

“NAC “KAZATOMPROM” JSC

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF: CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2019

The following statement is made with a view to distinguish the respective responsibilities of management and those of the independent auditor’s in relation to the consolidated interim financial statements of JSC National Atomic Company Kazatomprom (“Company”) and its subsidiaries (hereinafter the “Group”) for three and nine months ended 30 September 2019.

Management of the Group is responsible for the preparation of consolidated interim financial statements of the Group for three and nine months ended 30 September 2019, that presents fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2019, and the consolidated results of its operations, cash flows and changes in equity for the period then ended, in compliance with International Financial Reporting Standards (“IFRS”).

In preparing the consolidated interim financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, as well as other events and conditions on the Group’s consolidated financial position and financial performance; and
- making an assessment of the Group’s ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Kazakhstan;
- taking all reasonably possible measures to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

The consolidated interim financial statements for three and nine months ended 30 September 2019 were authorized for issue by management of the Group on 28 November 2019.



YUSSUPOV M.B.
CHIEF FINANCIAL OFFICER



KOZHA-AKHMET D.A.
FINANCIAL CONTROLLER

JSC National Atomic Company Kazatomprom

**Condensed interim consolidated financial statements
(unaudited)**

for three and nine months ended 30 September 2019

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Report on review of condensed interim consolidated financial statements

To the Shareholders, Board of Directors and Management of JSC National Atomic Company Kazatomprom

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of JSC National Atomic Company Kazatomprom and its subsidiaries (together – the “Group”) as of 30 September 2019 and the related condensed interim consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, condensed interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on these condensed interim consolidated 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 interim consolidated 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 interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

Other matter

The comparative information for the condensed interim consolidated statements of changes in equity and cash flows for the nine-month period ended 30 September 2018 and condensed interim consolidated statement of profit and loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018 as well as related explanatory notes, have not been audited or reviewed.


PricewaterhouseCoopers LLP


28 November 2019
Almaty, Kazakhstan


JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In millions of Kazakhstani Tenge</i>	Note	For the three months ended		For the nine months ended	
		30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Revenue	8	86,579	140,647	263,134	285,676
Cost of sales	9	(31,240)	(106,846)	(160,836)	(219,952)
Gross profit		55,339	33,801	102,298	65,724
Distribution expenses	10	(3,457)	(1,945)	(7,565)	(5,306)
General and administrative expenses	11	(7,539)	(6,248)	(23,296)	(18,821)
Net impairment loss / (reversal) on financial assets	12	43	(27)	(286)	26
Net impairment loss / (reversal) on non-financial assets	12	380	1,347	(589)	(2,192)
Net foreign exchange gain / (loss)		70	4,282	(397)	5,578
Net result from business combinations	7,35	-	-	54,649	313,517
Other income	13	289	698	24,073	777
Other expenses	14	(1,246)	(559)	(3,132)	(1,746)
Finance income	15	1,347	1,770	3,927	4,408
Finance costs	15	(4,275)	(4,662)	(10,280)	(9,750)
Share of results of associates	21	5,506	7,811	14,910	14,759
Share of results of joint ventures	22	367	(340)	4,966	(2,245)
Profit before tax		46,824	35,928	159,278	364,729
Income tax expense	16	(8,798)	(10,186)	(17,296)	(13,699)
Profit from continuing operations		38,026	25,742	141,982	351,030
Profit from discontinued operation		-	-	-	1,103
Profit for the period		38,026	25,742	141,982	352,133
Other comprehensive income					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		(84)	861	1,127	(21,264)
Other comprehensive income or (loss)		7	6	(4)	6
Other comprehensive income / (loss) for the period		(77)	867	1,123	(21,258)
Total comprehensive income for the period		37,949	26,609	143,105	330,875
Profit for the period attributable to:					
- Owners of the Company		37,048	24,649	129,954	350,240
- Non-controlling interest		978	1,093	12,028	1,893
Profit for the period		38,026	25,742	141,982	352,133
Total comprehensive income for the period attributable to:					
- Owners of the Company		36,972	25,510	131,087	328,972
- Non-controlling interest		977	1,099	12,018	1,903
Total comprehensive income for the period		37,949	26,609	143,105	330,875
Earnings per share, basic and diluted (rounded to Tenge)	37	143	95	501	1,350

These condensed interim consolidated financial statements were approved by management on 28 November 2019:


Yussupov M.B.
Chief Financial Officer


Kozha-Akmet D.A.
Financial Controller


Smagulova N. N.
Deputy Chief Accountant

JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Financial Position


<i>In millions of Kazakhstani Tenge</i>	Note	30 September 2019 (unaudited)	31 December 2018 (restated)
ASSETS			
Non-current assets			
Intangible assets		54,658	54,099
Property, plant and equipment	17	172,695	176,389
Right-of-use assets		1,610	-
Mine development assets	18	141,556	121,076
Mineral rights	19	611,218	452,439
Exploration and evaluation assets	20	24,646	23,609
Investments in associates	21	82,306	107,434
Investments in joint ventures	22	45,942	40,442
Other investments		584	619
Accounts receivable		80	13
Deferred tax assets		15,528	7,552
Term deposits		13	13
Financial derivative asset		876	1,369
Loans to related parties	23	10,988	13,245
Other non-current assets	27	24,660	20,847
		1,187,360	1,019,146
Current assets			
Accounts receivable	24	65,875	94,477
Prepaid income tax		7,788	4,366
Value-added tax		30,756	29,799
Inventories	25	279,971	171,026
Term deposits		50	205
Loans to related parties	23	2,846	10,373
Cash and cash equivalents	26	86,065	128,819
Other current assets	27	21,526	18,322
		494,877	457,387
Assets of disposal groups classified as held for sale		1,175	5,578
		496,052	462,965
Total assets		1,683,412	1,482,111

The accompanying notes are an integral part of these condensed interim consolidated financial statements.


JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Financial Position (Continued)

<i>In millions of Kazakhstani Tenge</i>	Note	30 September 2019 (unaudited)	31 December 2018 (restated)
Equity			
Share capital	28	37,051	37,051
Additional paid-in capital		4,420	4,420
Reserves		1,165	21
Retained earnings		884,906	834,964
Equity attributable to shareholders of the Company		927,542	876,456
Non-controlling interest		251,009	168,004
Total equity		1,178,551	1,044,460
Liabilities			
Non-current liabilities			
Borrowings	29	70,000	16,270
Lease liabilities		853	350
Accounts payable	30	669	777
Provisions	31	38,609	32,885
Deferred tax liabilities		131,531	97,215
Employee benefits		954	954
Other liabilities	32	9,754	5,825
		252,370	154,276
Current liabilities			
Borrowings	29	135,298	183,420
Lease liabilities		577	129
Provisions	31	122	187
Accounts payable	30	89,706	51,534
Other tax liabilities		8,839	10,711
Employee benefits		41	147
Income tax liabilities		2,249	977
Other liabilities	32	15,166	30,319
		251,998	277,424
Liabilities of disposal groups classified as held for sale		493	5,951
Total liabilities		504,861	437,651
Total equity and liabilities		1,683,412	1,482,111

These condensed interim consolidated financial statements were approved by management on 28 November 2019:


