



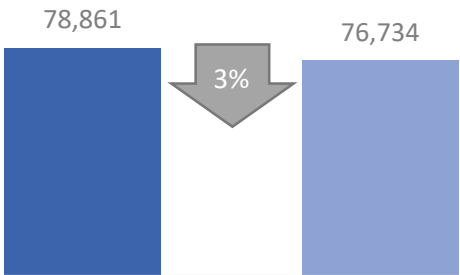
Samruk-Energy results for 9 months of 2019 year

Nur-Sultan, 2019

Main external factors that influenced on financial results of Samruk-Energy JSC



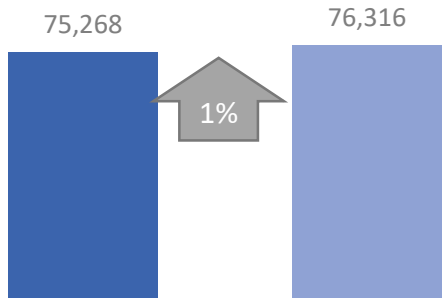
ELECTRICITY PRODUCTION IN KAZAKHSTAN ON THE WHOLE



ELECTRICITY PRODUCTION, MLN. TENGE

■ 9m 2018 ■ 9m 2019

ELECTRICITY CONSUMPTION IN KAZAKHSTAN ON THE WHOLE



ELECTRICITY CONSUMPTION

■ 9m 2018 ■ 9m 2019

	01.10.2018	30.09.2019	%
tenge/USD	363.07	387.63	107%

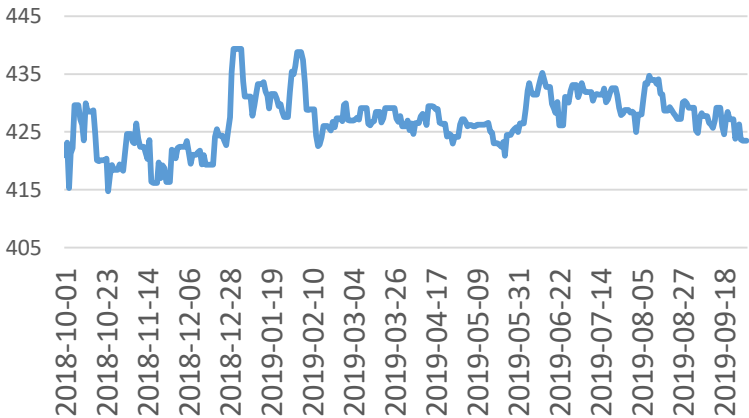
	01.10.2018	30.09.2019	%
tenge/EUR	420.91	423.49	101%

