount of Tenge 21,736,200 thousand with a nominal value of 1,000 Tenge per 1 bond for a period of seven years. The coupon interest rate was 11.2% per annum and is payable twice a year.

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

13 Borrowings (Continued)

Debt reconciliation

The table below sets out an analysis of liabilities from financing activities and the movements in the Company's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows.

In thousands of Kazakhstani Tenge	2022	2021
Borrowings at 1 January	197,821,632	196,414,568
Proceeds from borrowings obtained and issued bonds	54,636,771	88,410,000
Repayment of borrowings and bonds	(84,427,246)	(93,277,291)
Interest paid	(15,142,234)	(13,151,902)
Interest accrued	15,363,648	13,200,621
Unwinding of present value discount	9,589,999	8,621,530
Discount on origination of borrowings received	(628,710)	(2,378,379)
Loss (income) of modification of financial aid received	(2,206,243)	-
Other payments	-	(17,515)
Borrowings at 31 December	**175,007,617**	**197,821,632**

14 Dividend income

In thousands of Kazakhstani Tenge	2022	2021
Dividends from Ekibastuzskaya GRES-1 n.a. Bulat Nurzhanov LLP	29,000,000	29,000,000
Dividends from PVES LLP	1,550,822	1,410,354
Dividends from Bukhtarminskaya HPS JSC	1,517,571	2,201,254
Dividends from Alatau Zharyk Company JSC	436,631	504,551
Dividends from Forum Muider B.V		72,905
Dividends from Energy Solutions Center LLP	34,903	4,004
Dividends from Samruk-Green Energy LLP	12,218	-
Dividends from Almaty Power Stations JSC	-	852,741
Total dividend income	**32,552,145**	**34,045,809**

15 Other Operating Income and Expenses (net)

In thousands of Kazakhstani Tenge	Note	2022	2021
(Impairment)/recovery of impairment of investments in subsidiaries and associates (net)	4, 6	(13,953,974)	-
Expenses on estimated liabilities to Qazaq Gaz JSC		(678,309)	-
Other income		39,799	12,947
Other expenses		(24,835)	(32,760)
Total other operating income and expenses (net)		**(14,617,319)**	**(19,813)**

16 General and Administrative Expenses

In thousands of Kazakhstani Tenge	**2022**	**2021**
Payroll and related expenses	3,251,024	3,071,392
Taxes	1,620,309	188,606
Information system maintenance	583,378	180,572
Depreciation of property, plant and equipment and amortisation of intangible assets	468,856	520,144
Office maintenance services	446,823	675,836
Consulting and other professional services	148,108	209,100
Business trip expenses	113,161	113,728
Employee training and related expenses	77,348	79,203
Membership fee	59,558	113,204
Insurance	48,948	43,630
Communication	24,358	28,110
Rent expense	5,160	3,331
Other	326,239	578,101
Total general and administrative expenses	**7,173,270**	**5,804,957**

17 Finance Income

In thousands of Kazakhstani Tenge	**2022**	**2021**
Interest income on bonds and loans issued	5,924,977	4,945,664
Gain on modification of loans	2,206,243	-
Unwinding of discount on financial assets	1,562,966	2,450,653
Interest income on bank deposits	233,900	104,331
Income from issued guarantees	66,059	1,350,008
Income from modification of receivables	-	197,935
Other	9,872	11,601
Total finance income	**10,004,017**	**9,060,192**

18 Finance Costs

In thousands of Kazakhstani Tenge	**2022**	**2021**
Interest expense on borrowings and bonds	15,363,648	13,200,621
Amortisation of present value discount on loans and financial assistance	9,589,999	8,621,530
Financial aid modification costs	392,576	-
Unwinding of discount on leases	160,045	185,753
Other	166,999	-
Total finance costs	**25,673,267**	**22,007,904**