Yussupov M.B.
Chief Financial
Officer


Kozha-Akhmet D.A.
Financial Controller



Smagulova N. N.
Deputy Chief Accountant

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Cash Flows

<i>In millions of Kazakhstani Tenge</i>	For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Operating activities		
Cash receipts from customers	341,438	377,301
VAT refund	23,856	20,476
Interest received	9,094	1,474
Payments to suppliers	(192,461)	(288,875)
Payments to employees	(33,527)	(33,405)
Cash flow from operations	148,400	76,971
Income tax paid	(27,441)	(10,959)
Excess profits tax paid	-	(5,597)
Other payments to budget	(42,025)	(34,499)
Interest paid	(5,978)	(5,931)
Cash flow from operating activities	72,956	19,985
Investing activities		
Acquisition of property, plant and equipment	(17,999)	(13,011)
Proceeds from disposal of property, plant and equipment	16	49
Acquisition of intangible assets	(132)	(2,401)
Acquisition of mine development assets	(13,553)	(15,353)
Acquisition of exploration and evaluation assets	(1,215)	(2,871)
Placement of term deposits	(2,764)	(7,771)
Redemption of term deposits	2,649	9,926
Cash acquired from acquisition of subsidiaries and joint operations	5,563	2,921
Dividends received from associates, joint ventures	10,248	8,873
Proceeds from disposal of investments in subsidiary, net of cash of disposed subsidiary	3,328	17,168
Cash contributions to the capital of joint ventures	(64)	(1,598)
Other	1,640	102
Cash flow from investing activities	(12,283)	(3,966)
Financing activities		
Proceeds from borrowings	257,836	33,029
Repayment of borrowings	(269,978)	(127,274)
Lease payments	(323)	(123)
Dividends paid to shareholders	(80,001)	(45,019)
Dividends paid to non-controlling interest	(9,445)	(137)
Cash flow from financing activities	(101,911)	(139,524)
Net decrease in cash and cash equivalents	(41,238)	(123,505)
Cash and cash equivalents at the beginning of the period	128,819	239,936
Effect of exchange rate fluctuations on cash and cash equivalents	(1,516)	7,773
Cash and cash equivalents at the end of the period	86,065	124,204

These condensed interim consolidated financial statements were approved by management on 28 November 2019:


Yussupov M.B.
Chief Financial
Officer


Kozha-Akhmet D.A.
Financial Controller


Smagulova N. N.
Deputy Chief Accountant

The accompanying notes are an integral part of these condensed interim consolidated financial statements.


JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement Of Changes In Equity

<i>In millions of Kazakhstani Tenge</i>	Attributable to the shareholders of the Company				Total	Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Additional paid-in capital			
Balance at 1 January 2018	37,051	472	585,109	4,785	627,417	14,550	641,967
Profit for the period	-	-	350,240	-	350,240	1,893	352,133
Other comprehensive income or (loss)	-	-	-	-	-	6	6
Foreign currency translation difference	-	(591)	(20,677)	-	(21,268)	4	(21,264)
Total comprehensive income for the period (unaudited)	-	(591)	329,563	-	328,972	1,903	330,875
Dividends declared	-	-	(135,012)	-	(135,012)	(139)	(135,151)
Business combinations	-	-	-	-	-	76,761	76,761
Balance at 30 September 2018 (unaudited)	37,051	(119)	779,660	4,785	821,377	93,075	914,452
Balance at 1 January 2019	37,051	21	789,563	4,420	831,055	131,955	963,010
Effect of restatement (Note 3)	-	-	45,401	-	45,401	36,049	81,450
Adjusted at 1 January 2019	37,051	21	834,964	4,420	876,456	168,004	1,044,460
Profit for the period	-	-	129,954	-	129,954	12,028	141,982
Foreign currency translation difference	-	1,137	-	-	1,137	(10)	1,127
Other comprehensive income or (loss)	-	7	(11)	-	(4)	-	(4)
Total comprehensive income for the period (unaudited)	-	1,144	129,943	-	131,087	12,018	143,105
Dividends declared	-	-	(80,001)	-	(80,001)	(15,385)	(95,386)
Business combinations (Note 35)	-	-	-	-	-	85,804	85,804
Disposal of non-controlling interest	-	-	-	-	-	568	568
Balance at 30 September 2019 (unaudited)	37,051	1,165	884,906	4,420	927,542	251,009	1,178,551

These condensed interim consolidated financial statements were approved by management on 28 November 2019:


Yussupov M. B.
Chief Financial Officer


Kozha-Akhmet D. A.
Financial Controller


Smagulova N. N.
Deputy Chief Accountant

1 General Information

Organisational structure and operations

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* for the three and nine months ended 30 September 2019 for JSC National Atomic Company Kazatomprom (the "Company") and its subsidiaries (hereafter collectively referred to as "the Group" or JSC NAC Kazatomprom).

The Company is a joint stock company set up in accordance with regulations of the Republic of Kazakhstan. The Company was established pursuant to the Decree of the President of the Republic of Kazakhstan on the establishment of National Atomic Company Kazatomprom No. 3593, dated 14 July 1997, and the Decree of the Government of the Republic of Kazakhstan on matters of National Atomic Company Kazatomprom No. 1148 dated 22 July 1997 as a closed joint stock company with a 100% government shareholding. Before 13 November 2018, 100% of the Company's shares were held by the National Welfare Fund Samruk-Kazyna (hereinafter the "Shareholder" or "Samruk-Kazyna" JSC).

On 13 November 2018, Samruk-Kazyna JSC offered 38,903,491 shares including global depository receipts, or GDRs, representing 15% of the Company's share capital in a dual-listing offering on the London Stock Exchange (LSE) and the Astana International Exchange (AIX). Each GDR represents an interest in one share. The offer price was USD11.60 per GDR and Tenge 4,322.74 per common share, respectively. On 26 September 2019, Samruk-Kazyna JSC offered an additional 9,863,021 GDRs on LSE and AIX. The additional offer price was USD13 per GDR. As of 30 September 2019, 81.28% of the Company's shares are held by Samruk-Kazyna JSC and 18.72% are on free float.

The Company's registered address is E-10 street, house 17/12, Nur-Sultan city, the Republic of Kazakhstan. The principal place of business is the Republic of Kazakhstan.

The Group's key activities are the production of uranium and sale of uranium products. The Group is among the leading uranium production companies in the world. In addition, the Group is engaged in mining of rare metals, production and sale of beryllium and tantalum products, and development of high technologies. The Group sells its products in international and domestic markets.

Operating environment

The economy of the Republic of Kazakhstan continues to display characteristics of an emerging market and is particularly sensitive to prices for oil and gas and other commodities, which constitute major parts of the country's exports. These characteristics include, but are not limited to, the existence of a national currency that is not freely convertible outside of the country and a low level of market liquidity of debt and equity securities.

Volatility of exchange rates has caused and may continue to cause negative impacts on the economy of the Republic of Kazakhstan, including decreases in liquidity and creation of difficulties in attracting international financing.

Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances. The future economic situation and regulatory environment may differ from management's current expectations.

Significant changes in the Group structure

Baiken-U LLP, Kyzylkum LLP, JV Khorasan-U LLP

In December 2018, the Group completed a transaction to acquire 40.05% of the shares of Energy Asia (BVI) Limited and a 16.02% participatory interest in the chartered capital of JV Khorasan-U LLP from Energy Asia Holdings (BVI) Limited. As a result of this transaction, the Group's ownership interest in Baiken-U LLP, Kyzylkum LLP and JV Khorasan-U LLP increased to 52.5%, 50% and 50%, respectively (Note 35). Before the transaction ownership interests were 14.45%, 33.98% and 33.98%, respectively.

As at 31 December 2018, the Group had obtained control over Baiken-U LLP through majority of the voting rights and representation in the Supervisory Board.

1 General Information (Continued)

In February 2019, the owners of JV Khorasan-U LLP approved changes to the charter documents of that entity, which gave the Group the ability to cast a majority vote at the supervisory board. As a result, the Group obtained control over JV Khorasan-U LLP from that date and has consolidated JV Khorasan-U LLP from 1 March 2019.

The Group has applied fair value accounting to the acquired assets and liabilities in these condensed interim consolidated financial statements (Note 35).

Sale of assets under Privatisation plan

In accordance with the privatisation plan of non-core assets as presented in the IPO prospectus of the Group, a number of non-core assets have been or are to be disposed. This includes entities of the KazPV project: Astana Solar LLP, Kazakhstan Solar Silicon LLP and MK KazSilicon LLP. As previously published, on 17 May 2019, a conditional sales contract was concluded which provides for the initial sale of 75% of the Group's shareholding in the entities of the KazPV project and this transaction was not concluded at 30 September 2019. The assets and liabilities of the entities in the KazPV project are presented as a disposal group in these interim consolidated financial statements.