	01.10.2018	30.09.2019	%
tenge/RUB	5.52	6.02	109%

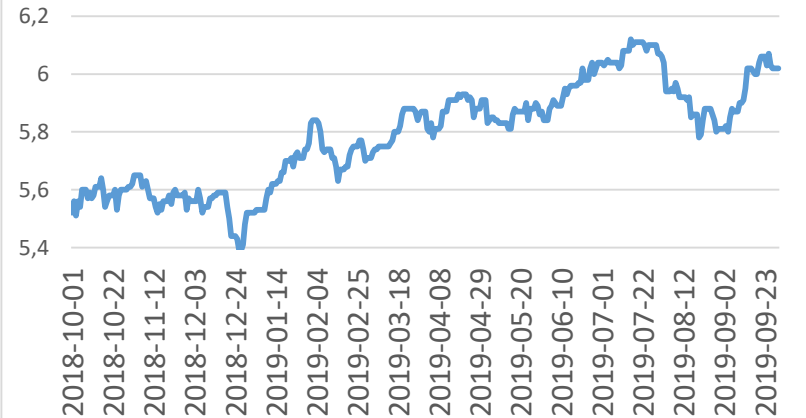
tenge/USD



tenge/EUR



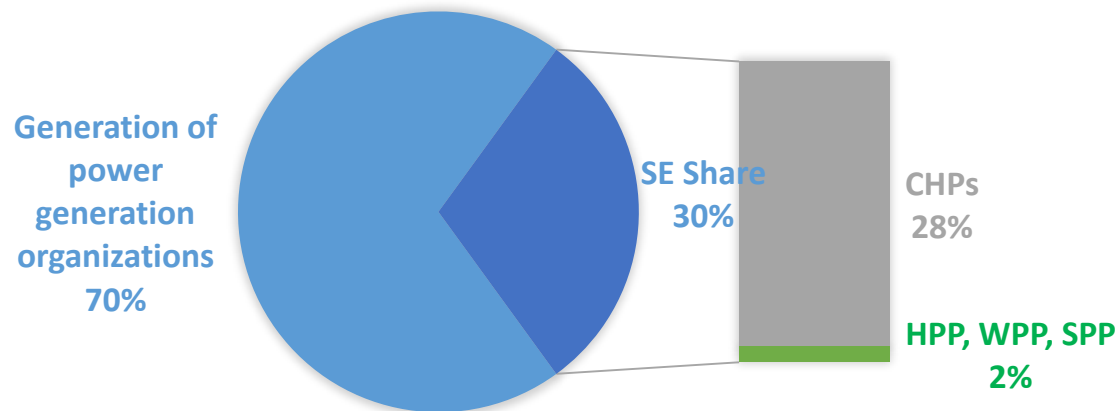
tenge/RUB



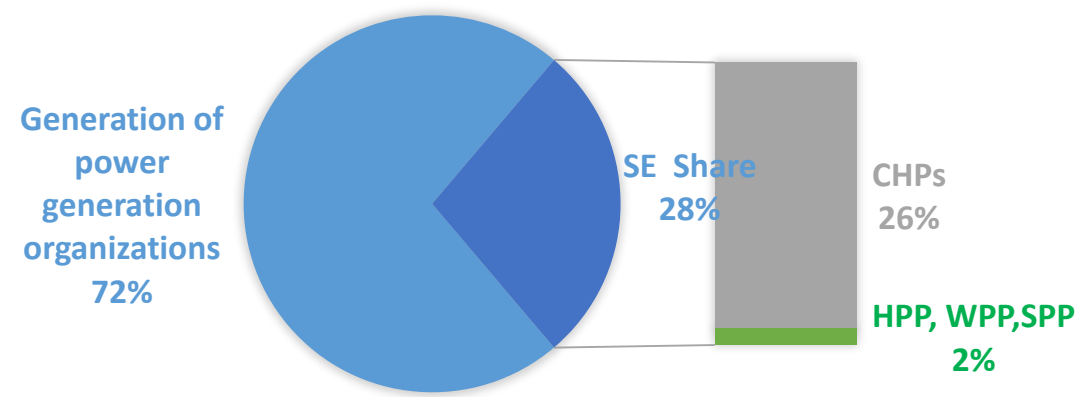
Significant events and changes in business

Date	Event
January 28, 2019	By the decision of the Sole Participant, Beibit Erkinbaevich Karymsakov was appointed Chairman of the Board of Directors of Samruk-Energy JSC
February 18, 2019	Samruk-Energy JSC made an early redemption on bonds of the second issue within the first bond program in the amount of 28.0 billion KZ
February 21 2019	The international rating agency Fitch Ratings affirmed the following ratings of Samruk-Energy JSC: Long-term credit ratings in foreign and national currency at the level of “BB”, the forecast is “Stable”; Short-term credit rating in foreign currency at the level “B”; National long-term rating at the level of “A + (kaz)”; forecast is “Stable”
February 22 2019	“Alatau Zharyk Kompaniyasy” JSC completed the transfer of loads from the substation “Gorny Gigant” to the modernized substation “Ermensay”
April 03, 2019	The Head of State signed the Law of the Republic of Kazakhstan “On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Special Economic and Industrial Zones, Attracting Investments, Development and Promotion of Export, and Social Security”, within the framework of which amendments were made to the Law of the Republic of Kazakhstan “On Electric Power” allowing JSC “Moinak HES” and JSC “AIES” (boiler No. 8 of CHP-2) to receive individual tariffs for capacity.
April 10, 2019	In the trading system of the Kazakhstan Stock Exchange, specialized trades were held for partial early redemption of bonds within the first bond program, following which Samruk-Energy JSC redeemed its bonds in the amount of 16,872,498 pcs in the amount of 17.9 billion tenge.
April 15, 2019	"Shardara HPP" JSC commissioned hydraulic unit No. 2
June 07, 2019	“Shardara HPP” JSC concluded a bilateral investment agreement with the Ministry of Energy of the Republic of Kazakhstan, taking into account the implementation of the program "Modernization of hydraulic units and auxiliary equipment" and approved individual tariffs for capacity from 2020 to 2028, with an average tariff of 3600 thousand tenge / MW*month.
June 17, 2019	By the order of the Minister of Energy of the Republic of Kazakhstan dated 06/17/19 No. 222, amendments were introduced to the Rules of the capacity market: the concept of “Register of groups of persons” was introduced, amendments were made to the methodology for calculating the volume of services provided by an energy producing organization to maintain the readiness of electric capacity, taking into account the volume of services of a group of persons and the sale (sale) of electricity to wholesale consumers who do not have capacity purchase agreements with a single purchaser. Thus, for Samruk-Energy power plants there is a risk of not generating full income from the capacity market in case of sale of electricity to wholesale consumers who do not have contracts for the purchase of capacity with a single purchaser.
June 24, 2019	Almat Kunzholovich Zhamiev was elected a member of the Board of Directors of Samruk-Energy JSC
June 29, 2019	In order to increase the volume of electricity sales and use of export potential, work was successfully carried out to bring Samruk-Energy JSC to the Central Asian electricity market. As a result, “Ekibastuz GRES-1” LLP and “National Electric Networks of Uzbekistan” JSC signed an electricity purchase and sale agreement providing for the export of electricity from June to December 2019. in the amount of 1.01 billion kWh.
July 2019	The order to amend the "Rules for the selection of investment programs ..." was signed by the Minister of Energy and is under consideration by the Ministry of Justice for compliance with the legislation of the Republic of Kazakhstan (legal examination) and for subsequent state registration. The introduced amendments provide for the procedure for submitting applications for obtaining an individual capacity tariff until September 1, 2019 (AIES JSC (boiler No. 8 of CHPP-2) and Moinakskaya HPP JSC), for approval of tariffs for 2020 and subsequent years.
July 15, 2019	Samruk-Energy JSC and the company in its structure, JSC Moynak HPP, carried out early repayment of a foreign currency loan of Moynak HPP in the amount of 136.3 million US dollars
September 25, 2019	In Almaty region, the construction of a solar power station (SES) with a capacity of 0.4 MW was completed.

