



**SAMRUK-ENERGY JSC**

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

**30 June 2021**

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

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

### **Introduction**

We have reviewed the accompanying condensed separate interim statement of financial position of JSC Samruk-Energy (the "Company") as at 30 June 2021 and the related condensed separate interim statement of profit or loss and other comprehensive income for the three-month and six-month period then ended, condensed separate interim statements of changes in equity and cash flows for the six-month period then ended and the related explanatory notes. Management is responsible for the preparation and presentation of this condensed separate interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed separate interim financial statements based on our review.

### **Scope of Review**

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

### **Conclusion**

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

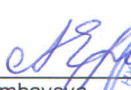
*PricewaterhouseCoopers LLP*

6 August 2021  
Almaty, Kazakhstan


**SAMRUK-ENERGY JSC**  
**Condensed Separate Interim Statement of Financial Position**

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2021 (unaudited)	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		283,971	311,258
Intangible assets		571,506	636,073
Right-of-use assets		1,250,019	1,397,421
Investments in subsidiaries, jointly controlled entities and joint ventures	5	546,798,958	548,148,318
Loans given	6	39,164,368	39,172,956
Other non-current assets	7	690,793	2,236,269
<b>Total non-current assets</b>		<b>588,759,615</b>	<b>591,902,295</b>
<b>Current assets</b>			
Inventories		68,893	46,544
Loans given	6	10,896,903	18,993,146
Other current assets	8	22,292,796	8,756,460
Cash and cash equivalents	9	1,170,489	1,595,249
<b>Total current assets</b>		<b>34,429,081</b>	<b>29,391,399</b>
<b>TOTAL ASSETS</b>		<b>623,188,696</b>	<b>621,293,694</b>
<b>EQUITY</b>			
Share capital	10	376,045,927	376,045,927
Other reserves		89,328,998	89,328,998
Accumulated deficit		(26,481,133)	(45,082,442)
<b>TOTAL EQUITY</b>		<b>438,893,792</b>	<b>420,292,483</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	11	146,758,710	150,421,544
Lease liabilities		943,484	1,056,677
Other non-current liabilities	17	1,220,502	1,304,607
<b>Total non-current liabilities</b>		<b>148,922,696</b>	<b>152,782,828</b>
<b>Current liabilities</b>			
Borrowings	11	33,935,276	45,993,024
Lease liabilities		427,452	417,342
Other payables and accrued liabilities		963,070	1,718,188
Other taxes payable		46,410	89,829
<b>Total current liabilities</b>		<b>35,372,208</b>	<b>48,218,383</b>
<b>TOTAL LIABILITIES</b>		<b>184,294,904</b>	<b>201,001,211</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>623,188,696</b>	<b>621,293,694</b>
Carrying value of one ordinary share	20	78,247	74,914

Signed on behalf of the Management on 6 August 2021

  
Aigul Y. Akimbayeva  
Co-Managing Director on  
Economics and Finance



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

The accompanying notes are an integral part of these financial statements

**SAMRUK-ENERGY JSC**  
**Condensed Separate Interim Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>6 months ended 30 June 2021 (unaudited)</b>	<b>6 months ended 30 June 2020 (unaudited)</b>	<b>3 months ended 30 June 2021 (unaudited)</b>	<b>3 months ended 30 June 2020 (unaudited)</b>
Dividend income	12	32,664,854	32,087,553	30,745,945	1,459,842
Other operating income and expense, net	5	4,049	(3,149,579)	9,436	(3,147,930)
General and administrative expenses	13	(2,698,187)	(2,431,838)	(1,375,241)	(1,128,312)
<b>Operating profit/(loss)</b>		<b>29,970,716</b>	<b>26,506,136</b>	<b>29,380,140</b>	<b>(2,816,400)</b>
Net (impairment)/reversal of financial assets		(590,835)	49,652	(666,159)	64,895
Finance income	14	4,277,866	4,064,490	1,791,092	2,111,035
Finance costs	15	(11,478,374)	(11,946,845)	(5,631,327)	(5,966,976)
<b>Profit/(loss) before tax</b>		<b>22,179,373</b>	<b>18,673,433</b>	<b>24,873,746</b>	<b>(6,607,446)</b>
Income tax expense	16	(335,921)	(34,105)	(69,493)	(21,944)
<b>Profit/(loss) for the period</b>		<b>21,843,452</b>	<b>18,639,328</b>	<b>24,804,253</b>	<b>(6,629,390)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>21,843,452</b>	<b>18,639,328</b>	<b>24,804,253</b>	<b>(6,629,390)</b>