2 Basis of Preparation

These condensed interim consolidated financial statements as at and for the three and nine months ended 30 September 2019 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements. The Group has omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for the year ended 31 December 2018 prepared in accordance with International Financial Reporting Standards (IFRS), such as accounting policies and details of accounts which have not changed significantly in amount or composition.

Management believes that disclosures in these condensed interim consolidated financial statements provide sufficient information if these financial statements are read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018. In the opinion of management, these condensed interim consolidated financial statements reflect all adjustments necessary to present fairly the Group's financial position, results of operations, statements of changes in equity and cash flows for the interim reporting period.

3 Summary of Significant Accounting Policies

The accounting principles applied during the preparation of the condensed interim consolidated financial statements are in line with the principles applied in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 and corresponding interim reporting period, except for the adoption of new and amended standards and other matters as set out below.

IFRS 16 Leases

The Group has adopted IFRS 16 from the date of its mandatory application, 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the transitional provisions in the standard. The relevant reclassifications and adjustments are recognised in the opening statement of financial position as of 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities and related right-of-use assets in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 10.48%.

For leases previously classified as finance leases the Group recognised the carrying amount of the leased asset and lease liability as the carrying amount of the right-of-use asset and the lease liability at the date of initial application, respectively.

3 Summary of Significant Accounting policies (Continued)

The following table represents the reconciliation of operating lease commitments reported as of 31 December 2018 and the lease liability recognised at 1 January 2019:

In millions of Kazakhstani Tenge

Operating lease commitments disclosed as at 31 December 2018	567
Impact of discounting	(97)
Total lease liabilities recognised as at 1 January 2019	470

There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

In millions of Kazakhstan Tenge

	30 September 2019	1 January 2019
Intangible assets	1,268	550
Buildings	238	354
Land	57	63
Vehicles	47	53
Total right-of-use asset	1,610	1,020

Seasonality

The Group's operations do not significantly depend on seasonal fluctuations.

Exchange rates

At the date of these financial statements, the exchange rate of the National Bank of the Republic of Kazakhstan was Tenge 386.19 per USD 1 compared to Tenge 387.63 per USD 1 as at 30 September 2019 (31 December 2018: Tenge 384.20 per USD 1). The average exchange rate for 9 months of 2019 was Tenge 381.51 per USD 1 (9 months of 2018: 336.40).

Income tax

Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings.

3 Summary of Significant accounting policies (Continued)

Restatement of comparative information

Business acquisitions

In December 2018, the Group obtained control over Baiken-U LLP (Note 35). As at 31 December 2018, the Group applied provisional amounts for the acquired assets and liabilities as the assessment of fair value for the business combination was not complete at the end of the reporting period. In June 2019 an independent professional appraiser finalised fair value assessment of acquired assets and liabilities and, as a result, comparative information was restated as presented in the table below.

Comparative information was restated as follows.

<i>In millions of Kazakhstani Tenge</i>	31 December 2018 (as originally presented)	Adjustments	31 December 2018 (restated)
Intangible assets	69,314	(15,215)	54,099
Property, plant and equipment	171,352	5,037	176,389
Mine development assets	118,302	2,774	121,076
Mineral rights	363,373	89,066	452,439
Investments in associates	88,866	18,568	107,434
Inventories	170,261	765	171,026
Total assets	1,381,116	100,995	1,482,111
Retained earnings	789,563	45,401	834,964
Equity attributable to shareholders of the Company	831,055	45,401	876,456
Non-controlling interest	131,955	36,049	168,004
Total equity	963,010	81,450	1,044,460
Deferred tax liabilities	77,670	19,545	97,215
Total liabilities	418,106	19,545	437,651
Total equity and liabilities	1,381,116	100,995	1,482,111

Non-controlling interest

Retained earnings and non-controlling interest were adjusted as of 31 December 2018 for 1,086 million Tenge in relation to non-controlling interest of JV Inkai LLP.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Group's annual consolidated financial statements for 2018 prepared in accordance with IFRS.

Fair value measurement for business combinations (estimates)

In accordance with IFRS 3 Business Combinations, the Group measures the identifiable assets and the liabilities and contingent liabilities acquired through a business combination at their acquisition-date fair values. Fair values are determined on the basis of external appraisal reports (unless the accounting for the business combination is not complete at the end of the reporting period, in which case provisional values are used). The determination of fair values involves significant assumptions and judgement over future cash flows and other inputs used in the valuation.

The purchase price related to a business combination is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts reported assets and liabilities and future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

Fair value measurements applied in accounting for business combinations had a significant impact on the Group's profit for the nine months ended 30 September 2019. The net gain from business combinations during the 9 months ended 30 September 2019 totalled Tenge 54,649 million (9 months 2018: 313,517 million). Further information on business combinations is presented in Note 35.

Impairment of non-financial assets (estimates)

At the end of each reporting period, management assesses whether there is any indication of impairment of individual assets (or cash-generating units). 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. An impairment loss is recognised for the amount by which carrying amount exceeds recoverable amount. The Group performs impairment test of goodwill not less than once a year.

The calculation of value in use requires management to make estimates regarding future cash flows of the relevant assets (or cash-generating units). The estimation of future cash flows involves significant estimates and assumptions regarding commodity prices (uranium and other products and services), the level of production and sales, discount rates, growth rates, operating costs and other factors. The impairment review and calculations are based upon assumptions that are consistent with the Group's business plans. Due to its subjective nature, these estimates could differ from future actual results of operations and cash flows; any such difference may result in impairment in future periods which would decrease the carrying value of the respective asset.

As at 30 September 2019, management performed an analysis and have not identified impairment indicators of assets (cash-generating units) related to uranium production.

5 Segment Information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Management Board of the Group headed by CEO.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is a vertically integrated business involved in the production chain of end products – from geological exploration, mining of uranium and nuclear fuel production, to marketing and auxiliary services (transportation and logistics, procurement, research and other). The Group is organised on the basis of two main business segments:

Uranium – uranium mining and processing from the Group's mines, purchases of uranium from joint ventures and associates, external sales and marketing of produced and purchased uranium. Uranium segment includes the Group's share in net results of joint ventures and associates engaged in uranium production, as well as the Group's HQ (JSC NAC Kazatomprom);

UMP (Ulba Metallurgical Plant JSC) – production and sales of products containing beryllium, tantalum and niobium, hydrofluoric acid and by-products, processing of uranium on tolling basis for the Group's uranium entities and production and marketing of uranium powders and tablets to external market.

The revenues and expenses of some of the Group's subsidiaries, which primarily provide services to uranium segment (drilling, transportation, security, geological, etc.), are not allocated to the results of this operating segment. These Group's businesses are not included within reportable operating segments as their financial results do not meet the quantitative threshold. The results of these and other minor operations are included in "Other" caption.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because of the differences in the production processes, the nature of products produced and required marketing and investment strategies.

Segment financial information reviewed by the CODM includes:

- information about income and expenses by business units (segments) based on IFRS figures on a quarterly basis;
- information about assets and liabilities as well as capital expenditures by segment on a quarterly basis;
- operating data (such as production and inventory volumes) and revenue data (such as sales volumes per type of product, average sales price) are also reviewed by the CODM on a monthly and quarterly basis.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM evaluates performance of each segment based on gross and net profit. Segment financial information is prepared on the basis of IFRS financial information and measured in a manner consistent with that in these consolidated financial statements.

Revenues from other segments include transfers of raw materials, goods and services from one segment to another, amount is determined based on market prices for similar goods.

