

**Kazakhstan Electricity Grid
Operating Company**

Unaudited interim condensed
consolidated financial statements

*As of and for the three months
ended on 31 March 2019*

CONTENTS

The interim condensed consolidated financial statements

| | |
|---|------|
| Interim consolidated statement of financial position..... | 1-2 |
| Interim consolidated statement of comprehensive income | 3 |
| Interim consolidated statement of cash flows | 4-5 |
| Interim consolidated statement of changes in equity..... | 6 |
| Notes to the interim condensed consolidated financial statements..... | 7-28 |

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on 31 March 2019

| <i>Other financial assets were denominated in currencies as follows: In thousands of tenge</i> | Note | 30 March 2019 (unaudited) | 31 December 2018 (audited) |
|--|------|---------------------------------|----------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 662,437,469 | 667,936,367 |
| Intangible assets | | 1,656,625 | 1,472,307 |
| Advances paid for non-current assets | 4 | 1,180,010 | 1,018,989 |
| Deferred tax assets | | 6,225 | 3,760 |
| Investments in associates | | 1,419,128 | 1,107,867 |
| Long-term receivables from related parties | 21 | 907,579 | 929,162 |
| Other financial assets, non-current portion | 7 | 262,567 | 25,609,268 |
| Other non-current assets | | 3,281 | 4,017 |
| | | 667,872,884 | 698,081,737 |
| Current assets | | | |
| Inventories | 5 | 2,895,704 | 2,291,378 |
| Trade accounts receivable | 6 | 22,433,257 | 9,251,847 |
| VAT recoverable and other taxes prepaid | | 536,270 | 791,934 |
| Prepaid income tax | | 1,026,070 | 1,541,679 |
| Other current assets | | 4,697,399 | 528,622 |
| Other financial assets, current portion | 7 | 48,944,186 | 20,127,229 |
| Restricted cash | 8 | 4,774,822 | 4,175,576 |
| Cash and cash equivalents | 9 | 28,907,523 | 19,060,700 |
| | | 114,215,231 | 57,768,965 |
| Total assets | | 782,088,155 | 755,850,702 |

The notes on pages 7 to 27 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

| <i>In thousands of tenge</i> | Note | 31 March 2019 (unaudited) | 31 December 2018 (audited) |
|---|------|---------------------------------|----------------------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Charter capital | 10 | 126,799,554 | 126,799,554 |
| Treasury shares | 10 | (930) | (930) |
| Asset revaluation surplus | 10 | 310,823,763 | 310,840,187 |
| Other reserves | 10 | (37,081) | (37,081) |
| Retained earnings | | 48,513,807 | 35,092,074 |
| | | 486,099,113 | 472,693,804 |
| Non-current liabilities | | | |
| Loans, non-current portion | 11 | 60,724,981 | 62,881,150 |
| Bonds, non-current portion | 12 | 83,662,836 | 83,660,104 |
| Deferred tax liability | | 89,784,028 | 90,170,202 |
| Trade and other accounts payable, non-current portion | 13 | | - |
| Government grant, non-current portion | | 82,365 | 89,972 |
| Finance lease liability, non-current portion | | 239,706 | 157,175 |
| | | 234,493,916 | 236,958,603 |
| Current liabilities | | | |
| Loans, current portion | 11 | 10,934,733 | 11,420,710 |
| Bonds, current portion | 12 | 6,268,872 | 4,097,122 |
| Trade and other accounts payable, current portion | 13 | 33,284,580 | 22,645,297 |
| Construction obligations | | 683,430 | 683,430 |
| Contract liabilities | | 2,578,025 | 1,734,670 |
| Government grant, current portion | | 30,430 | 30,430 |
| Finance lease liability, current portion | | 103,533 | 36,323 |
| Taxes payable other than income tax | 14 | 3,801,184 | 2,144,441 |
| Income tax payable | | 478,542 | 1,123 |
| Dividends payable | | 2,471 | 2,750 |
| Other current liabilities | 15 | 3,329,286 | 3,401,999 |
| | | 61,495,086 | 46,198,295 |
| Total liabilities | | 295,989,002 | 283,156,898 |
| Total equity and liabilities | | 782,088,115 | 755,850,702 |
| Book value per common share (tenge) | 10 | 1,863 | 1,812 |