The accompanying notes are an integral part of these financial statements

**SAMRUK-ENERGY JSC**  
**Condensed Separate Interim Statement of Changes in Equity**

<i>In thousands of Kazakhstani Tenge</i>	<b>Note</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated deficit</b>	<b>Total equity</b>
Balance at 1 January 2019		373,314,888	91,643,030	(54,741,536)	410,216,382
Profit for the period (unaudited)		-	-	18,639,328	18,639,328
<b>Total comprehensive income for the period (unaudited)</b>		<b>-</b>	<b>-</b>	<b>18,639,328</b>	<b>18,639,328</b>
Capital contributions		2,731,039	(1,500,000)	-	1,231,039
Dividends declared		-	-	(3,066,231)	(3,066,231)
<b>Balance at 30 June 2020 (unaudited)</b>		<b>376,045,927</b>	<b>90,143,030</b>	<b>(39,168,439)</b>	<b>427,020,518</b>
Balance at 1 January 2021		376,045,927	89,328,998	( 45,082,442)	420,292,483
Profit for the year (unaudited)		-	-	21,843,452	21,843,452
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>21,843,452</b>	<b>21,843,452</b>
Dividends declared	11	-	-	(3,242,143)	(3,242,143)
<b>Balance at 30 June 2021 (unaudited)</b>		<b>376,045,927</b>	<b>89,328,998</b>	<b>(26,481,133)</b>	<b>438,893,792</b>

The accompanying notes are an integral part of these financial statements

**SAMRUK-ENERGY JSC**  
**Condensed Separate Interim Statement of Cash Flows**

<i>In thousands of Kazakhstani Tenge</i>	Note	6 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)
<b>Cash flows from operating activities:</b>			
Profit before tax		22,179,373	18,673,433
Adjustments for:			
Dividend income	13	(32,664,854)	(32,087,553)
Depreciation and amortization		259,897	252,912
Finance costs	15	11,478,374	11,946,845
Finance income	14	(4,277,866)	(4,064,490)
Foreign exchange loss		8,066	2,326
Net loss on impairment of assets		590,835	3,096,348
<b>Cash flows used in operating activities before working capital changes:</b>			
		<b>(2,426,175)</b>	<b>(2,180,179)</b>
(Decrease)/increase of inventories		(22,349)	1,305
Decrease in trade receivables and other current assets		284,098	34,618
Decrease in other payables		(754,512)	(193,895)
Decrease in other taxes payable		(16,080)	(63,155)
<b>Cash used in operating activities</b>			
		<b>(2,935,018)</b>	<b>(2,401,306)</b>
Income tax paid		(345,932)	(68,872)
Dividends received		18,753,595	13,827,832
Interest paid		(6,845,763)	(6,758,988)
<b>Net cash from operating activities</b>			
		<b>8,626,882</b>	<b>4,598,666</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(30,640)	(193,979)
Borrowings and financial aid provided to subsidiaries	6	(2,700,000)	(4,601,000)
Contribution to equity of subsidiaries		(767,149)	(2,121,422)
Placement of bank deposits, net		(500)	-
Interest received		2,428,616	2,967,267
Proceeds from repayment of financial aid provided to subsidiaries	6	10,705,746	9,182,537
Proceeds from repayment of financial instruments	6	101,433	24,590
Repayment of receivables - Tauba Invest LLP	8	-	193,601
Proceeds from sale of financial instruments	6	192,300	192,300
Repayment of receivables under financial guarantee issued to First Wind Turbine LLP	7	2,170,417	-
<b>Net cash from investing activities</b>			
		<b>12,100,223</b>	<b>5,643,894</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings	11	67,660,000	16,710,342
Repayment of borrowings	11	(82,872,058)	(23,781,118)
Repayment of loans from Samruk-Kazyna	11	(2,586,856)	(2,381,109)
Lease principal repayment		(103,083)	(135,502)
Dividends paid to the Shareholder	10	(3,242,143)	-
Other payments		-	(30,557)
<b>Net cash used in financing activities</b>			
		<b>(21,144,140)</b>	<b>(9,617,944)</b>
Foreign exchange difference effect on cash and cash equivalents		(7,848)	3,450
Change in impairment allowance		123	(131)
<b>Net decrease/(increase) in cash and cash equivalents</b>			
		<b>(424,760)</b>	<b>627,935</b>
Cash and cash equivalents at the beginning of the year	9	1,595,249	1,298,005
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9</b>	<b>1,170,489</b>	<b>1,925,940</b>

The accompanying notes are an integral part of these financial statements

## **1 The Company and Its Operations**

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

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

### **Principal activity**

The Company is a holding company (the "Company"), including a number of companies (Note 5), which is engaged in production of electricity, heat and hot water using coal, hydrocarbons, water resources and renewable energy sources ("RES"), sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, and lease of hydro power plants' property.

Registered address and place of business of the Company: 15A Kabanbay Batyr Avenue, Nur-Sultan city, Republic of Kazakhstan.