19 Income Taxes

In thousands of Kazakhstani Tenge	**2022**	**2021**
Current income tax	49,641	347,590
Total income tax expense	**49,641**	**347,590**

19 Income Taxes (Continued)

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

In thousands of Kazakhstani Tenge	Note	2022	2021
(Loss)/Profit under IFRS before tax		**(4,602,222)**	**15,576,607**
Theoretical tax expense at statutory rate of 20% (2021: 20%)		(920,444)	3,115,321
Adjustments for:			
Dividend income		(6,510,429)	(6,809,161)
Withholding tax		49,641	347,590
Other non-deductible expenses		359,228	52,083
Changes in unrecognised deferred income tax assets		(3,293,743)	800,662
Permanent differences: assets restructuring	6	7,294,502	-
Prior year adjustments including related to expiry of the statute of limitation on tax loss carry forwards		3,070,886	2,841,095
Total income tax expense		**49,641**	**347,590**

Differences between IFRS and Kazakhstani statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences are detailed below, and are recorded at the rate applicable to the period when the temporary differences will reverse.

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

In thousands of Kazakhstani Tenge	**1 January 2022**	**Charged/ (credited) to profit or loss**	**31 December 2022**
Tax effect of deductible temporary differences			
Tax loss carry forwards	13,651,940	(5,675,174)	7,976,766
Loans issued and investments in debt securities	489,255	13,521	502,776
Investments in subsidiaries, joint ventures and associates	2,069,224	1,145,384	3,214,608
Other receivables	828,195	(256,337)	571,858
Gross deferred income tax assets	**17,038,614**	**(4,772,606)**	**12,266,008**
Unrecognised tax assets	(5,499,298)	3,293,743	(2,205,555)
Less offsetting with deferred income tax liabilities	**(11,539,316)**	**1,478,863**	**(10,060,453)**
Recognised deferred income tax assets	**-**	**-**	**-**
Tax effect of taxable temporary differences			
Property, plant and equipment	(299,300)	45,233	(254,067)
Borrowings	(11,240,016)	1,433,630	(9,806,386)
Gross deferred income tax liabilities	**(11,539,316)**	**1,478,863**	**(10,060,453)**
Less offsetting with deferred income tax assets	**11,539,316**	**(1,478,863)**	**10,060,453**
Recognised deferred income tax liabilities	-	-	-

19 Income Taxes (Continued)

The Company does not expect to obtain taxable income in the foreseeable future other than income subject to withholding tax.

In thousands of Kazakhstani Tenge	**1 January 2021**	**Charged/ (credited) to profit or loss**	**31 December 2021**
Tax effect of deductible temporary differences			
Tax loss carry forwards	13,741,811	(89,871)	13,651,940
Loans issued and investments in debt securities	1,015,190	(525,935)	489,255
Investments in subsidiaries, joint ventures and associates	1,676,381	392,843	2,069,224
Other receivables	877,645	(49,450)	828,195
Guarantee	254,453	(254,453)	-
Gross deferred income tax assets	**17,565,480**	**(526,866)**	**17,038,614**
Unrecognised tax assets	(4,698,636)	(800,662)	(5,499,298)
Less offsetting with deferred income tax liabilities	**(12,866,844)**	**1,327,528**	**(11,539,316)**
Recognised deferred income tax assets	-	-	-
Tax effect of taxable temporary differences			
Property, plant and equipment	(371,929)	72,629	(299,300)
Borrowings	(12,494,915)	1,254,899	(11,240,016)
Gross deferred income tax liabilities	**(12,866,844)**	**1,327,528**	**(11,539,316)**
Less offsetting with deferred income tax assets	**12,866,844**	**(1,327,528)**	**11,539,316**
Recognised deferred income tax liabilities	-	-	-

At 31 December 2022, the Company did not recognise deferred income tax assets in relation to unused tax loss carry forwards of Tenge 4,911,813 thousand (31 December 2021: Tenge 2,841,095 thousand).

