

**Kazakhstan Electricity Grid
Operating Company**

Unaudited interim condensed
consolidated financial statements

*As on and for nine months
ended 30 September 2019*

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on 30 September 2019

<i>In KZT thousands</i>	Note	30 September 2019 (unaudited)	31 December 2018 (audited)
Assets			
Non-current assets			
Property, plant and equipment	6	653.096.268	667.936.367
Intangible assets		1.459.954	1.472.307
Advances paid for non-current assets	6	2.808.959	1.018.989
Deferred tax assets		7.114	3.760
Investments in associates		1.849.008	1.107.867
Long-term receivables from related parties	23	862.618	929.162
Other financial assets, non-current portion	9	1.984.198	25.609.268
Other non-current assets		12	4.017
		662.068.131	698.081.737
Current assets			
Inventories	7	2.811.211	2.291.378
Trade accounts receivable	8	25.500.652	9.251.847
VAT recoverable and other taxes prepaid		654.238	791.934
Prepaid income tax		1.062.758	1.541.679
Other current assets		1.426.685	528.622
Other financial assets, current portion	9	44.869.905	20.127.229
Restricted cash	10	4.916.282	4.175.576
Cash and cash equivalents	11	30.262.711	19.060.700
		111.504.442	57.768.965
Total assets		773.572.573	755.850.702

The notes on pages 7 to 45 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In KZT thousands</i>	Note	30 September 2019 (unaudited)	31 December 2018 (audited)
Equity and liabilities			
Equity			
Charter capital	12	126.799.554	126.799.554
Treasury shares	12	(930)	(930)
Asset revaluation surplus	12	310.468.271	310.840.187
Other reserves	12	(37.081)	(37.081)
Retained earnings		50.951.362	35.092.074
		488.181.176	472.693.804
Non-current liabilities			
Borrowings, non-current portion	13	58.821.911	62.881.150
Bonds, non-current portion	14	83.668.391	83.660.104
Deferred tax liabilities		92.254.389	90.170.202
Trade and other accounts payable, non-current portion	15		–
Government grant, non-current portion		67.150	89.972
Finance lease liability, non-current portion		185.176	157.175
		234.997.017	236.958.603
Current liabilities			
Borrowings, current portion	13	8.498.810	11.420.710
Bonds, current portion	14	1.663.594	4.097.122
Trade and other accounts payable, current portion	15	31.787.686	22.645.297
Construction obligations		683.430	683.430
Contract liabilities		1.753.564	1.734.670
Government grant, current portion		58.305	30.430
Finance lease liability, current portion		109.821	36.323
Taxes payable other than income tax	16	2.204.670	2.144.441
Income tax payable		1.156.349	1.123
Dividends payable		1.824	2.750
Other current liabilities	17	2.476.328	3.401.999
		50.394.380	46.198.295
Total liabilities		285.391.397	283.156.898
Total equity and liabilities		773.572.573	755.850.702
Book value per common share (KZT)	12	1.872	1.812

Managing Director for Finance and Accounting _____

Aibek Botabekov

Chief accountant

Dinara Mukanova

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Nine months ended 30 September 2019

In KZT thousands	Note	For the three months period ended on 30 September		For the nine months period ended on 30 September	
		2019 (unaudited)	2018 (Unaudited, restated)	2019 (unaudited)	2018 (Unaudited, restated)
Revenue from contracts with customers	18	66.656.599	41.910.450	191.165.210	128.931.638
Cost of services	19	(53.762.944)	(30.199.059)	(145.995.147)	(78.966.788)
Gross profit		12.893.655	11.711.391	45.170.063	49.964.850
General and administrative expenses	20	(1.710.961)	(1.607.203)	(5.237.759)	(5.021.100)
Selling expenses		(93.148)	(62.640)	(253.843)	(180.050)
(Loss from) / reversal of impairment		1.510	-	12.503	159.988
Operating profit		11.091.056	10.041.548	39.690.964	44.923.688
Finance income	21	1.166.204	1.279.415	3.127.267	3.835.009
Finance costs	21	(2.398.659)	(686.718)	(6.369.964)	(2.788.771)
Foreign exchange (gain)/loss, net		(11.974)	(2.827.828)	474.041	(3.417.951)
Share in profit of an associate		222.913	150.892	741.141	509.388
Other income		135.637	94.276	453.592	216.505
Other expenses		(99.768)	(55.206)	(167.261)	(160.274)
Accrual of provision for expected credit losses		270.120	(916.920)	58.111	(3.044.980)
Profit before taxation		10.375.529	7.079.459	38.007.891	40.072.614
Income tax expenses	22	(3.284.773)	(1.444.391)	(8.342.795)	(8.265.646)
Profit for the reporting period		7.090.756	5.635.068	29.665.096	31.806.968
Total comprehensive income for the period, net of income tax		7.090.756	5.635.068	29.665.096	31.806.968
Earnings per share					
Basic and diluted profit for the period attributable to ordinary equity holders of the parent company (in KZT)					
	12	27,27	21,67	114,1	122,33

* Certain amounts given in this column are not consistent with the interim consolidated financial statements as at and for the six months ended on 30 September 2018 as they reflect the adjustments disclosed in Note 2.