### **Operating environment**

In general, the economy of the Republic of Kazakhstan continues to display characteristics of an emerging market. Its economy is particularly sensitive to fluctuations in prices on oil and gas prices and other commodities, which constitute a major part of the country's export. These characteristics include, but are not limited to, the existence of national currency that is not freely convertible outside of the country and a low level of liquidity of the securities market.

The volatility of exchange rate causes and may continue to cause a negative impact on the economy of the Republic of Kazakhstan, including decrease in liquidity and creation of difficulties in attracting of international financing. As of 30 June 2021, the official exchange rate used to translate balances in foreign currency was Tenge 427.89 for 1 US dollar (31 December 2020: Tenge 420.91 for 1 US dollar).

Management is confident that it is taking necessary measures to ensure sustainability and growth of the Company's and Group's operations in current circumstances. Future economic situation and regulatory base may differ from current management expectations.

### **COVID-19**

Samruk-Energy JSC have taken all the necessary measures aimed at the prevention of the spread of coronavirus infection among the employee of the Group. The following measures have been taken:

- compliance with the enhanced sanitary and disinfection regime at the Group's enterprises.
- communication was organized regarding the need for vaccination against coronavirus infection.

The work performed helped to ensure the uninterrupted operation and maintain production capacity. As of the date of these condensed interim separate financial statements, situation related to COVID-19 is still evolving, with no significant effect on the Company's revenue and deliveries to date.



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

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

These condensed separate interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 "Interim financial statements".

These condensed separate interim financial statements are unaudited and do not include all information that should be disclosed in the annual financial statements. The Company did not disclose information, which would significantly duplicate information presented in the audited annual separate financial statements for 2020 prepared in accordance with International Financial Reporting Standards (IFRS) (such as accounting policies and similar data on items not subject to significant changes in terms of amounts or composition).

Management believes that disclosures presented in these condensed separate interim financial statements provide sufficient information provided that these statements are read in conjunction with the financial statements for the year ended 31 December 2020. According to management, these condensed separate interim financial statements include all adjustments required for the authentic presentation of the financial position, operating results, statements of changes in equity and cash flows of the Company for the interim reporting period.

Management has prepared these condensed separate interim 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 the Government support.

These condensed separate interim financial statements do not include any adjustments to the carrying amounts of assets and liabilities, income and expenses, or the classification of the condensed consolidated interim statement of financial position, which would be necessary in the event of an inability to continue operating, such adjustments could be material.

## **3 Critical Accounting Estimates and Judgements in Applying Accounting Policies**

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

The applicable critical accounting estimates and judgments correspond to those applied in the preparation of the annual financial statements for the year ended 31 December 2020.

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

The applicable critical accounting estimates and judgments correspond to those applied in the preparation of the annual financial statements for the year ended 31 December 2020.

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

At the end of each reporting date the 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 recognized 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.

Determining the presence of impairment indicators of non-financial assets also requires the use of judgments and estimates in determining possible technological obsolescence of fixed assets, discontinued operations, residual useful lives, and other changes in operating conditions.

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

Under IAS 36, one of the possible impairment indicators is the presence of significant changes that had negative consequences for the Company 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.

The measures aimed at containment and mitigation of COVID-19 impacts severely restrict business operations in Kazakhstan, and adversely impact the Group's business and customers, the national and international economy, and may continue to do so for an indefinite period. Accordingly, such circumstances may reduce future cash flows or increase operating and other expenses and affect the way the Government regulates electricity tariffs to support the economy.

As of 30 June 2021, the Company's management carried out an analysis as to whether there were impairment indicators in its investments in subsidiaries, including its investments in Ekibastuz GRES-1 named after Bulat Nurzhanov LLP (hereinafter referred to as EGRES-1), Alatau Zharyk Company JSC ("AZhC"), Almaty Power Stations JSC ("AIES"), Tegis Munay LLP ("TM") and the joint venture JSC "Station Ekibastuzskaya GRES-2" (hereinafter "SEGRES-2").

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;
- changes in interest rates on loans and long-term inflation rate are not significant;
- lack of significant changes having adverse consequences for subsidiaries, which occurred during the period or may presumably occur in the nearest future;
- the forecasted mid-term growth of demand for electricity in northern and southern areas of the Republic of Kazakhstan
- increase in cap tariffs for electricity for energy producing organizations ("EPOs") from the 1<sup>st</sup> of April 2021 according to the Order of the Minister of Energy of the RoK No.108 dated 30 March 2021 considering profitability rate within Methodology for determining the rate of return for all Group's EPO;
- positive changes in legislation in the area of power energy in terms of introduction from the 1<sup>st</sup> of July 2021 of the mechanism of "through" markup to support the use of renewable energy sources ("RES"), which covers the costs of EPOs for the purchase of RES electricity;
- positive forecast for Brent oil prices for a five-year period according to the data of international analytical agencies.