20 Contingencies, Commitments and Operating Risks

COVID-19.

In March 2020, the World Health Organization declared the outbreak of a new type of coronavirus COVID-19 a pandemic. In response to the pandemic, Kazakh authorities have taken a range of measures to contain the spread and mitigate the impact of COVID-19, such as travel bans and restrictions, quarantines, self-isolation, and restrictions on commercial activities, including business closures. Most of the above measures had subsequently been commuted, but as of December 31, 2022, there is still a risk that government agencies may impose additional restrictions in 2023 in response to possible new strains of the virus.

War between Russia and Ukraine.

On 21 February 2022, the President of Russia announced the recognition of the Luhansk and Donetsk People's Republics, and on February 24 sent military mobilized troops to the territory of Ukraine. In response to Russia's actions, the United States of America, the European Union and several other countries have imposed sanctions against Russia, including cutting off a number of Russian financial institutions from SWIFT. Russia is Kazakhstan's largest trading partner, accounting for up to 40% of non-oil exports, and is a key trade transit, in particular through the Caspian Pipeline Consortium (CPC), which allows the export of up to 80% of Kazakhstani crude oil.

20 Contingencies, Commitments and Operating Risks (Continued)

CPC operations were interrupted in March 2022 due to hurricane damage, but this did not have a significant impact on the budget due to rising oil prices, however, Russia's prolonged closure of the CPC route for Kazakhstani crude oil would have serious consequences for Kazakhstan's exports and the economy as a whole. The Kazakh authorities are considering alternative routes to the Caspian Sea through Azerbaijan, Georgia and Turkey, but they will require significant investment in additional infrastructure, and the replacement of the CPC route will take many years.

As a result of the conflict between Russia and Ukraine and its aftermath, the tenge exchange rate has become more volatile, with inflation reaching almost 20.3% in December 2022. To date, the National Bank of the Republic of Kazakhstan has taken a number of measures to maintain the stability of the financial system of Kazakhstan.

Due to the fact that US citizens and legal entities are prohibited from conducting settlements and other activities with Sberbank, VTB Bank, Alfa Bank and other organizations specified in the list of the Ministry of Finance of the Republic of Kazakhstan without the permission of the Office of Foreign Assets Control (including subsidiaries of these banks with a share of 50 % or more), it is inappropriate for the Company to serve or interact with these banks and their subsidiaries. The Company has taken steps to reallocate funds to banks that are not under the current sanctions.

The long-term effects of the current economic environment are difficult to predict and management's current expectations and estimates may differ from actual results.

Overall, the economy of the Republic of Kazakhstan continues to exhibit some of the characteristics of an emerging market. It is particularly sensitive to fluctuations in the prices of oil and gas and other minerals, which make up the bulk of the country's exports. These features also include, but are not limited to, the existence of a national currency that is not freely convertible outside the country, and also has the low level of liquidity in the securities market. High inflation, problems caused by the recent internal unrest in January 2022, ongoing political tensions in the region, exchange rate volatility have had and may continue to have a negative impact on the economy of the Republic of Kazakhstan, including reduction of liquidity and creation of difficulties in attracting international financing.

On 20 August 2015, the National Bank and the Government of the Republic of Kazakhstan decided to terminate the support of tenge exchange rate and implement a new monetary policy based on the inflation targeting regime, cancel the currency band and switch to a freely floating exchange rate. At the same time, the exchange rate policy of the National Bank allows for interventions to prevent sharp fluctuations in the tenge exchange rate to ensure financial stability.

As at the date of this report, the official exchange rate of the National Bank of the Republic of Kazakhstan was 445.98 tenge per US dollar compared to 462.65 tenge per US dollar as at 31 December 2022 (31 December 2021: 431.67 tenge per US dollar). Thus, uncertainty remains regarding the tenge exchange rate and future actions of the National Bank and the Government, as well as the impact of these factors on the economy of the Republic of Kazakhstan.