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5 Segment Information (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the nine months ended 30 September 2019 and 30 September 2018 is set out below:

In millions of Kazakhstani Tenge	Uranium		UMP		Other		Eliminations		Total	
	September 2019	September 2018	September 2019	September 2018	September 2019	September 2018	September 2019	September 2018	September 2019	September 2018
External revenue	215,984	235,476	24,744	26,773	22,406	23,427	-	-	263,134	285,676
Revenues from other segments	708	467	2,731	2,667	39,272	33,924	(42,651)	(37,058)	-	-
Cost of sales	(132,243)	(188,082)	(17,101)	(19,658)	(58,194)	(54,412)	46,702	42,200	(160,836)	(219,952)
Gross profit	84,449	47,861	10,374	9,782	3,424	2,939	4,051	5,142	102,298	65,724
Impairment losses, net of impairment reversals	(1,613)	(714)	(83)	(226)	821	(1,226)	-	-	(875)	(2,166)
Net result from business combinations	54,649	313,517	-	-	-	-	-	-	54,649	313,517
Share of results of associates and joint ventures	15,908	14,884	(214)	(154)	4,182	(2,216)	-	-	19,876	12,514
Net foreign exchange gain / (loss)	(415)	5,983	10	1,259	8	(1,674)	-	10	(397)	5,578
Finance income	3,436	4,900	169	163	356	412	(34)	(1,067)	3,927	4,408
Finance costs	(9,994)	(6,000)	(266)	(220)	(135)	(4,194)	115	664	(10,280)	(9,750)
Income tax (expense) / benefit	(15,973)	(11,845)	(1,138)	(1,523)	(185)	(331)	-	-	(17,296)	(13,699)
Profit / (loss) for the period from continuing operations	124,701	351,530	5,228	6,127	7,188	(11,525)	4,865	4,898	141,982	351,030
Profit for the period from discontinued operation	-	-	-	-	-	1,103	-	-	-	1,103
Profit for the period	124,701	351,530	5,228	6,127	7,188	(10,422)	4,865	4,898	141,982	352,133
Depreciation and amortisation charge	(26,487)	(22,193)	(1,017)	(1,044)	(2,819)	(3,329)	244	209	(30,079)	(26,357)

* Revenue is mostly recognised at a point in time (on a delivery date).

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5 Segment Information (Continued)

Segment information for the reportable segments as of 30 September 2019 and 31 December 2018 is set out below:

	Uranium			UMP			Other			Eliminations			Total
	30 September 2019	30 September 2019	31 December 2018 (restated)	30 September 2019	30 September 2019	31 December 2018	30 September 2019	30 September 2019	31 December 2018	30 September 2019	30 September 2019	31 December 2018 (restated)	
<i>In millions of Kazakhstani Tenge</i>													
Investments in associates and joint ventures	96,179	121,130	6,885	6,671	25,398	19,861	-	-	-	-	-	128,248	147,876
Total reportable segment assets	1,646,782	1,384,836	75,519	78,545	100,267	92,558	(143,357)	(76,380)	(76,380)	(143,357)	(76,380)	1,682,237	1,476,533
Assets of disposal groups classified as held for sale	-	-	-	-	1,175	5,578	-	-	-	-	-	1,175	5,578
Total assets	1,646,782	1,384,836	75,519	78,545	101,442	98,136	(143,357)	(76,380)	(76,380)	(143,357)	(76,380)	1,683,412	1,482,111
Total reportable segment liabilities	609,668	472,511	12,024	12,309	25,371	23,659	(142,980)	(76,494)	(76,494)	(142,980)	(76,494)	504,368	431,700
Liabilities of disposal groups classified as held for sale	-	-	-	-	493	5,951	-	-	-	-	-	493	5,951
Total liabilities	609,668	472,511	12,024	12,309	25,864	29,610	(142,980)	(76,494)	(76,494)	(142,980)	(76,494)	504,861	437,651
Capital expenditure	24,616	22,167	1,304	1,610	1,607	1,587	-	-	-	-	-	27,833	25,058

(e) Analysis of revenues by products and services

The Group's revenues are analysed by products and services in Note 8.

5 Segment Information (Continued)

(f) Geographical information

All the Group's main assets are located in the Republic of Kazakhstan. Distribution of Group's sales between countries on the basis of the customer's country of domicile was as follows:

<i>In millions of Kazakhstani Tenge</i>	For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)
China	100,590	90,036
France	40,970	19,322
Canada	29,883	9,802
USA	27,019	26,740
Kazakhstan	24,021	24,216
United Kingdom	11,910	-
Jersey	11,597	61,324
Belgium	4,414	3,355
Japan	1,910	2,811
Germany	1,845	1,595
India	24	28,026
Sweden	-	4,124
Other countries	8,951	14,325
Total consolidated revenues	263,134	285,676

Major customers

The Group has a group of customers with common ultimate parent that accounts for more than 10% of the Group's consolidated revenue in the amount of Tenge 88,427 million for the nine months ended 30 September 2019 (for the nine months period ended 30 September 2018: Tenge 79,576 million). This revenue is reported under the Uranium segment.

6 Balances and Transactions with Related Parties

Entities under common control include companies under the control of Samruk-Kazyna. Transactions with other government owned entities are not disclosed when they are entered into in the ordinary course of business with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Group'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 and etc.

The outstanding balances with related parties as at 30 September 2019 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Accounts receivable and other assets	Dividends receivable	Loans given	Accounts payable and other liabilities	Borrowings
Associates	2,343	8,091	13,834	33,671	17,456
Joint ventures	14,650	-	-	3,607	-
Entities under common control	286	-	-	550	-
Associates of the shareholder	13	-	-	5,265	-
Total	17,292	8,091	13,834	43,093	17,456

6 Balances and Transactions with Related Parties (Continued)

The income and expenses and other transactions with related parties for the 9 months ended 30 September 2019 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Sale of goods and services	Dividends received	Purchase of goods and services	Interest income	Other income and expenses	Dividends to the Shareholder
Associates	9,615	8,884	43,563	996	758	-
Joint ventures	6,685	739	6,758	-	-	-
Entities under common control	235	-	-	-	-	-
Associates of the shareholder	-	-	4,649	-	-	-
Shareholder	-	-	-	-	-	68,065
Total	16,535	9,623	54,970	996	758	68,065

The outstanding balances with related parties as at 31 December 2018 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Accounts receivable and other assets	Dividends receivable	Loans given	Accounts payable and other liabilities
Associates	2,580	8,659	23,618	12,560
Joint ventures	4,719	-	-	2,041
Entities under common control	199	-	-	563
Shareholder	-	-	-	479
Associates of the Shareholder	18	-	-	4,046
Total	7,516	8,659	23,618	19,689

6 Balances and Transactions with Related Parties (Continued)

The income and expenses and other transactions with related parties for the nine months ended 30 September 2018 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Sale of goods and services	Dividends received	Purchase of goods and services	Dividends to the Shareholder	Interest income
Associates	10,189	8,873	45,668	-	928
Joint ventures	6,145	-	9,988	-	-
Entities under common control	8,941	-	25,060	-	-
Associates of the shareholder	80	-	166	-	-
Shareholder	89	-	-	135,012	-
Other	621	-	23,917	-	-
Total	26,065	8,873	104,799	135,012	928

Key management personnel is represented by personnel with authority and responsibility in planning, management and control of the Group's activities, directly or indirectly. Key management personnel includes all members of the Management Board and the independent members of the Board of Directors of the Company. The table below represents remuneration of key management personnel, paid by the Group in exchange for services provided by management personnel. This remuneration includes salaries, bonuses, as well as contributions to the pension fund.