Based on the analysis performed with respect to internal and external impairment indicators, the Company's management concluded that there are no impairment indicators as of the analysis date. Therefore, the Company's management decided not to perform the impairment test of non-financial assets at 31 May 2021. As of 30 June 2021, management believes that there were no events that could cause a negative impact on the results of test performed.

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

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

For the execution of the instructions of the President of RK on taking actions to minimize emissions to the atmosphere, the Group is developing feasibility study ("FS"). At the first stage of the project, four modernization options for CHP-2 with the minimization of the environmental impact have been considered: transition of the existing boilers to gas flaring, reconstruction of the existing boilers with the installation of gas-handling equipment, extension of CHP-2 with the construction of CCGT plants and installation of additional gas-handling equipment without transition to natural gas and construction of a new gas-based plant.

In 2020, as a result of comparison of the implementation cost and environmental emissions, the first option of the reconstruction of existing boilers with their transition to gas flaring has been selected. In 2021, a negative report was received from "Gosexpertise" RSE on this option.

On 31 May 2021, the Government of RK headed by the Prime-Minister, Mamin A.U., approved proposal on construction of combined cycle gas turbine unit of the capacity of 600 MW (hereinafter – the "CCGT plant") at the site of Almaty CHP-2. Deadline for the adjustment of project's FS with the receipt of report on comprehensive extradepartmental expertise is set by the end of 2021.

The Prime-Minister has also put "Samruk-Energy" JSC jointly with the Ministry of Energy, under the established procedure, in charge of continuing the work on raising bank borrowings to finance the project of construction of CCGT plant at the site of Almaty CHP-2 with transition to gas, including provision of gas infrastructure.

The Prime-Minister instructed the Ministry of Energy jointly with interested state bodies, JSC "SWF"Samruk-Kazyna" to work out the issue of making amendments to the Law of RK "On Power Energy" in terms of enabling the implementation of projects for the operating energy-producing organizations aimed at the settlement of ecological situation through the mechanism of electrical power market. Draft amendments to the Law of RK "On Power Energy" will be submitted to the Majilis of the Parliament of RK for consideration in September 2021. Making amendments to legislation will ensure for the Group the return of borrowings and return on investments in future using the mechanism of electrical power market. Based on the abovementioned, currently there is not a detailed project implementation plan and no defined financing sources, as well as changes in the legislative base due to the lack of FS with a positive state expertise report.

Also, we note that in the event of the construction of the CCGT plant, more than 50 percent of the property, plant and equipment of CHP-2 will remain in operation, and the rest of the property, plant and equipment, such as the technological equipment of the boiler, turbine and fuel-transport shops will be in reserve in case of gas supply interruptions or termination of the CCGT plant operation due to long-term repairs. The costs of maintaining the existing assets of CHP-2 will be charged to current costs and reimbursed through the electricity tariff.

Based on the analysis performed, the Company's management concluded that there are no impairment indicators of investments as of the analysis date.

#### ***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 significant activities. Since 2017, creditors and suppliers have repeatedly sued due to the insolvency of BTPP, which in turn led to the seizure of property, and also significantly limited the activities of BTPP.

Due to the enactment of quarantine measures and actions taken by state to support national economy, according to the Decree of the Government of the Republic of Kazakhstan dated 14 July 2020 No.443 it was ordered to suspend until 1 October 2020 the bringing before the court by creditors represented by public authorities and quasi-public sector entities of bankruptcy petitions with respect to legal entities and individual entrepreneurs, hence BTPP bankruptcy procedure has been temporarily suspended. As of 30 June 2021, legal proceedings on BTPP are not settled in full yet due to the creditors' rights for cassation appeal, thus according to the management, the Company does not have control and investments in BTPP are impaired in full.

#### 4 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. Transactions with the state owned entities are not disclosed when they are entered into in the ordinary course of business in compliance with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Company's services are provided on the standard terms available for all customers, or iii) where there is no choice of supplier of such services as electricity transmission services, telecommunications etc.

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.

The outstanding balances with related parties as at 30 June 2021 are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loan given to subsidiaries	-	-	48,447,316
Interest receivable on loans issued	-	-	219,282
Dividends receivable	-	-	13,910,810
Trade and other payables	-	9,701	370,466
Borrowings and bonds	68,169,313	-	24,176,120

The outstanding balances with related parties as at 31 December 2020 are as follows:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Loan given to subsidiaries	-	-	56,246,478
Trade and other receivables	-	-	1,542,542
Interest receivable on loans issued	-	-	405,887
Dividends receivable	-	-	449
Trade and other payables	-	7,372	297,753
Borrowings and bonds	67,887,857	-	38,411,690