In September 2022, the international rating agency S&P Global Ratings confirmed the sovereign rating of Kazakhstan at BBB-. The credit rating outlook was downgraded to "negative" as a result of growing external and financial risks. Fitch agency has affirmed Kazakhstan's long-term rating at 'BBB' with a 'stable' outlook. The stable outlook is supported by the government's strong fiscal and external balance sheets, financial flexibility backed by accumulated savings from oil revenues, net financial creditor position, and also measures implemented by the Government of the Republic of Kazakhstan.

The complexities associated with social tensions that culminated in internal unrest in early 2022, and the consequences of the conflict between Russia and Ukraine and subsequent sanctions are balanced by high prices for the main exported commodities and increased oil production from 2024, when the expansion of the Tengiz oil field begins. According to analysts' forecasts, the economic growth rate will be about 3.6% on average in 2022-2025.

The economic environment has a significant impact on the operations and financial position of the Company/Group. Management takes all necessary measures to ensure the sustainable operation of the Company/Group. However, the future impact of the current economic environment is difficult to predict and management's current expectations and estimates may differ from actual results.

In addition, the energy sector in the Republic of Kazakhstan remains subject to the influence of political, legislative, tax and regulatory changes. The prospects for the economic stability of the Republic of Kazakhstan largely depend on the effectiveness of economic measures taken by the Government, as well as on the development of the legal, control and political systems, that is, on circumstances that are beyond the control of the Company.

The Company uses verifiable forward-looking information, including forecasts of macroeconomic indicators to estimate expected credit losses. However, it is common for all economic forecasts that assumptions and the likelihood of their realization are inevitably associated with a high level of uncertainty, and, therefore, actual results may differ materially from those projected.

20 Contingencies, Commitments and Operating Risks (Continued)

Tax legislation

Kazakhstani tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. In some cases, in order to determine the taxable base, the tax law refers to the provisions of IFRS, and the interpretation of the relevant provisions of IFRS by Kazakhstani tax authorities may differ from the accounting policies, judgments and estimates applied by management in the preparation of these financial statements, which may lead to additional tax liabilities of the Company. Fiscal periods remain open to review by the authorities in respect of taxes for five years after the end of the fiscal year.

As a result of the act of preliminary tax audit dated December 30, 2022, the Company recognized a provision for taxes in the amount of 1,425,740 thousand tenge. The Company intends to challenge the results of the preliminary tax audit in court. The Company's management believes that its interpretations of the relevant legislation are appropriate and the Company's tax position is reasonable. Management of the Company believes that the Company will not incur significant losses for current and potential tax claims in excess of the provisions made in these financial statements.

Insurance

The insurance market in the Republic of Kazakhstan is at the stage of early development, and many types of insurance that are widespread in other countries are not available in Kazakhstan. The Company does not have full insurance protection with respect to its production premises, losses caused by stoppage of operations or liabilities payable to third parties due to damage caused to real estate or environment as a result of accident or Company's operations. Unless the Company has a full insurance coverage, there is a risk that loss or damage of particular assets might have material adverse effect on the Company's operations and financial position.

Legal proceedings

The Company takes part in certain other legal proceedings arising in the ordinary course of business. Management believes that there are currently no ongoing other legal proceedings or other pending claims that could have a substantial adverse effect on the Company's financial position.

Covenants on loans

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. Based on the 2022-year results, the Company complied with the loan covenants and received waivers to lower thresholds in case of any violation (2021: complied).

21 Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments to hedge risk exposures.

Risk management is carried out by management under policies, which provides principles for risk management, covering specific areas, such as credit risk, liquidity risk, and market risk.

(a) Credit risk

The Company exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Company's lending and other transactions with counterparties, giving rise to financial assets.

The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position.