<i>In millions of Kazakhstani Tenge</i>	For the nine months ended			
	30 September 2019		30 September 2018	
	(unaudited)		(unaudited)	
	Expenses	Accrued liability	Expenses	Accrued liability
<i>Short-term benefits</i>				
Salaries and bonuses	939	68	653	28
Total	939	68	653	28

7 Profit and Loss Information

Profit for the three and nine months includes the following items that are unusual because of their nature, size or incidence:

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	(unaudited)		(unaudited)	
Net result from business combinations (Note 35)	-	-	54,649	313,517
Gain from reversal of liability under joint operations (Note 13)	-	-	16,998	-
Gain from disposal of subsidiary (Note 13)	-	356	5,634	365

Gain from reversal of liability under joint operations

Gain from reversal of liability under joint operations relates to volumes of uranium that were not purchased by the Group from joint operations in 2018, and which as agreed by the partners, the Group does not plan to acquire in future. Accordingly, the liability which was initially recorded at 31 December 2018 was derecognised during the first half of 2019.

7 Profit and Loss Information (Continued)

Net result from business combinations

Net result of business combinations recognised in the statement of profit and loss for the nine months ended 30 September 2019 comprises bargain purchase gain of Tenge 2,150 million and excess of fair value of investment in the associate over its carrying value of Tenge 52,499 million at the acquisition date. See further details in Note 35.

In millions of Kazakhstani Tenge

Fair value of the investment at the date of acquisition (Note 35)	83,653
Less: carrying value of the investment prior to acquisition (Note 21)	(31,154)
Bargain purchase gain (Note 35)	2,150
Net gain from business acquisition – Khorasan-U LLP	54,649

8 Revenue

The Group's revenue arises from contracts with customers where performance obligations are satisfied mostly at a point in time.

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Sales of uranium products	72,383	123,476	218,093	236,365
Sales of beryllium	5,030	4,507	13,336	11,921
Sales of purchased goods and other products	2,888	4,324	12,608	12,582
Sales of tantalum	1,890	3,723	5,734	11,076
Drilling services	1,621	1,973	5,403	5,603
Sales of other services	1,958	1,812	5,213	5,452
Transportation services	608	672	2,048	2,063
Sales of photovoltaic cells	111	106	434	344
Other	90	54	265	270
Total revenue	86,579	140,647	263,134	285,676

9 Cost of Sales

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Materials and supplies	9,088	83,214	80,889	146,927
Depreciation and amortisation	2,603	7,341	28,716	25,663
Wages and salaries	6,536	5,580	16,943	16,652
Taxes other than income tax	5,568	3,236	14,413	12,598
Processing and other services	3,711	2,261	10,937	7,959
Transportation expenses	980	1,102	2,195	2,864
Maintenance and repair	1,438	782	2,515	1,980
Utilities	339	262	986	1,184
Other	977	3,068	3,242	4,125
Total cost of sales	31,240	106,846	160,836	219,952

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10 Distribution Expenses

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Shipping, transportation and storing	2,565	1,283	5,034	3,729
Wages and salaries	269	238	612	479
Commissions	20	48	354	122
Radiation safety assurance	106	157	345	157
Materials and supplies	44	19	141	103
Cargo insurance	33	57	109	72
Depreciation and amortisation	21	19	58	49
Rent	20	26	45	156
Other	379	98	867	439
Total distribution expenses	3,457	1,945	7,565	5,306

11 General and Administrative Expenses

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Wages and salaries	4,263	3,591	11,264	10,383
Consulting and information services	797	1,336	2,695	2,508
Depreciation and amortisation	408	180	1,196	605
Business trip expenses	171	151	543	430
Taxes other than income tax	129	60	510	178
Maintenance and repair	187	69	499	404
Corporate events	176	127	255	196
Rent	140	318	241	949
Impairment of accounts receivable and prepaid expenses	192	(355)	221	934
Materials and supplies	46	63	157	193
Utilities	27	22	109	115
Communication	16	44	89	220
Other	987	642	5,517	1,706
Total general and administrative expenses	7,539	6,248	23,296	18,821

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12 Impairment Losses

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Losses from financial assets impairment	(1)	(29)	(425)	(314)
Reversal of impairment losses on financial assets	44	2	139	340
Net impairment (losses)/reversals on financial assets	43	(27)	(286)	26
Losses from non-financial assets impairment	-	(19)	(1,700)	(5,042)
Reversal of impairment losses on non-financial assets	380	1,366	1,111	2,850
Net impairment (losses)/reversals on non-financial assets	380	1,347	(589)	(2,192)

13 Other Income

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Gain from reversal of liability under joint operations	-	-	16,998	-
Gain from disposal of subsidiary	-	356	5,634	365
Other	289	342	1,441	412
Total other income	289	698	24,073	777

14 Other Expenses

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Loss on suspension of production	287	170	616	577
Non-recoverable VAT	489	141	612	141
Loss on disposal of non-current assets	25	26	413	26
Social sphere expenses	108	96	256	424
Depreciation of non-current assets during downtime	51	13	109	92
Other	286	113	1,126	486
Total other expenses	1,246	559	3,132	1,746

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15 Finance Income and Costs

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Finance income				
Interest income	846	826	2,815	2,460
Gain from remeasurement of financial assets	488	928	293	1,889
Gain from remeasurement of financial liabilities	6	5	717	15
Unwinding of discount on financial assets	6	11	23	44
Other finance income	1	-	79	-
Total finance income	1,347	1,770	3,927	4,408
Finance costs				
Interest expense on borrowings	1,892	3,436	5,468	6,574
Unwinding of discount on provisions	743	691	1,992	1,756
Loss from remeasurement of financial assets	-	-	667	592
Loss from remeasurement of financial liabilities	1,403	-	1,403	-
Unwinding of discount on other financial liabilities	18	60	59	180
Other finance costs	219	475	691	648
Total finance costs	4,275	4,662	10,280	9,750

16 Income Tax Expense

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Current income tax	10,080	11,094	27,761	18,097
Deferred income tax	(1,282)	(908)	(10,465)	(4,398)
Total income tax expense	8,798	10,186	17,296	13,699

Income tax expense is recognised based upon management's estimate of the weighted average effective annual income tax rate. The estimated average annual tax rate used for the period to 30 September 2019 is 21% (30 September 2018: 21%).

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17 Property, Plant and Equipment

<i>In millions of Kazakhstani Tenge</i>	Land	Buildings	Machinery and equipment	Vehicles	Other	Constructi on in progress	Total
At 1 January 2019							
Cost	398	127,359	80,918	17,722	4,811	19,497	250,705
Accumulated depreciation and impairment	-	(28,028)	(31,789)	(10,396)	(2,316)	(1,787)	(74,316)
Carrying amount (restated)	398	99,331	49,129	7,326	2,495	17,710	176,389
Additions	3	118	1,038	802	834	7,036	9,831
Additions from business combinations (Note 35)	-	43	10	6	-	122	181
Transfers	-	2,992	2,734	383	(32)	(6,077)	-
Transfers (to)/from inventories	-	-	44	-	16	(75)	(15)
Depreciation charge	-	(4,193)	(5,336)	(1,068)	(491)	-	(11,088)
Depreciation on disposals	-	36	786	246	112	-	1,180
Impairment loss	-	-	(3)	-	-	-	(3)
Reversal of impairment loss	-	6	58	-	-	10	74
Disposals	-	(723)	(878)	(266)	(93)	(538)	(2,498)
Transfers (to)/from non- current assets held for sale	-	107	171	15	7	486	786
Transfers (to)/from intangible assets	-	-	-	-	-	(2,142)	(2,142)
At 30 September 2019 (unaudited)							
Cost	401	129,808	83,919	18,666	5,538	18,309	256,641
Accumulated depreciation and impairment	-	(32,091)	(36,166)	(11,222)	(2,690)	(1,777)	(83,946)
Carrying amount	401	97,717	47,753	7,444	2,848	16,532	172,695

As of 30 September 2019, commitments relating to the acquisition of property, plant and equipment were Tenge 3,735 million (31 December 2018: Tenge 2,091 million).