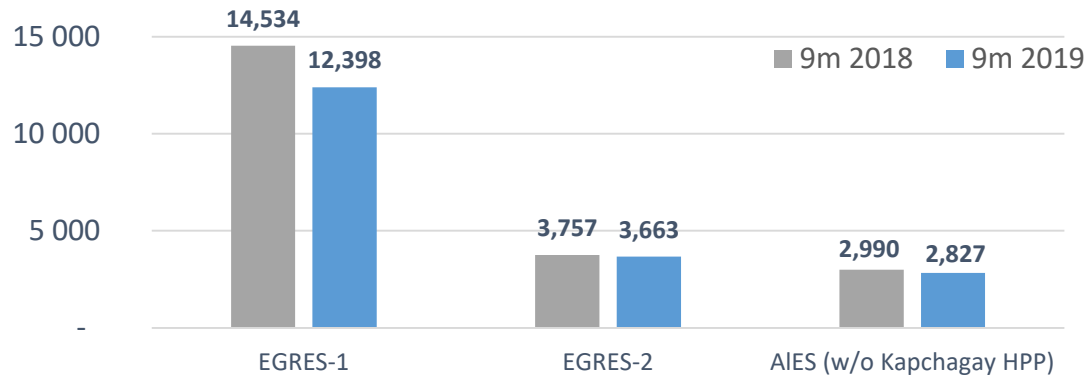
***SAMRUK-ENERGY SHARE IN TOTAL ELECTRICITY GENERATION IN RK FOR 9 MONTHS OF 2018**



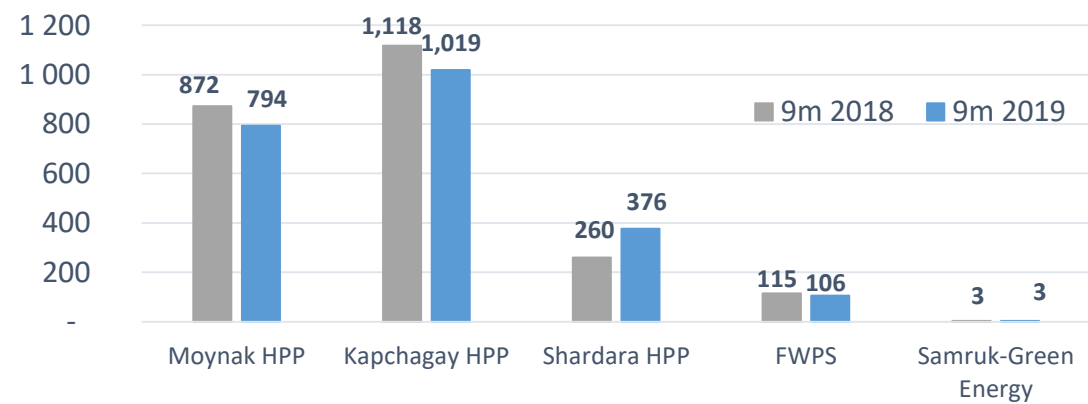
***SAMRUK-ENERGY SHARE IN TOTAL ELECTRICITY GENERATION IN RK FOR 9 MONTHS OF 2019**