Credit risk management

Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

21 Financial Risk Management (Continued)

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Credit risk grading system

For measuring credit risk and grading financial instruments by the amount of credit risk, the Company applies two approaches – an Internal Risk-Based (IRB) rating system or risk grades estimated by external international rating agencies (Standard & Poor's - "S&P", Fitch, Moody's). Internal and external credit ratings are mapped on an internally defined master scale with a specified range of probabilities of default.The IRB system is designed internally and ratings are estimated by management. Various credit-risk estimation techniques are used by the Company depending on the class of the asset.

The Company applies IRB systems for measuring credit risk for non-current receivables.

The rating models are regularly reviewed, back-tested on actual default data and updated, if necessary. Despite the method used, the Company regularly validates the accuracy of ratings estimates and appraises the predictive power of the models.

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody's and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default ("PD") are applied for all financial assets other than non-current receivables.

Credit risk classification system.

In order to assess credit risk and classify financial instruments according to the level of credit risk, the Group uses two approaches: an internal risk-based rating system or assessment of risk levels by external international rating agencies (Standard & Poor's [S&P], Fitch, Moody's). Internal and external credit ratings are compared to an internal single scale with a defined range of default probabilities, as shown in the table below:

Level of credit risk according to a single scale	Corresponding internal ratings	Corresponding ratings from external international rating agencies (S&P)	Corresponding default probability interval
Excellent level	SK_A	AAA–, A-	0,01% – 0,15%
Good level	SK_B	BBB+/ BBB-	0,16% – 0,75%
Satisfactory level	SK_C	BB+/-, BB-	0,76% – 17,40%
Requires special monitoring	SK_D	B+/-, CCC	17,41% – 99,9%
Default		D	100%

Each level of credit risk on a single scale is assigned a certain degree of solvency.

- *Excellent* – high credit quality with low expected credit risk.
- *Good* – sufficient credit quality with medium credit risk.
- *Satisfactory* – average credit quality with satisfactory credit risk.
- *Requires special monitoring* – lending arrangements that require more careful monitoring and remedial management.
- *Default* – lending facilities that have defaulted.

Expected credit loss (ECL) measurement

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Company: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

21 Financial Risk Management (Continued)

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor ("CCF"). CCF is a coefficient that shows the probability of conversion of the commitment amounts to an on-balance sheet exposure within a defined period. PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

Expected credit losses are modelled over instrument's *lifetime period.* The *lifetime period* is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any.

Management models *Lifetime ECL,* that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The *12-month ECL,* represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining *lifetime period* of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward looking information,* that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The ECL modelling does not differ for Purchased or Originated Credit Impaired ("POCI") financial assets, except that (a) gross carrying value and discount rate are based on cash flows that were recoverable at initial recognition of the asset, rather than based on contractual cash flows, and (b) the ECL is always a lifetime ECL. POCI assets are financial assets that are credit-impaired upon initial recognition, such as impaired loans acquired in a past business combination.

For purposes of measuring PD, the Company defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- international rating agencies have classified the borrower in the default rating class;
- the borrower meets the unlikeliness-to-pay criteria listed below:
    - suspending accrual of interest/reduction in the interest rate on a financial asset;
    - writing-off the principal amount;
    - sales of a financial asset at a significant discount to its nominal value;
    - restructuring that will result in reduction in/write-off of the loan/debt release;
    - increase in the maturity of a financial asset;
    - granting of indulgence on the principal/interests;
    - filing a bankruptcy claim against the counterparty in line with the legislation of the Republic of Kazakhstan;
    - bankruptcy claim filed by the counterparty;
    - liabilities covered by the guarantee agreement or payment under the guarantee agreement are past due more than 90 days.

For purposes of disclosure, the Company fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Company.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of three months. This period of three months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures.

The assessment whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an individual basis and on a portfolio basis.

The level of ECL that is recognised in these financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement.

21 Financial Risk Management (Continued)

Stage 1 - a financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs.