18 Mine Development Assets

<i>In millions of Kazakhstani Tenge</i>	Field preparation	Site restoration asset	Ion-exchange resin	Total
At 1 January 2019				
Cost	157,339	14,754	13,710	185,803
Accumulated depreciation and impairment	(61,214)	(886)	(2,627)	(64,727)
Carrying amount (restated)	96,125	13,868	11,083	121,076
Additions	15,350	-	218	15,568
Change in estimates		1,293		1,293
Additions from business combinations (Note 35)	22,139	488	-	22,627
Transfers from inventories	1,341	-	311	1,652
Transfers from exploration and evaluation assets	801	-	29	830
Depreciation charge	(20,274)	(637)	(579)	(21,490)
At 30 September 2019 (unaudited)				
Cost	254,747	18,093	15,710	288,550
Accumulated depreciation and impairment	(139,265)	(3,081)	(4,648)	(146,994)
Carrying amount	115,482	15,012	11,062	141,556

19 Mineral Rights

<i>In millions of Kazakhstani Tenge</i>	
At 1 January 2019	
Cost	465,281
Accumulated depreciation and impairment	(12,842)
Carrying amount (restated)	452,439
Additions from business combinations (Note 35)	178,856
Transfers from exploration and evaluation assets	904
Amortisation and impairment charge	(20,985)
Additions	4
At 30 September 2019 (unaudited)	
Cost	647,060
Accumulated depreciation and impairment	(35,842)
Carrying amount	611,218

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20 Exploration and Evaluation Assets

<i>In millions of Kazakhstani Tenge</i>	Tangible assets	Intangible assets	Total
At 1 January 2019	20,180	3,429	23,609
Additions	1,030	-	1,030
Transfers to mine development assets	(830)	-	(830)
Transfers to mineral rights	-	(904)	(904)
Change in estimates	1,741	-	1,741
At 30 September 2019 (unaudited)	22,121	2,525	24,646

21 Investments in Associates

The table below summarises the changes in the carrying value of the Group's investments in associates:

<i>In millions of Kazakhstani Tenge</i>	
Carrying value at 1 January 2019 (restated)	107,434
Share of results of associates	14,910
Disposal (Note 35)	(31,154)
Dividends from associates	(8,884)
Carrying value at 30 September 2019 (unaudited)	82,306

The Group has the following investments in associates:

	Country of incorporation	Principal activities	30 September 2019 (unaudited)		31 December 2018 (restated)	
			% ownership interest held/ % of voting rights	In millions of Kazakhstani Tenge	% ownership interest held/ % of voting rights	In millions of Kazakhstani Tenge
JV KATKO LLP	Kazakhstan	Extraction, processing and export of uranium products	49.00%	58,154	49.00%	49,704
JV Zarechnoe JSC	Kazakhstan	Extraction, processing and export of uranium products	49.98%	9,337	49.98%	9,705
Kyzylkum LLP	Kazakhstan	Extraction, processing and export of uranium products	50.00%	6,171	50.00%	5,121
Kaustik JSC	Kazakhstan	Supply of caustic soda	40.00%	3,875	40.00%	3,517
JV South Mining Chemical Company LLP	Kazakhstan	Extraction, processing and export of uranium products	30.00%	3,416	30.00%	7,290
JV SKZ Kazatomprom LLP	Kazakhstan	Production of sulphuric acid	9.89%	691	9.89%	710
JV Rosburmash LLP	Kazakhstan	Geological exploration	49.00%	443	49.00%	346
Zhanakorgan-Transit LLP	Kazakhstan	Transportation services	40.00%	219	40.00%	222
JV Khorasan-U LLP	Kazakhstan	Extraction, processing and export of uranium products	-	-	50.00%	30,819
Total investments in associates				82,306		107,434

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21 Investments in Associates (Continued)

Summarised financial information for the period ended 30 September 2019 and as of 30 September 2019 in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS, adjusted by the Group for equity accounting purposes.

	Kyzylkum LLP	JV KATKO LLP	JV South Mining Chemical Company LLP	JV Zarechnoe JSC	JV Khorasan- U LLP	Other	Total
<i>In millions of Kazakhstanian Tenge</i>							
Current assets	2,233	85,515	29,618	8,169	-	6,542	132,077
Including cash	1,597	55,721	631	1,519	-	514	59,982
Non-current assets	29,592	60,803	37,404	16,615	-	22,848	167,262
Total assets	31,825	146,318	67,022	24,784	-	29,390	299,339
Current liabilities	(3,670)	(5,777)	(40,590)	(4,198)	-	(7,269)	(61,504)
Including financial liabilities net of trade and other accounts payable and provisions	(2,846)	(177)	(10,858)	(1,397)	-	(1,679)	(16,957)
<i>Incl. loan from the Company</i>	(2,846)	-	-	-	-	-	(2,846)
Non-current liabilities	(14,114)	(10,831)	(11,423)	(1,396)	-	(13,802)	(51,566)
Including financial liabilities net of trade and other accounts payable and provisions	(11,384)	(355)	(8,112)	(8)	-	(12,794)	(32,653)
<i>Incl. loan from the Company</i>	(11,384)	-	-	-	-	-	(11,384)
Total liabilities	(17,784)	(16,608)	(52,013)	(5,594)	-	(21,071)	(113,070)
Net assets	14,041	129,710	15,009	19,190	-	8,319	186,269

JSC National Atomic Company Kazatomprom
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21 Investments in Associates (Continued)

In millions of Kazakhstani Tenge

	Kyzylkum LLP	JV KATKO LLP	JV South Mining Chemical Company LLP	JV Zarechnoe JSC	JV Khorasan- U LLP	Other	Total
Group's share of net assets of associates	7,021	63,558	4,503	9,591	-	948	85,621
Unrealised profit in the Group	-	(4,815)	(1,087)	(296)	-	-	(6,198)
Other	(850)	(657)	-	42	-	(240)	(1,705)
Goodwill	-	68	-	-	-	4,520	4,588
Carrying value of investments in associates	6,171	58,154	3,416	9,337	-	5,228	82,306
Total revenue	8,843	50,366	35,147	12,608	4,101	12,776	123,841
Depreciation and amortisation	(467)	(9,140)	(3,473)	(2,696)	(399)	(1,399)	(17,574)
Finance income	54	47	193	22	20	33	369
Finance costs	(996)	-	(472)	(25)	(10)	(802)	(2,305)
Foreign exchange gain/(loss)	-	721	(547)	(4)	(242)	(25)	(97)
(Impairment)/reversal of impairment	52	-	15	(1)	-	-	66
Income tax expense	(18)	(3,366)	(3,868)	(723)	(540)	(82)	(8,597)
Profit for the period	2,099	21,462	15,253	2,675	1,003	901	43,393
Total comprehensive income	2,099	21,462	15,253	2,675	1,003	901	43,393
Other	-	(2,067)	(975)	(296)	(167)	-	(3,505)
Dividends received	-	-	7,475	1,409	-	-	8,884

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21 Investments in Associates (Continued)

Summarised financial information as of 31 December 2018 in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS, adjusted by the Group for equity accounting purposes.

	Kyzylkum LLP	JV KATKO LLP	JV South Mining Chemical Company LLP	Zarechnoe JSC	JV Khorasan- U LLP	Other	Total
<i>In millions of Kazakhstani Tenge</i>							
Current assets	10,411	60,478	29,386	9,644	20,124	5,145	135,188
Including cash	8,752	34,794	5,390	1,264	4,700	995	55,895
Non-current assets	29,851	62,657	39,261	16,507	64,276	23,772	236,324
Total assets	40,262	123,135	68,647	26,151	84,400	28,917	371,512
Current liabilities	(12,017)	(6,450)	(36,346)	(5,508)	(20,825)	(6,619)	(87,765)
Including financial liabilities net of trade and other accounts payable and provisions	(10,154)	(529)	(529)	(2,743)	(17,441)	(1,799)	(32,666)
Non-current liabilities	(16,303)	(9,778)	(7,630)	(1,309)	(1,231)	(14,497)	(50,748)
Including financial liabilities net of trade and other accounts payable and provisions	(15,333)	-	(4,469)	-	-	(13,572)	(33,374)
<i>Incl. loan from the Company</i>	(15,333)	-	-	-	-	-	(15,333)
Total liabilities	(28,320)	(16,228)	(43,976)	(6,817)	(22,056)	(21,116)	(138,513)
Net assets	11,942	106,907	24,671	19,334	62,344	7,801	232,999
Group's share of net assets of associates	5,971	52,385	7,402	9,663	31,172	667	107,260
Unrealised profit in the Group	-	(2,749)	(112)	-	(353)	-	(3,214)
Other	(850)	-	-	42	-	(392)	(1,200)
Goodwill	-	68	-	-	-	4,520	4,588
Carrying value of investments in associates	5,121	49,704	7,290	9,705	30,819	4,795	107,434

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21 Investments in Associates (Continued)

Summarised financial information for the period ended 30 September 2018 in respect of each of the Group's material associates is set out below.