The income and expense items with related parties for six months ended 30 June 2021 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividend income	-	-	32,664,854
Finance income	-	-	3,692,000
Finance costs	3,591,066	-	1,849,428
Impairment costs, (net)	-	-	(3,524)
General and administrative expenses	-	42,633	372,879
Net foreign exchange loss	-	-	(442)

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

The income and expense items with related parties for six months ended 30 June 2020 were as follows:

<i>In thousands of Kazakhstani Tenge</i>	Shareholder	Companies under common control	Subsidiaries and joint ventures
Dividend income	-	-	32,087,553
Finance income	-	-	3,292,034
Finance costs	(3,355,948)	-	(2,432,030)
Impairment costs, (net)	-	-	(3,156,067)
General and administrative expenses	-	16,690	(389,397)
Net foreign exchange loss	-	-	(2,181)

The Company has also issued guarantees to subsidiaries as indicated in Note 17.

Key management compensation for 6 months ended 30 June 2021, including salaries, bonuses, taxes and other short-term benefits to employees, is Tenge 259,729 thousand (for the period ended 30 June 2020: Tenge 64,716 thousand). Key management as at 30 June 2021 includes 4 persons (30 June 2020: 5 persons).

#### 5 Investments in Subsidiaries, Jointly Controlled Entities and Associates

The information on the value of investments as of 30 June 2021 is as follows:

	Date of acquisition	Country of registration	30 June 2021		31 December 2020	
			Investment amount (in Tenge thousand)	Ownership percentage	Investment amount (in Tenge thousand)	Ownership percentage
<b>Subsidiaries</b>						
Ekibastuz GRES-1 named after Bulat Nurzhanov LLP	31.10.2012	Kazakhstan	331,003,747	100%	333,382,126	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%
Moinak HPP JSC	04.01.2008	Kazakhstan	21,864,616	100%	21,864,616	100%
Tegis Munay LLP	29.12.2012	Kazakhstan	17,475,159	100%	17,373,473	100%
First Wind Power Plant LLP	28.05.2016	Kazakhstan	14,914,271	100%	14,914,271	100%
Shardarinsk HPP JSC	03.06.2011	Kazakhstan	2,524,772	100%	2,524,772	100%
Ereymenau Wind Power LLP	28.05.2016	Kazakhstan	7,573,640	100%	6,658,306	100%
Bukhtarminsk HPP JSC	04.01.2008	Kazakhstan	1,050,790	90%	1,050,790	90%
Kazhydrotechenergo LLP	31.03.2014	Kazakhstan	311,564	100%	299,565	100%
AlmatyEnergoSbyt LLP	26.07.2011	Kazakhstan	136,003	100%	136,003	100%
Energy Solutions Center LLP	16.03.2019	Kazakhstan	52,998	100%	52,998	100%
<b>Jointly controlled entities and associates</b>						
Forum Muider B.V.	23.12.2008	Netherlands	41,759,543	50%	41,759,543	50%
Ekibastuz GRES-2 JSC	04.01.2008	Kazakhstan	8,725,133	50%	8,725,133	50%
Energia Semirechya LLP	28.05.2016	Kazakhstan	2,411,010	25%	2,411,010	25%
<b>Impaired investments</b>						
Balkhash TPP JSC (Note 3)	24.06.2008	Kazakhstan	32,085,280	100%	32,085,280	100%
Samruk-Green Energy LLP	13.06.2012	Kazakhstan	5,684,653	100%	5,684,653	100%
Shulbinsk HPP JSC	04.01.2008	Kazakhstan	1,230,658	92.14%	1,230,658	92.14%
Ust-Kamenogorsk HPP JSC	04.01.2008	Kazakhstan	465,019	89.99%	465,019	89.99%
<b>Less:</b>						
Investment impairment			(39,446,496)		(39,446,496)	
<b>Total investments</b>			<b>546,798,958</b>		<b>548,148,318</b>	

As at 30 June 2021 the Company holds ownership interests in the following jointly controlled entities:

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

## 5 Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

### *Impairment of investments*

Based on the analysis performed with respect to internal and external impairment indicators, the Company's management concluded that there are no impairment indicators as of the analysis date. Therefore, the Company's management decided not to perform the impairment test of property, plant and equipment and intangible assets of these subsidiaries at 30 June 2021 (Note 3).

During the first half-year of 2020, the Company accrued impairment for investment in Tegis Munai of Tenge 3,146,000 thousand.