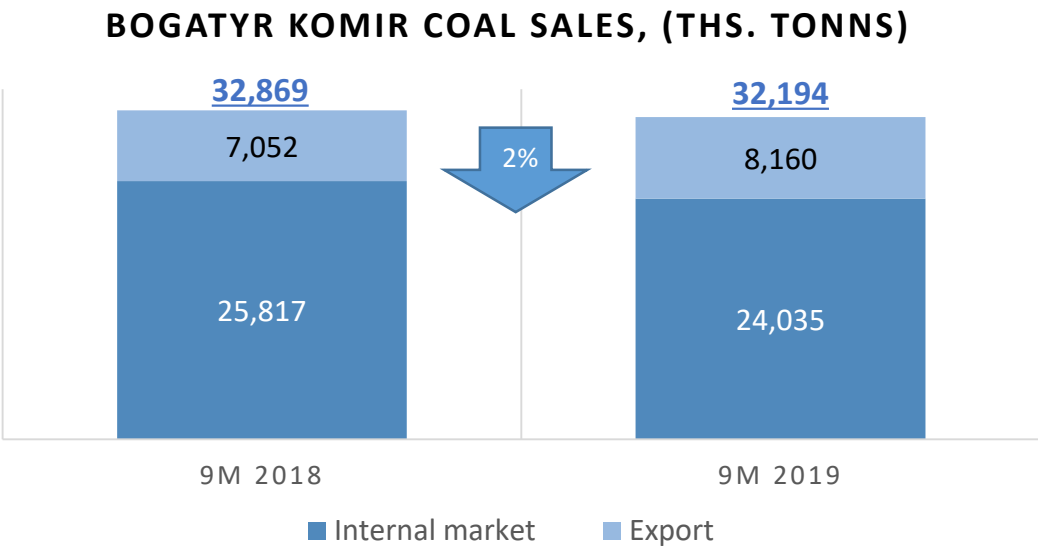
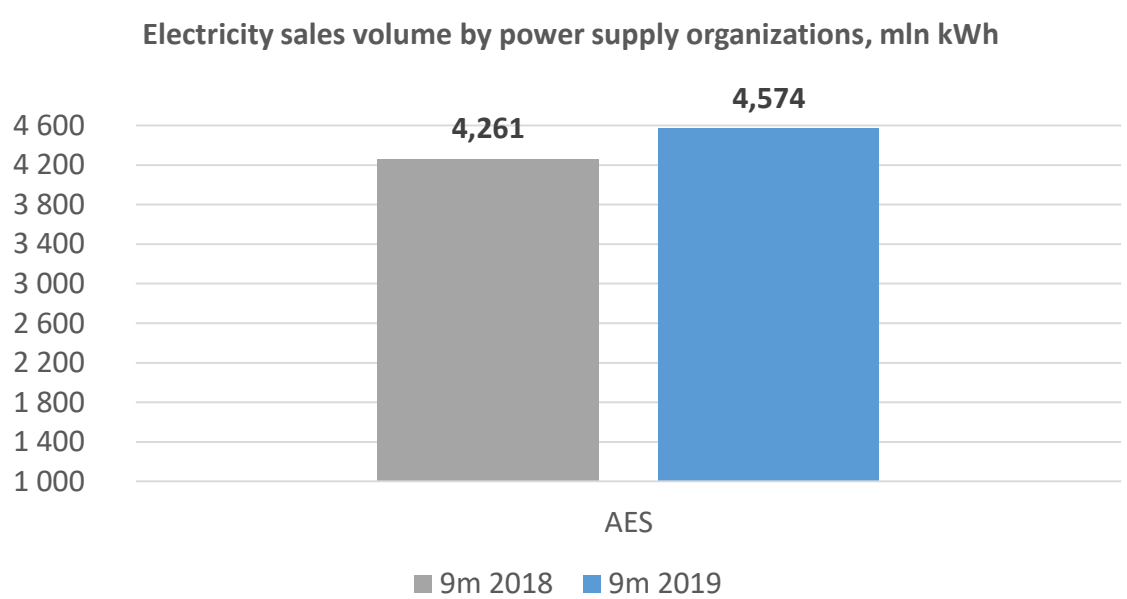
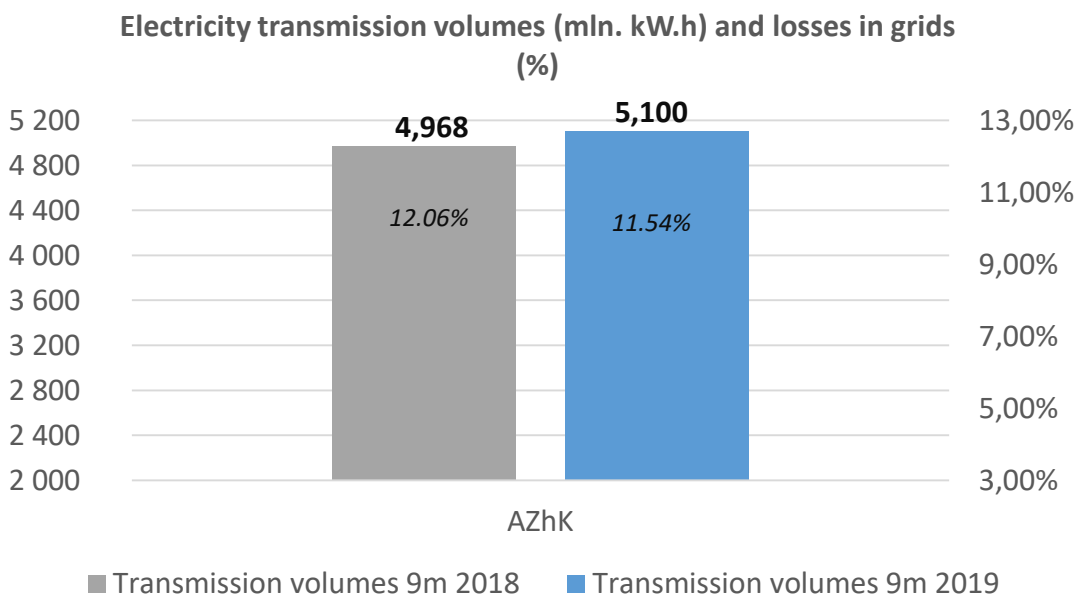