Managing Director for Finance and Accounting _____

Aibek Botabekov

Chief accountant

Dinara Mukanova

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Nine months ended 30 September 2019

<i>In KZT thousands</i>	For nine months ended on	
	30 September 2019 (unaudited)	30 September 2019 (unaudited)
I. CASH FLOWS FROM OPERATIONS		
1. Cash inflow, total	203.323.911	145.394.315
Including:		
sales of goods and services	197.392.222	140.436.973
other revenue	32.229	34.928
advances received from buyers, customers	101.590	1.070.268
insurance contract receipts		
interest received	2.923.984	3.667.216
other receipts	2.873.886	184.930
2. Total cash outflow	147.850.650	98.065.336
Including:		
Payments to suppliers for goods and services	94.063.778	49.581.083
advances to suppliers for goods and services	1.495.410	2.766.604
payroll expenses	11.373.072	10.831.388
interest paid	11.493.897	11.478.001
insurance contract payments	-	-
income tax and other payments to the national budget	23.169.031	19.741.865
other payments	6.255.462	3.666.395
3. Net cash flow from operations	55.473.261	47.328.979
II. CASH FLOWS FROM INVESTMENTS		
1. Cash inflow, total	39.183.299	36.069.025
Including:		
sale of property, plant and equipment	130.999	153.815
sale of intangible assets	-	-
sale of other long-term assets	-	-
sale of equity instruments of other organizations (other than subsidiaries) and share of ownership in joint ventures	-	-
sale of debt instruments of other organizations	7.953.341	-
compensation for loss of control over subsidiaries	-	-
sale of other financial assets	-	-
futures and forward contracts, options and swaps	-	-
dividends received	-	-
interest received	-	-
other receipts	31.098.959	35.915.210
2. Total cash outflow	62.897.116	85.902.548
Including:		
purchase of property, plant and equipment	22.288.897	21.551.039
purchase of intangible assets	199.167	239.713
purchase of other long-term assets	-	-
purchase of equity instruments of other organizations (other than subsidiaries) and share of ownership in joint ventures	-	-
purchase of debt instruments of other organizations	8.459.310	25.545.273
purchase of control over subsidiaries	-	-
purchase of other financial assets	-	-
lending	-	-

The notes on pages 7 to 45 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Nine months ended 30 September 2019

futures and forward contracts, options and swaps	-	-
investments in associates and subsidiaries	-	-
Other payments	31.949.742	38.566.523
3. Net cash flow from investments	(23.713.817)	(49.833.523)
III. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
1. Cash inflow, total	-	-
Including:		
issue of shares and other financial instruments	-	-
loans received	-	-
interest received	-	-
other receipts	-	-
2. Total cash outflow	20.474.523	15.781.082
Including:		
repayment of borrowings	6.295.872	5.347.372
interest paid	-	-
dividends paid	14.178.651	10.433.710
payments to shareholders on shares of the organization	-	-
other disposals	-	-
3. Net cash flow from financing activities	(20.474.523)	(15.781.082)
IV. Tenge impact of FX rates	(82.910)	102.073
V. Increase +/- decrease in cash	11.202.011	(18.183.553)
VI. Cash and cash equivalents as of the beginning of the reporting period	19.060.700	47.577.783
VII. Cash and cash equivalents as of the end of the reporting period	30.262.711	29.394.230

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Chief accountant

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended 30 September 2019

<i>In KZT thousands</i>	Charter capital	Asset revaluation reserve	Treasury shares	Other reserves	Retained earnings прибыль	Total
As at 31 December 2017	126.799.554	220.858.720	(930)	(170.701)	26.680.917	374.167.560
Effect of adoption of IFRS 9	-	-	-	-	(886.271)	(886.271)
As at 1 January 2018 (restated)	126.799.554	220.858.720	(930)	(170.701)	25.794.646	373.281.289
Profit for the reporting period	-	-	-	-	31.806.968	31.806.968
Dividends					(10.433.745)	(10.433.745)
Amortization of provision for bonds				97.329		97.329
Transfer of assets revaluation reserve		(11.845)			11.845	-
As at 30 September 2018	126.799.554	220.846.875	(930)	(73.372)	47.179.714	394.751.841
As at 31 December 2018	126.799.554	310.840.187	(930)	(37.081)	35.092.074	472.693.804
Profit for the reporting period					29.665.096	29.665.096
Dividends					(14.177.724)	(14.177.724)
Transfer of assets revaluation reserve		(371.916)			371.916	
As at 30 September 2019	126.799.554	310.468.271	(930)	(37.081)	50.951.362	488.181.176

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