## 6 Loans Issued

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Non-current portion</b>		
Loan issued to Alatau Zharyk Company JSC	5,327,168	5,231,035
Bonds of Moinak HPP JSC	33,000,000	33,000,000
Bonds of Mangistau Electricity Distribution Company JSC	508,126	686,610
Bonds of Special Financial Company DSFK LLP	540,955	418,604
Bonds of Tsesnabank JSC	26,556	24,909
Less: provision for impairment	(238,437)	(188,202)
<b>Total loans issued – non-current portion</b>	<b>39,164,368</b>	<b>39,172,956</b>
<b>Current portion</b>		
Loan issued to Shardarinsk HPP JSC	950,000	950,000
Loan issued to Almaty Power Stations JSC	-	3,400,000
Bonds of Moinak HPP JSC	7,000,000	7,000,000
Loan issued to Ekibastuz GRES-1 LLP	-	7,000,000
Financial aid given to Ereymentau Wind Power LLP	2,338,131	-
Bonds of Mangistau Electricity Distribution Company JSC	384,600	384,600
Loan issued to Balkhash TPP JSC	377,301	377,301
Interest accrued on loans issued	235,938	246,998
Interest accrued on bonds	167,151	182,055
Financial aid given to Ust-Kamenogorsk HPP JSC	30,390	30,390
Loans given to Zhambyl GRES named after T.I. Baturov JSC	5,442	5,442
Less: provision for impairment	(592,050)	(583,640)
<b>Total loans issued –current portion</b>	<b>10,896,903</b>	<b>18,993,146</b>

### *Loans issued and financial aid given to subsidiaries*

In January 2021, Almaty Power Stations JSC has early repaid debt principal on loan in the amount of Tenge 3,400,000 thousand.

In January 2021, Ekibastuz GRES-1 LLP has early repaid debt principal of Tenge 7,000,000 thousand.

In June 2021, the Company provided financial aid for 12 months to «Ereymentau Wind Power» LLP. The carrying amount of loan represents the present value of future cash flows discounted at 11.2%. Difference between the fair value of loan at the initial recognition date and its nominal value of Tenge 261,871 thousand is recognized as contribution to the capital of Ereymentau Wind Power LLP.

## 7 Other Non-current Assets

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade receivables from buyers of subsidiaries	752,207	727,652
Receivables under financial guarantee issued to First Wind Turbine LLP	-	1,547,542
Other receivables from employees	71,133	71,814
Less: provision for impairment	(132,547)	(110,739)
<b>Total other non-current assets</b>	<b>690,793</b>	<b>2,236,269</b>

Receivables at 30 June 2021 of Tenge 752,207 thousand represent financial receivables from Inform-System LLP with internal rating "SK A". As of 30 June 2021, receivables are not impaired and not overdue and are fully denominated in Tenge.

## 8 Other Current Assets

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade receivable from buyers of subsidiaries	9,296,268	9,022,234
Receivables from Tauba Invest LLP	760,025	760,025
Short-term deposits	5,804	5,304
Dividends receivable	13,910,810	449
Less: provision for impairment	(1,972,166)	(1,360,055)
<b>Total other financial current assets</b>	<b>22,000,741</b>	<b>8,427,957</b>
Advances paid	29,733	20,074
Other	262,322	308,429
<b>Total other current assets</b>	<b>22,292,796</b>	<b>8,756,460</b>

### Accounts receivable

Other current assets primarily include receivables from the East Kazakhstan Regional Energy Company LLP ("EKREC") of Tenge 9,239,481 thousand for the shares of EK REC JSC that were sold in 2017. As of 30 June 2021, the Company accrued 100% provision for the impairment of receivables from Tauba Invest LLP.

## 9 Cash and Cash Equivalents

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Cash in bank accounts – Tenge	447,014	526,439
Cash in bank accounts – US dollars	11	12
Cash on hand	2,730	2,737
Cash in bank accounts – Euro	580,854	516,304
Cash in term deposits less than 3 months - Tenge	140,000	550,000
Less: provision for impairment	(120)	(243)
<b>Total cash and cash equivalents</b>	<b>1,170,489</b>	<b>1,595,249</b>

## 10 Share Capital

As of 30 June 2021, 5,601,812 outstanding ordinary shares were fully paid in the amount of Tenge 376,045,927 thousand (31 December 2020: 5,601,812 shares). Each ordinary share equals to one vote. The Company has no preference shares. There are 8,602,187 authorised shares. As at 30 June 2021, NWF Samruk-Kazyna is a 100% shareholder of the Company (2020: 100%).

On 12 April 2021, the Company announced the payment of dividends to the Sole Shareholder in the amount of Tenge 3,242,143 thousand – Tenge 578.77 per share (9 June 2020: Tenge 3,066,231 thousand). As of 30 June 2021, dividends have been paid in full.