Electricity generation volume (mln. kWh) by CHPs



Electricity generation volume (mln. kWh) by HPP, WPP, SPP

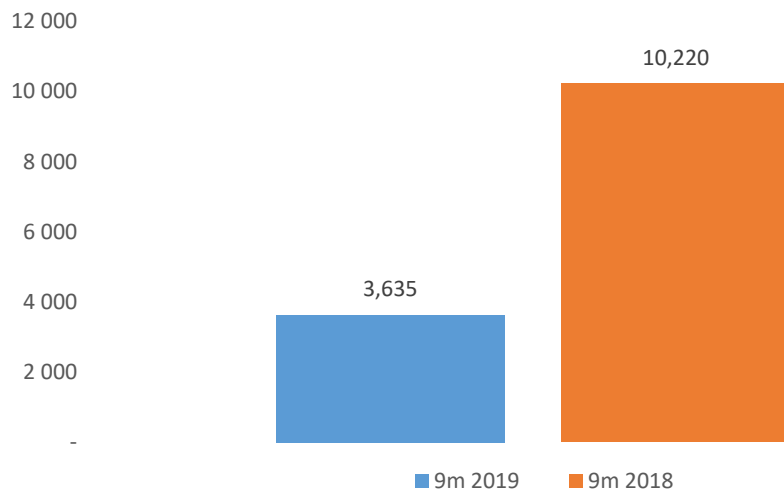




Significant changes in the Profit and Loss Statement

<i>In tenge million</i>	9m 2019	9m 2018	Change	%	<i>In tenge million</i>	9m 2019	9m 2018	Change	%
Continuing activities					Financing revenue	1,825	1,675	150	9%
① Revenue	171,254	192,107	(20,853)	-11%	Financing costs	(24,749)	(24,712)	37	0%
② Production costs	(138,542)	(134,348)	4,194	3%	Other nonoperation profit/loss	829	1,004	(175)	-17%
Gross profit	32,713	57,760	(25,047)	-43%	Loss from impairment, net	1,257	115	1,142	997% ⑥
③ General and administrative costs	(8,424)	(9,638)	(1,215)	-13%	Share in profits of JVs and associates, net	9,128	7,686	1,442	19% ⑦
④ Sales costs	(5,296)	(11,393)	(6,096)	-54%	FX profit/loss, net	(228)	(5,495)	5,267	96% ⑧
⑤ Operating profit	18,993	36,728	(17,736)	-48%	Profit/(loss) before income taxes	7,055	17,001	(9,946)	-59%
					Income tax expense	(3,420)	(6,648)	(3,229)	-49%
					Net income from continuing operations	3,635	10,353	(6,717)	65%
					Profit (loss) from discontinued operations	-	(133)	133	100%
					Net income for the period	3,635	10,220	(6,585)	-64%
					Net income for:				
					Shareholder of the parent company	3,426	10,045	(6,619)	-66%
					Non-controlling interest	209	175	34	20%
						3,635	10,220	(6,585)	-64%

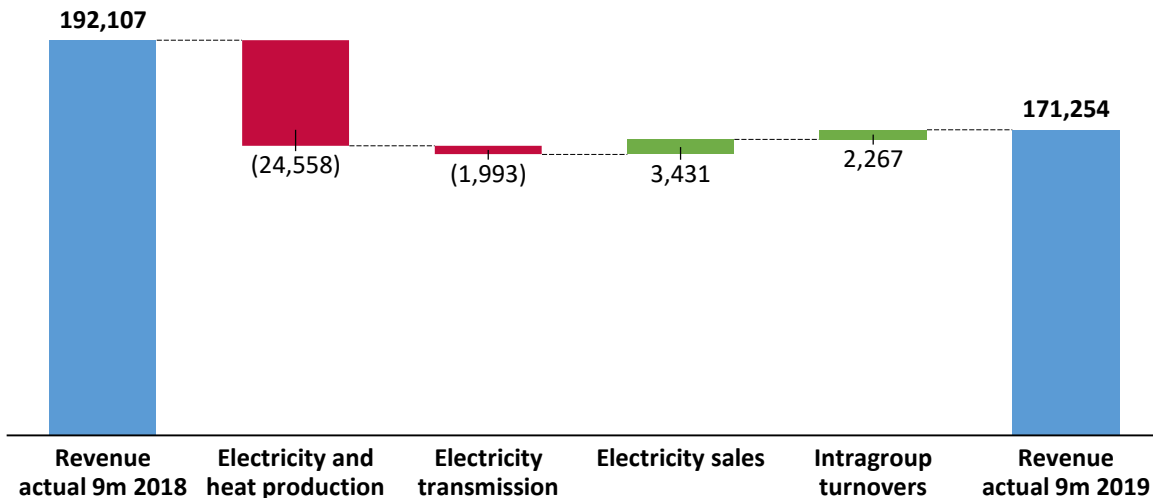
Net Income, mln tenge



Comments:

- ① The main factors of revenue change are indicated in slide #7;
- ② ③ ④ ⑤ The change in production cost, sales costs, G&A and operating profit is detailed on slide #8;
- ⑥ The decrease in losses from impairment of assets is mainly associated with Corporate Center due to the income from recovery of asset impairment due to repayment of debt of Energya Semirechya to Samruk-Green Energy (by agreement SGE assigns the right to claim over financial assistance to Corporate Center) and Tauba Invest, LLP due to the sale of collateralized property);
- ⑦ Share in profits from JVs and associates is detailed on slide #9;
- ⑧ Positive dynamics of changes in foreign currency exchange costs due to early repayment of a foreign currency loan of Shardara HPP in 2019.

Revenues for 9 months of 2019 amounted to 171,254 mln tenge, a decrease compared to the same period of 2018 is amounted to (20,853) mln tenge or 11%.



MAIN FACTORS OF REVENUE CHANGES

Electricity and heat production



Electricity transmission and distribution



Electricity sales:



Intragroup turnovers impact:



The main changes occurred in the following types of revenue:

(11,169) mln tenge – decrease in revenue due to reduction in volumes of electricity and heat of EPO:

- **GRES-1** for (7,883) млн. тенге. A decrease of (16,617) mln tenge due to decrease in export volumes by (3,208) mln kWh, an increase of 8,712 mln tenge is due to an increase in electricity sales in RK by 1 209 mln kWh;
- **AIES** for (3,442) mln tenge. Decrease of (2,023) mln tenge is due to the decrease in electricity sales, including at the Kapshagai hydroelectric station due to decrease in water inflow on the Ili River (235 mln kWh); A decrease of (1,420) mln tenge is due to the decrease in sales of heat (354 ths Gcal) due to the temperature regime;
- **MGES** for (725) mln tenge. Decrease in volumes of electricity sales due to decrease in inflow on the Charyn River (76 mln kWh);
- **FWPP** for (264) mln tenge. Decrease in electricity sales is due to the failure of wind turbines No. 5 and No. 21 (9 mln kWh);
- **SharGES** for 1,142 million tenge. Growth in electricity sales is due to the commissioning of hydraulic units No. 1,2 (120 mln kWh);

(13,388) mln. tenge - decrease in revenue due to changes in tariffs for EPO :

- **GRES-1** for (12,419) mln tenge. Decrease of (14,895) mln tenge is due to decrease in the weighted average tariff in RK by 18% occurred due to the introduction of the capacity market from January 1, 2019. An increase of 2,453 mln tenge due to the increase of export tariff as a result of start of export to Uzbekistan;
- **SharGES** for (2,143) mln tenge. Decrease in the average weighted tariff by 60% (from 9.50 tenge/kWh to 3.83 tenge/kWh) due to the introduction of the capacity market. In 2018, SharGES sold electricity at an individual tariff;
- **MGES** for (407) mln tenge. Decrease in the average weighted tariff by 5% occurred due to the introduction of the capacity market; due to the approval of electricity tariff in amount less than in the same period of 2018;
- **FWPP** for 181 mln tenge. Increase in the tariff from 28.31 to 30.03 tenge/kWh (6% increase) is associated with the indexation of tariffs for renewable energy sources;
- **AIES** for 1,392 mln tenge. Decrease in revenue due to the introduction of a compensating tariff for heat (decrease in gas prices). A 12% increase in the weighted average tariff for electricity was due to the introduction of the capacity market.

(1,993) mln tenge – decrease in revenue due to reduction in tariff for REC (AZhK):

(2,782) mln tenge was due to a decrease in the tariff from 5,95 tenge/kWh to 5.40 tenge/kWh as a result of the introduction of a compensating tariff.