Managing Director for Finance and Accounting



Aibek Botabekov

Chief accountant

Dinara Mukanova

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended on 31 March 2019

| <i>In thousands of tenge</i> | Note | For the three months ended | |
|--|------|---------------------------------|---------------------------------|
| | | 31 March 2019 (unaudited) | 31 March 2018 (unaudited) |
| Income | 16 | 63,106,249 | 44,157,426 |
| Cost of services | 17 | (45,413,323) | (22,792,620) |
| Gross revenue | | 17,692,926 | 21,364,806 |
| General and administrative expenses | 18 | (1,656,231) | (3,048,253) |
| Selling expenses | | (76,356) | (61,446) |
| (Loss from) / reversal of impairment | | (39,747) | 156,365 |
| Operating profit | | 15,920,592 | 18,411,472 |
| Finance income | 19 | 880,918 | 839,270 |
| Finance costs | 19 | (1,879,194) | (563,615) |
| Foreign exchange gain, net | | 865,774 | 1,556,377 |
| Share in profit/(loss) of associate | | 311,261 | 67,788 |
| Reversal of provision / (losses from impairment of financial assets) | | 8,115 | (352,746) |
| Other income | | 147,351 | 71,175 |
| Other expenses | | (31,352) | (40,386) |
| Profit before taxation | | 16,223,465 | 19,989,335 |
| Income tax expenses | 20 | (2,818,156) | (4,037,764) |
| Profit for the period | | 13,405,309 | 15,951,571 |
| Other comprehensive income, net of income tax | | | |
| Total comprehensive income for the period, net of income tax | | 13,405,309 | 15,951,571 |
| Earnings per share | | | |
| Basic and diluted profit for the year attributable to common shareholders of the parent company (in tenge) | 10 | 51.56 | 61.35 |

Managing Director for Finance and Accounting


Aibek Botabekov

Chief accountant


Dinara Mukanova



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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended on 31 March 2019

| <i>In thousands of tenge</i> | For the three months ended | |
|--|---------------------------------|---------------------------------|
| | 31 March 2019 (unaudited) | 31 March 2018 (unaudited) |
| I. CASH FLOWS FROM OPERATIONS | | |
| 1. Cash inflow, total | 58,680,202 | 51,614,380 |
| including: | | |
| sales of goods and services | 57,387,728 | 47,267,340 |
| other revenue | 6,051 | 16,329 |
| advances received from buyers, customers | 902,014 | 873,601 |
| insurance contract receipts | - | - |
| interest received | 362,980 | 1,124,273 |
| other receipts | 21,429 | 2,332,837 |
| 2. Cash outflow, total | 38,515,975 | 27,897,628 |
| including: | | |
| Payments to suppliers for goods and services | 21,418,444 | 16,649,216 |
| advances to suppliers for goods and services | 1,908,682 | 423,156 |
| payroll expenses | 3,630,006 | 3,999,237 |
| Interest paid | 1,049,791 | 767,322 |
| insurance contract payments | - | - |
| income tax and other payments to the national budget | 6,683,994 | 4,560,021 |
| Other payments | 3,824,916 | 1,498,676 |
| 3. Net cash flow from operations | 20,164,227 | 23,716,752 |
| II. CASH FLOWS FROM INVESTMENTS | | |
| 1. Cash inflow, total | 11,510,634 | 14,532,400 |
| including: | | |
| sale of fixed assets | 49,124 | 49,124 |
| 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 | - | - |
| 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 | 11,461,510 | 14,483,276 |
| 2. Cash outflow, total | 20,683,522 | 29,371,862 |
| including: | | |
| purchase of property, plant and equipment | 5,459,521 | 13,888,899 |
| purchase of intangible assets | 19,775 | 1,058 |
| 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 | - | - |
| purchase of control over subsidiaries | - | - |
| purchase of other financial assets | - | - |
| lending | - | - |

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended on 31 March 2019

| | | |
|--|--------------------|---------------------|
| futures and forward contracts, options and swaps | - | - |
| investments in associates and subsidiaries | - | - |
| Other payments | 15,204,226 | 15,481,905 |
| 3. Net cash flow from investments | (9,172,888) | (14,839,462) |
| 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. Cash outflow, total | 1,077,739 | 948,140 |
| including: | | |
| repayment of loans | 1,077,460 | 948,140 |
| interest paid | - | - |
| dividends paid | 279 | - |
| payments to shareholders on shares of the organization | - | - |
| other disposals | - | - |
| 3. Net cash flow from financing activities | (1,077,739) | (948,140) |
| IV. Tenge impact of FX rates | (66,777) | (228,910) |
| V. Increase +/- decrease in cash | 9,846,823 | 7,700,240 |
| 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 | 28,907,523 | 55,278,023 |

Managing Director for Finance and Accounting


Aibek Botabekov

Chief accountant


Dinara Mukanova

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended on 31 March 2019

| <i>In thousands of tenge</i> | Charter capital | Asset revaluation surplus | Treasury shares | Other reserves | Retained earnings | Total |
|---|--------------------|---------------------------|-----------------|------------------|-------------------|--------------------|
| 31 December 2017 | 126,799,554 | 220,858,720 | (930) | (170,701) | 26,680,917 | 374,167,560 |
| The effect of the first application 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 | – | – | – | – | 15,951,571 | 15,951,571 |
| Amortization of provision for bonds | – | – | – | 27,548 | – | 27,548 |
| Transfer of assets revaluation surplus | – | (3,433) | – | – | 3,433 | – |
| As on 31 March 2018 | 126,799,554 | 220,855,287 | (930) | (143,153) | 41,749,650 | 389,260,408 |
| 31 December 2018 | 126,799,554 | 310,840,187 | (930) | (37,081) | 35,092,074 | 472,693,804 |
| Profit for the reporting period | – | – | – | – | 13,405,309 | 13,405,309 |
| Transfer of assets revaluation surplus | – | (16,424) | – | – | 16,424 | – |
| 31 March 2019 | 126,799,554 | 310,823,763 | (930) | (37,081) | 48,513,807 | 486,099,113 |

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