## 11 Borrowings

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Non-current portion</b>		
Non-current bank borrowings	56,334,443	60,308,279
Borrowings from Samruk-Kazyna	65,595,251	65,293,870
Bonds	24,829,016	24,819,395
<b>Total borrowings – non-current portion</b>	<b>146,758,710</b>	<b>150,421,544</b>
<b>Current portion</b>		
Borrowings from subsidiaries	24,153,703	38,411,690
Current bank loans	5,142,235	3,042,235
Borrowings from Samruk-Kazyna	2,381,109	2,381,109
Interest accrued – bonds	360,287	360,287
Interest accrued – bank loans	1,682,573	1,584,825
Interest accrued – borrowings from Samruk-Kazyna and subsidiaries and related entities	215,369	212,878
<b>Total borrowings –current portion</b>	<b>33,935,276</b>	<b>45,993,024</b>
<b>Total borrowings</b>	<b>180,693,986</b>	<b>196,414,568</b>

## 12 Dividend Income

<i>In thousands of Kazakhstani Tenge</i>	<b>6 months ended 30 June 2021</b>	<b>6 months ended 30 June 2020</b>	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>
Ekibastuz GRES-1 LLP	29,000,000	29,000,000	29,000,000	-
Forum Muider B.V	72,905	95,803	72,905	95,803
Bukhtarminsk HPP JSC	820,299	1,373,311	820,299	1,373,311
First Wind Power Plant LLP	1,410,354	600,000	-	(416,790)
Almaty Power Stations JSC	852,741	610,921	852,741	-
Alatau Zharyk Company JSC	504,551	407,518	-	407,518
Energy Solutions Center LLP	4,004	-	-	-
<b>Total dividend income</b>	<b>32,664,854</b>	<b>32,087,553</b>	<b>30,745,945</b>	<b>1,459,842</b>



### 13 General and Administrative Expenses

<i>In thousands of Kazakhstani Tenge</i>	<b>6 months ended 30 June 2021</b>	<b>6 months ended 30 June 2020</b>	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>
Salary and related costs	1,553,904	1,293,899	776,929	572,064
Specialized office services	311,983	286,009	156,458	141,006
Depreciation of property, plant and equipment and amortization of intangible assets	259,897	252,911	130,790	162,535
Taxes	122,282	45,542	39,151	38,003
Information system support services	60,896	75,181	30,448	42,008
Business trip expenses	45,083	41,338	25,799	5,912
Consulting and other services	32,902	107,320	39,151	15,902
Staff training and related costs	25,065	14,859	11,317	3,963
Insurance	24,059	19,683	10,866	10,294
Other	262,116	295,096	154,332	136,625
<b>Total general and administrative expenses</b>	<b>2,698,187</b>	<b>2,431,838</b>	<b>1,375,241</b>	<b>1,128,312</b>

### 14 Finance Income

<i>In thousands of Kazakhstani Tenge</i>	<b>6 months ended 30 June 2021</b>	<b>6 months ended 30 June 2020</b>	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>
Unwinding of discount on financial assets	1,739,264	978,143	550,008	587,038
Interest income on loans issued and bonds	2,372,859	2,939,404	1,160,618	1,453,589
Interest income on bank deposits	31,149	59,027	11,016	25,135
Other	134,594	87,916	69,450	45,273
<b>Total finance income</b>	<b>4,277,866</b>	<b>4,064,490</b>	<b>1,791,092</b>	<b>2,111,035</b>

### 15 Finance Costs

<i>In thousands of Kazakhstani Tenge</i>	<b>6 months ended 30 June 2021</b>	<b>6 months ended 30 June 2020</b>	<b>3 months ended 30 June 2021</b>	<b>3 months ended 30 June 2020</b>
Interest expense on borrowings and bonds	6,849,793	6,754,700	3,494,649	3,353,527
Unwinding of present value discount on borrowings and financial aid	4,356,472	5,097,454	2,088,144	2,573,191
Finance lease costs	96,209	68,438	48,534	32,594
Other	175,900	26,253	-	7,664
<b>Total finance costs</b>	<b>11,478,374</b>	<b>11,946,845</b>	<b>5,631,327</b>	<b>5,966,976</b>

### 16 Income Tax

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

## 17 Contingencies, Commitments and Operating Risks

In addition to the information below, as at 30 June 2021 the Company did not have any contingent or contractual commitments or operating risks other than disclosed in the separate financial statements for the year ended 31 December 2020.

### **Legal proceedings**

In 2020, Transtelecom JSC filed claim for the recovery of actually rendered services and incurred expenses under Procurement Contract “Consulting services on implementation of target (base) processes of Samruk-Energy JSC”. On 3 February 2021, the court approved mediation agreement executed between Samruk-Energy JSC and Transtelecom JSC dated 2 February 2021, according to which Samruk-Energy JSC on 8 February 2021 repaid the amount for actually performed works of Tenge 700,000 thousand.

### **Liquidity risk**

As of 30 June 2021, the Company's current liabilities exceeded its current assets by Tenge 943,127 thousand.