+789 mln. tenge. Increase due to the growth of electricity transmission volumes by 3%

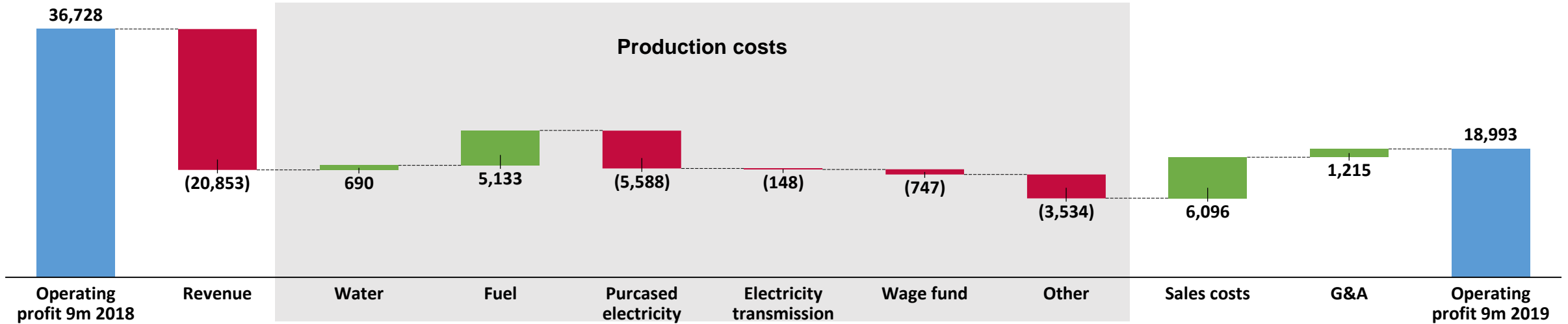
+3,431 mln tenge – an increase in revenue due to increase in volume of energy sales of ESO (AES):

+5,135 mln tenge. Increase in electricity sales by 313 mln kWh;

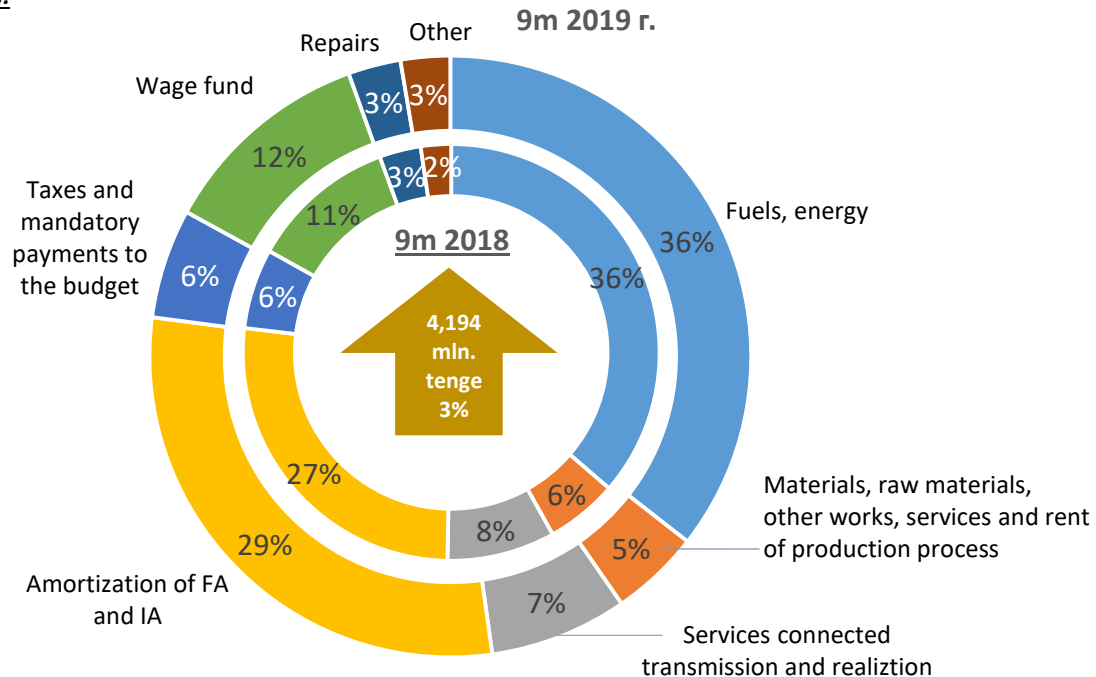
(1,704) mln tenge. Reduction of sales tariffs from 16.40 tenge/kWh to 16.03 tenge/kWh (2% decrease)

+2,213 mln tenge – decrease in intragroup purchase of AES, due to the fact that capacity availability service is purchased from the RFC.

ANALYSIS OF OPERATING PROFIT FOR 9 MONTHS OF 2019 COMPARED TO THE SAME PERIOD OF 2018



Structure of production costs:



Consolidated operating profit for 9 months of 2019 amounted to 18,993 mln tenge, which is 48% or 17 736 mln tenge lower than the previous period. The main changes occurred due to the following factors:

(4,194) mln tenge– Production costs:

+690 mln tenge - Water: GRES-1 due to decrease in production volumes, as well as AIES due to adjustment of expenses of previous periods as a result of reduction in water tariff of GKP «Almaty Su».

+5,133 mln tenge - Fuel: Decrease in coal due to decrease in electricity production volumes of GRES-1. Decrease in gas due to lower prices for commercial gas compared to the last year.