<i>In millions of Kazakhstani Tenge</i>	Kyzylkum LLP	JV KATKO LLP	JV South Mining Chemical Company LLP	JV Zarechnoe JSC	JV Khorasan- U LLP	Other	Total
Total revenue	10,319	49,123	35,717	10,262	23,539	12,798	141,758
Depreciation and amortisation	(536)	(10,074)	(4,149)	(2,381)	(1,849)	(1,506)	(20,495)
Finance income	13	8	186	48	98	109	462
Finance costs	(928)	(735)	(2)	(104)	(37)	(843)	(2,649)
Foreign exchange gain/(loss)	-	1,873	996	(358)	(86)	(310)	2,115
(Impairment)/reversal of impairment	-	26	49	128	(1)	-	202
Income tax expense	(726)	(4,618)	(3,638)	(112)	(1,031)	(380)	(10,505)
Profit for the period	1,584	17,544	15,558	1,093	4,321	(108)	39,992
Total comprehensive income	1,584	17,544	15,558	1,093	4,321	(108)	39,992
Other	-	(601)	145	(194)	(369)	-	(1,019)
Dividends received	-	3,395	3,300	199	-	1,979	8,873

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22 Investments in Joint Ventures

The table below summarises the changes in the carrying value of the Group's investments in joint ventures:

In millions of Kazakhstani Tenge

Carrying value at 1 January 2019	40,442
Share of results of joint ventures	4,966
Contribution to share capital	64
Effect of translation to presentation currency	1,220
Dividends from joint ventures	(739)
Other	(11)
Carrying value at 30 September 2019 (unaudited)	45,942

The Group has the following investments in joint ventures:

	Country of incorporation	Principal activity	30 September 2019 (unaudited)		31 December 2018	
			% ownership interest held/ % of voting rights	In millions of Kazakhstani Tenge	% ownership interest held/ % of voting rights	In millions of Kazakhstani Tenge
TsOU JSC	Russia	Production of advanced uranium products	50.00%	15,067	50.00%	10,678
Semizbay-U LLP	Kazakhstan	Extraction, processing and export of uranium products	51.00%	13,476	51.00%	12,675
Ulba TVS LLP	Kazakhstan	Construction of fuel assembly units plant and production, marketing and sale of fuel assembly units	51.00%	6,671	51.00%	6,885
JV Budenovskoe LLP	Kazakhstan	Extraction, processing and export of uranium products	51.00%	5,626	51.00%	5,732
Uranenergo LLP	Kazakhstan	Transfer and distribution of electricity, grid operations	79.50%	2,718	79.45%	2,839
SKZ-U LLP	Kazakhstan	Production of sulphuric acid	49.00%	2,384	49.00%	1,633
JV UKR TVS CJSC	Ukraine	Production of nuclear fuel	33.33%	-	33.33%	-
Total investments in joint ventures				45,942		40,442

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22 Investments in Joint Ventures (Continued)

Summarised financial information as of 30 September 2019 and 31 December 2018 in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with IFRS, adjusted by the Group for equity accounting purposes.

	Semizbay-U LLP		TsOU JSC		Other		Total	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<i>In millions of Kazakhstani Tenge</i>								
Current assets	14,986	9,851	20,186	8,464	15,670	17,784	50,842	36,099
Including cash	717	812	3,797	5,192	4,890	10,394	9,404	16,398
Non-current assets	18,794	18,541	132,031	113,872	59,855	53,433	210,680	185,846
Total assets	33,780	28,392	152,217	122,336	75,525	71,217	261,522	221,945
Current liabilities	(10,745)	(7,522)	(37,248)	(13,469)	(10,106)	(8,473)	(58,099)	(29,464)
Including financial liabilities net of trade and other accounts payable and provisions	(7,742)	(4,600)	(10,473)	(8,856)	(5,199)	(5,340)	(23,414)	(18,796)
Non-current liabilities	(3,981)	(4,065)	(81,055)	(87,511)	(19,898)	(17,943)	(104,934)	(109,519)
Including financial liabilities net of trade and other accounts payable and provisions	-	-	(81,055)	(87,511)	(19,844)	(17,917)	(100,899)	(105,428)
Total liabilities	(14,726)	(11,587)	(118,303)	(100,980)	(30,004)	(26,416)	(163,033)	(138,983)
Net assets	19,054	16,805	33,914	21,356	45,521	44,801	98,489	82,962
Group's share of net assets of joint ventures	9,717	8,570	16,957	10,678	24,540	24,249	51,214	43,497
Share in accumulated unrecognised losses	-	-	-	-	23	14	23	14
Goodwill	4,105	4,105	-	-	(1,397)	(1,397)	2,708	2,708
Impairment	-	-	-	-	(21)	(21)	(21)	(21)
Other	-	-	(1,890)	-	(5,746)	(5,756)	(7,636)	(5,756)
Unrealised profit in the Group	(346)	-	-	-	-	-	(346)	-
Carrying value of investments in joint ventures	13,476	12,675	15,067	10,678	17,399	17,089	45,942	40,442

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22 Investments in Joint Ventures (Continued)

Summarised financial information for the periods ended 30 September 2019 and 30 September 2018 in respect of each of the Group's material associates is set out below.

	Semizbay-U LLP		TsOU JSC		Other		Total	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<i>In millions of Kazakhstani Tenge</i>								
Total revenue	17,978	12,337	207	1,921	10,125	10,601	28,310	24,859
Depreciation and amortisation	(2,553)	(2,086)	(2)	-	(922)	(905)	(3,477)	(2,991)
Finance income	32	50	149	-	24	177	205	227
Finance costs	(399)	(239)	(3,662)	(3,491)	(544)	(552)	(4,605)	(4,282)
Foreign exchange gain/(loss)	(112)	(637)	(7,801)	(11,584)	(379)	(1,646)	(8,292)	(13,867)
(Impairment)/reversal of impairment	4	14	-	-	(3)	173	1	187
Income tax expense	(978)	(127)	(804)	1,854	(486)	(344)	(2,268)	1,383
Profit/(loss) for the period	3,696	272	6,361	(5,300)	672	172	10,729	(4,856)
Total comprehensive income/(loss)	3,696	272	6,339	(5,300)	672	172	10,707	(4,856)
Other	(346)	149	-	-	-	(13)	(346)	136
Dividends received	739	-	-	-	-	-	739	-

23 Loans to Related Parties

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Kyzylkum LLP		
- non-current portion	10,988	13,245
- current portion	2,846	10,373
Total loans to related parties	13,834	23,618

The weighted average annual interest rate on loans to related parties in the period ended 30 September 2019 was 8.5%.