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

- The Group is strategically important to ensure the reliability of the power system in Kazakhstan. The management and shareholders of the Group have neither the intention nor the need to liquidate the Group.
- The Company's current liabilities of Tenge 24,546,586 thousand represent payable to the Company's subsidiaries on raised financial aid and services rendered.
- As of 30 June 2021, the Group of Companies has available funds within the framework of revolving credit lines from Halyk Bank of Kazakhstan JSC in the total amount of Tenge 79.7 billion, SB JSC “Sberbank of Russia” for the total amount of Tenge 14 billion and SB JSC “VTB Bank” (Kazakhstan) for the total amount of Tenge 6 billion.

### **Compliance with covenants**

The Company is subject to certain covenants related to its borrowings and bonds. Non-compliance with such covenants may result in negative consequences for the Company, including growth in the cost of borrowings and declaration of default. The Company was in compliance with all covenants.

### **Non-current financial guarantees**

At 30 June 2021, the Company has guarantees issued in relation to loans received by subsidiaries of Shardarinsk HPP JSC. Fair value of the guarantees at initial recognition is determined as an amount derived from applying to the guaranteed amount the interest rate, being a difference between the interest rate at which the borrower received the loan secured by the Company and the interest rate that would be applied should the Company not issue a guarantee. The value of the guarantee is deemed as an investment in the subsidiary.

<i>In thousands of Kazakhstani Tenge</i>	<b>Non-current financial guarantee</b>		<b>Amount of liabilities guaranteed</b>		<b>Period of guarantee</b>		<b>Estimated rate of guarantee</b>
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>Date of issue</b>	<b>Period</b>	
<b>Company</b> Shardarinsk HPP JSC	1,188,159	1,272,264	19,819,545	21,235,227	2015 г.	13 лет	3%
<b>Total</b>	<b>1,188,159</b>	<b>1,272,264</b>	<b>19,819,545</b>	<b>21,235,227</b>			

## 18 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 or indirectly (that is, as prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

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.

<i>In thousands of Kazakhstani Tenge</i>	30 June 2021				31 December 2020			
	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
<b>Assets</b>								
Cash and cash equivalents	-	1,170,489	-	1,170,489	-	1,595,249	-	1,595,249
Fixed term deposits	-	5,804	-	5,804	-	5,304	-	5,304
Financial receivables	-	9,806,721	-	8,703,787	-	9,029,447	-	9,039,117
Dividends receivable	-	13,910,810	-	13,910,810	-	449	-	449
Receivables from subsidiaries under guarantee given	-	-	-	-	-	1,659,976	-	1,547,542
Loans given	-	49,748,351	-	50,061,271	-	57,869,854	-	58,166,102
Receivables from employees	-	71,133	-	71,133	-	71,814	-	71,814
<b>Total financial assets</b>	-	<b>74,713,308</b>	-	<b>73,923,294</b>	-	<b>70,232,093</b>	-	<b>70,425,577</b>
<b>Liabilities</b>								
Borrowings	-	177,288,166	-	180,693,986	-	196,732,177	-	196,414,568
Lease obligations	-	1,475,340	-	1,370,936	-	1,651,604	-	1,474,019
Financial guarantees issued	-	919,029	-	1,188,159	-	1,120,906	-	1,272,264
Financial payables	-	443,673	-	443,673	-	1,196,077	-	1,196,077
<b>Total financial liabilities</b>	-	<b>180,126,208</b>	-	<b>183,696,754</b>	-	<b>200,700,764</b>	-	<b>200,356,928</b>

### *Financial assets carried at amortised cost*

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on the credit risk of the counterparty.

### *Financial liabilities carried at amortised cost*

The estimated fair value of instruments with a fixed interest rate and a fixed maturity date for which no market quotes are available is determined on the basis of estimated cash flows discounted at current interest rates for new instruments with similar credit risk and maturity.

## 19 Events after the Reporting Period

On 23 July 2021, Samruk Energy JSC repaid interest of Tenge 490,114 thousand and debt principal of Tenge 1,521,117 thousand under loan agreement No.48308 dated 9 December 2016 in favor of European Bank for Reconstruction and Development.

## **20 Carrying Value of One Share**

### ***Carrying value of one share***

Pursuant to the resolution of the Exchange Council of Kazakhstan Stock Exchange JSC ("KASE") dated 4 October 2010, the financial statements should contain data on the carrying value of one share (ordinary and preference) at the reporting date calculated in accordance with the rules approved by KASE.

The table for calculating the carrying amount of one share is as follows:

<i>In thousands of Kazakhstani Tenge</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Total assets	623,188,696	621,293,694
Less: intangible assets	(571,506)	(636,073)
Less: total liabilities	(184,294,904)	(201,001,211)
Net assets for ordinary shares	438,322,286	419,656,410
Number of ordinary shares at the reporting date	5,601,812	5,601,812
<b>Carrying value of one share, Tenge</b>	<b>78,247</b>	<b>74,914</b>