Stage 2 - if a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Company monitors whether that indicator continues to exist or has changed.

ECL for POCI financial assets is always measured on a lifetime basis. The Company therefore only recognises the cumulative changes in lifetime expected credit losses.

ECL provisions of other financial assets is insignificant as at 31 December 2020.

The Company has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: internal ratings are estimated on an individual basis but the same credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio; and (iii) assessment based on external ratings.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future month during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Company identified certain key economic variables that correlate with developments in credit risk and ECLs: GDP, inflation, exchange rate, oil price, and short-term economic indicator used for description of the economic development trend based on changes in the performance of primary sectors.

The impact of the relevant economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact that the changes in these variables historically had on the default rates and on the components of LGD and EAD.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected.

The Company regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit. Such back-testing is performed at least once a year.

The results of back-testing the ECL measurement methodology are communicated to Company Management and further steps for tuning models and assumptions are defined after discussions between authorised persons.

(b) Liquidity risk

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

21 Financial Risk Management (Continued)

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

In thousands of Kazakhstani Tenge	**Demand and less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 12 months to 5 years**	**Over 5 years**
At 31 December 2022					
Borrowings	6,253,163	39,393,540	28,773,925	44,194,568	108,235,398
Bonds	-	-	4,537,881	35,018,816	19,454,627
Other payables and accrued liabilities	411,954	249,749	-	-	-
Finance lease	29,333	58,666	263,995	1,552,627	-
Financial guarantee	10,665,014	-	-	-	-
Total future payments, including future principal and interest payments	**17,359,464**	**39,701,955**	**33,575,801**	**80,766,011**	**127,690,025**
At 31 December 2021					
Borrowings	3,538,077	26,623,982	7,644,574	90,004,396	111,716,515
Bonds	-	203,288	4,742,104	40,988,476	21,558,053
Other payables and accrued liabilities	1,168,623	153,860	-	32,343	-
Finance lease	-	-	352,000	1,561,849	-
Financial guarantee	11,026,026	-	-	-	-
Total future payments, including future principal and interest payments	**15,732,726**	**26,981,130**	**12,738,678**	**132,587,064**	**133,274,568**

(c) Market risk

Currency risk

Financial assets and liabilities of the Company are mainly denominated in Tenge, as a result, the Company is not significantly exposed to currency risk. However, the Company continues to monitor changes in the financial derivatives market to introduce a hedging structure in the future or, if necessary.

Interest rate risk

Interest rate risk arises from floating interest rate borrowings. The company is exposed to potential market risk to the level of inflation and the NBRK base rate. The Company carefully monitors changes in floating interest rates. At the same time, despite the increase in the NBRK base rate in 2022, the rate on existing loans has not changed. The Company has no formal agreements for the analysis and mitigation of risks related to changes in interest rates.

If at 31 December 2022 interest rates had been 20 basis points lower, with all other variables held constant, profit for the year would have been Tenge 346,424 thousand higher (2021: 129,447 thousand), mainly as a result of lower interest expense on floating interest rate liabilities and Tenge 346,424 thousand lower (2021: 129,447 thousand) as a result of higher interest expense floating interest rate liabilities.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the separate statement of financial position) less cash and cash equivalents.

21 Financial Risk Management (Continued)

Total capital is calculated as equity as shown in the separate statement of financial position plus net debt.

In thousands of Kazakhstani Tenge	Note	31 December 2022	31 December 2021
Total borrowings	13	175,007,617	197,821,633
Less:			
Cash and cash equivalents	10	(22,029,475)	(1,481,340)
Net borrowings		152,978,142	196,340,293
Total equity		427,963,863	432,279,357
Total equity		**580,942,005**	**628,619,650**
Gearing ratio		**26%**	**31%**

22 Fair Value Disclosures

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.

The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated 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.