(588) mln tenge- Purchased electricity- the increase in AES and AZhK is due to launch of a capacity market and the division of the tariff into electricity and capacity components. Payment for capacity is made to the RFC. Previously, these expenses were completely intragroup and were eliminated; at the moment, the costs of capacity are not intragroup and are not eliminated.

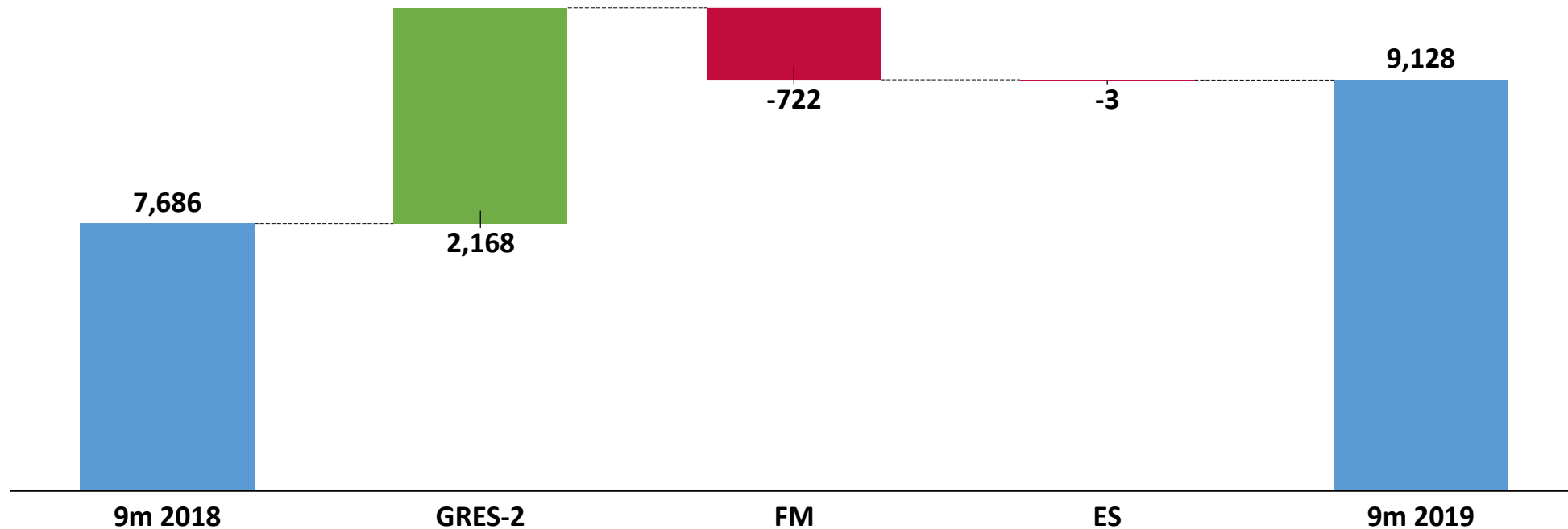
(148) mln tenge– Electricity transmission – the increase due to the growth of sales volume of AES.

(747) mln tenge – Wage fund – the increase due to the indexation of salary.

(334) mln tenge– Other – the increase due to the growth of amortization costs.

+6,096 mln tenge – Sales costs: The main reason of the decrease of costs is the decrease of electricity transmission costs due the decrease of export (in 2018 export to Russia – 3,757 mln kWh, in 2019 export to Uzbekistan – 550 mln. kWh);

+1,215 mln tenge – General and administrative expenses: The main reason for the decline is that in 2018 expenses for EXPO-2017 were accrued to GRES-1, and in 2018 there were expenses for creating reserves according with IFRS 9 “Financial Instruments”.



The share profit for the 9 month of 2019 was 9,128 million tenge, an increase of 1,442 million tenge compared to the same period of the previous year

The main changes occurred by :

- GRES-2 –the loss for the 9 months of 2019 amounted to (1,126) million tenge, while the loss for the 9 months of 2018 (2,828) million tenge, the decrease in the loss by 1,702 million tenge compared to the same period last year was mainly due to the increase in operating profit of 9month 2019 by 1,283 million tenge (50%) due to the growth of an average weighted tariff and decrease in expences on exchange rate, while there was an increase in financing costs in the amount of 502 million tenge (50%). Also in the 9 months of 2019 for GRES-2, an adjustment was made for the accrued reserve in the amount of 466 million tenge in accordance with IFRS 9 “Financial Instruments”.
- Forum Muider (50%) - profit for the 9 months of 2019 amounted to 9,792 million tenge, profit for the 9 months of 2018 amounted to 10,514 million tenge, a decrease of 722 million tenge was mainly due to a decrease in the volume of coal sold by Bogatyr-Komir LLP in the domestic market by 1,783 thousand tons (7%) and a decrease in the selling price by 0.4% in the domestic market compared to the same period last year.