	31 December 2022				31 December 2021			
In thousands of Kazakhstani Tenge	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
Assets								
Cash and cash equivalents	-	22,029,475	-	22,029,475	-	1,481,340	-	1,481,340
Fixed term deposits	-	1,304	-	1,304	-	5,804	-	5,804
Financial receivables	-	7,477,118	-	7,596,400	-	7,680,949	-	7,586,622
Dividends receivable	-	488	-	488	-	458	-	458
Loans issued	-	47,732,982	-	52,277,529	-	69,525,742	-	73,449,639
Receivables from employees	-	42,945	-	42,945	-	54,346	-	54,346
Total financial assets	**-**	**77,284,312**	**-**	**81,948,141**	**-**	**78,748,639**	**-**	**82,578,209**
Liabilities								
Borrowings	-	146,593,465	-	175,007,617	-	189,507,450	-	197,821,632
Lease liabilities	-	1,245,198	-	1,158,760	-	1,130,446	-	1,330,662
Financial payables	-	1,340,012	-	1,340,012	-	1,034,082	-	1,034,082
Total financial liabilities	**-**	**149,178,675**	-	**177,506,389**	**-**	**191,671,978**	**-**	**200,186,376**

Financial assets carried at amortised cost

The fair value of floating rate instruments approximates their carrying amount. 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.

22 Fair Value Disclosures (Continued)

Financial liabilities carried at amortised cost

The estimated fair value of fixed interest rate instruments with fixed maturities that do not have a quoted market price is determined based on estimated cash flows discounted at prevailing interest rates for new instruments with similar credit risk and maturities.

23 Events after the Reporting Period

In January 2023, the Company repaid interest under a credit line agreement with the Asian Development Bank under Tranche C in the amount of Tenge 882,425 thousand.

On January 18, 2023, the Company entered into an Agreement to open a credit line of 10 billion tenge with First Heartland Jusan Bank JSC.

On January 25, 2023, the Company repaid ahead of schedule the loan of Halyk Bank of Kazakhstan JSC in the amount of Tenge 4,000,000 thousand and accrued interest in the amount of Tenge 138,152 thousand.

On January 25, 2023, the Company repaid the principal and interest on a credit line with the European Bank for Reconstruction and Development in the amount of Tenge 1,730,800 thousand ahead of schedule.

In January and February 2023, the Company provided a short-term loan to Almaty Power Plants JSC in the amount of Tenge 4,000,000 thousand for up to 12 months at an interest rate of 11% per annum.

24 Earnings/(Loss) per Share

Basic earnings/(loss) per share are calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year. The Company has no dilutive potential ordinary shares; therefore, the diluted earnings per share equals the basic earnings per share.

In thousands of Kazakhstani Tenge	**2022**	**2021**
(Loss)/Profit for the year attributable to the Company's owners (in thousands of Kazakhstani Tenge)	(4,651,863)	15,229,017
Weighted average number of ordinary shares in issue	5,604,175	5,601,812
(Loss)/Profit for the year attributable to the Company's owners (rounded to Tenge)	**(830)**	**2,719**

Carrying value of one share

Pursuant to the resolution of the Exchange Council of Kazakhstan Stock Exchange JSC ("KASE") dated 4 October 2010, financial statements must contain data on the carrying amount of one share (ordinary and preferred) at the reporting date calculated in accordance with the rules approved by KASE. At 31 December 2022, this indicator calculated by the management of the Company based on the financial statements constituted to Tenge 75,857 (31 December 2021: Tenge 77,050). The table for calculating the carrying amount of one share is as follows:

In thousands of Kazakhstani Tenge	**2022**	**2021**
Total assets	607,634,859	632,873,167
Less: intangible assets	(697,765)	(659,057)
Less: total liabilities	(179,670,996)	(200,593,810)
Net assets for ordinary shares	**427,266,098**	**431,620,300**
Number of ordinary shares at 31 December	5,632,537	5,601,812
Carrying amount of one share, Tenge	75,857	77,050