24 Current Accounts Receivable

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Trade accounts receivable	53,591	91,094
Trade accounts receivable from related parties	12,650	3,277
Total gross trade accounts receivable	66,241	94,371
Provision for impairment of receivables	(415)	(90)
Provision for impairment of receivables from related parties	(51)	(49)
Total net trade accounts receivable	65,775	94,232
Other accounts receivable	871	607
Other accounts receivable from related parties	3	2
Total gross other accounts receivable	874	609
Provision for impairment of other accounts receivable	(774)	(364)
Total net other accounts receivable	100	245
Total current accounts receivable	65,875	94,477

25 Inventories

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018 (restated)
Finished goods and goods for resale	236,711	130,922
Work-in-process	20,244	19,768
Raw materials	17,932	13,728
Other materials	5,922	5,459
Materials in process	1,506	1,226
Spare parts	546	720
Fuel	651	1,875
Provision for obsolescence and write-down to net realisable value	(3,541)	(2,672)
Total inventories	279,971	171,026

26 Cash and Cash Equivalents

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Current bank accounts	74,175	125,959
Demand deposits	11,850	2,847
Cash in hand	31	31
Cash on special accounts	21	-
Cash in transit	3	-
Loss allowance for cash and cash equivalents	(15)	(18)
Total cash and cash equivalents	86,065	128,819

27 Other Assets

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Non-current		
Restricted cash	12,159	10,552
Long-term inventories	6,132	6,483
Long-term VAT	2,279	-
Prepaid expenses	1,619	1,343
Advances for non-current assets	1,609	1,276
Loans to employees	659	869
Advances to related parties	203	324
Total other non-current assets	24,660	20,847
Current		
Dividends receivable from related parties	8,091	8,659
Advances for goods and services	6,787	2,760
Advances to related parties for goods and services	4,407	3,949
Prepaid insurance	601	833
Due from employees	511	482
Prepaid expenses	496	412
Restricted cash	318	490
Prepaid taxes other than income tax	315	737
Total other current assets	21,526	18,322

28 Dividends and Share Capital

At 30 September 2019 the total number of authorised and paid ordinary shares is 259,356,608 (2018: 259,356,608).

In November 2018, Samruk-Kazyna JSC as a selling shareholder placed 15% of the Company's shares (equivalent to 38,903,491 shares / global depositary receipts (GDRs) on the London Stock Exchange (LSE) and the Astana International Exchange (AIX). In September 2019, Samruk-Kazyna JSC offered an additional 9,863,021 GDRs on LSE and AIX. As a result of the additional offer, the volume of the share capital free float increased to 18.72%. As of 30 September 2019, 81.28% of the Company's shares are held by Samruk-Kazyna JSC and 18.72% are on free float. Each ordinary share carries one vote.

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28 Dividends and Share Capital (Continued)

Dividends declared and paid during the period were as follows:

In millions of Kazakhstani Tenge

Dividends payable to shareholders at 1 January 2019	-
Dividends declared during the period	80,001
Dividends paid during the period	(80,001)
Dividends payable to shareholders at 30 September 2019 (unaudited)	-
Dividends per share declared during the period, in Tenge	308.46

29 Borrowings

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Non-current		
Bank loans	-	16,270
Bonds issued	70,000	-
Non-current borrowings	70,000	16,270
Current		
Bank loans	117,178	74,159
Non-bank loans	641	35,726
Bonds issued	23	73,535
Promissory note issued	17,456	-
Total current borrowings	135,298	183,420

On September 27, 2019, the Company placed 70 million bonds indexed to U.S. dollars on the organized securities market of Kazakhstan Stock Exchange JSC ("KASE"). The face value of one bond is 1,000 Tenge with maturity on October 27, 2024. The purpose of the placement is to refinance bonds placed in October 2018, the early repayment of which was also made on September 27, 2019.

Promissory notes were issued by JV Khorasan-U LLP in December 2014 to repay the debt for mine development assets. According to the terms, the promissory notes are payable on demand at an interest rate of 0.1%. As of 30 September 2019, the right of claim under these promissory notes belongs to Kyzylkum LLP.

Information about the Group's loans and borrowings is presented as follows:

In millions of Kazakhstani Tenge

At 1 January 2019	199,690
Proceeds from borrowings	257,836
Additions from business combinations	17,441
Repayment of borrowings	(269,978)
Interest accrued	5,207
Interest paid	(5,860)
Foreign currency translation	764
Other	198
At 30 September 2019 (unaudited)	205,298

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30 Accounts Payable

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Non-current		
Trade accounts payable	669	777
Total non-current trade accounts payable	669	777
Current		
Trade accounts payable to related parties	42,187	19,165
Trade accounts payable	29,350	30,525
Payable under uranium swap transactions	15,888	-
Total current trade accounts payable	87,425	49,690
Other accounts payable to related parties	163	-
Other accounts payable	2,118	1,844
Total current accounts payable	89,706	51,534

31 Provisions

<i>In millions of Kazakhstani Tenge</i>	Compensation for occupational diseases	Environment protection	Site restoration	Other	Total
At 1 January 2019					
Non-current	246	2,994	29,607	38	32,885
Current	91	96	-	-	187
Total	337	3,090	29,607	38	33,072
Additions from business combinations	-	-	712	-	712
Provision formed/(used) during the period	(65)	(1)	51	-	(15)
Unwinding of discount	19	151	1,821	1	1,992
Transfer to disposal groups	-	-	(13)	-	(13)
Change in estimates	-	-	2,983	-	2,983
At 30 September 2019 (unaudited)					
Non-current	265	3,144	35,161	39	38,609
Current	26	96	-	-	122
Total	291	3,240	35,161	39	38,731

32 Other Liabilities

<i>In millions of Kazakhstani Tenge</i>	30 September 2019 (unaudited)	31 December 2018
Non-current		
Advances received	3,637	3,260
Other provisions	3,537	-
Deferred income	1,175	738
Historical costs liabilities	1,039	1,442
Preferred shares	265	265
Issued financial guarantees	72	89
Advances received from related parties	14	17
Other liabilities	15	14
Total non-current other liabilities	9,754	5,825
Current		
Dividends payable to non-controlling interest	4,494	244
Accrued unused vacation payments and bonuses	2,635	5,416
Wages and salaries payable	2,099	1,990
Liability under joint operations	2,053	16,995
Advances received	1,618	2,253
Advances received from related parties	729	28
Historical costs liabilities	644	1,423
Social contributions payable	625	824
Issued financial guarantees	81	422
Deferred income	57	142
Other	131	582
Total current other liabilities	15,166	30,319

33 Contingencies and Commitments

Except for items disclosed below, as of 30 September 2019, there are no significant contingent liabilities, commitments and operating risks in addition to those disclosed in the consolidated financial statements for the year ended 31 December 2018.

Guarantees

The maximum exposure to credit risk under financial guarantees, provided to secure financing of joint venture, at 30 September 2019 is Tenge 10,935 million (30 September 2018: Tenge 13,169 million).

34 Fair Value Disclosures

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.

Assets and liabilities not measured at fair value but for which fair value is disclosed

Estimates of all assets and liabilities not measured at fair value but for which fair value is disclosed, except bonds, are level 3 of the fair value hierarchy.

34 Fair Value Disclosures (Continued)

The fair values in 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.

Financial assets carried at amortised cost

The fair value of floating rate instruments is normally their carrying amount. Estimate of all financial assets carried at amortised cost is level 3 measurement. 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.

Liabilities carried at amortised cost

Fair values of other liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The discount rates used ranged from 3.3% p.a. to 7.45% p.a. depending on the length and currency of the liability.

All financial assets of the Group as of the end of the reporting period are carried at amortised costs except for financial derivative asset that is recognised at fair value through profit and loss. All financial liabilities of the Group are carried at amortised cost. Fair values approximate carrying values.

35 Business Combinations

Baiken-U LLP, Kyzylkum LLP and JV Khorasan-U LLP

In December 2018, the Group finalised a settlement deed to complete the acquisition of 40.05% of the shares of Energy Asia (BVI) Limited and a 16.02% participatory interest in the chartered capital of JV Khorasan-U LLP from Energy Asia Holdings (BVI) Limited. As a result of this transaction:

- the Group's ownership interest in Baiken-U LLP, Kyzylkum LLP and JV Khorasan-U LLP increased to 52.5%, 50% and 50%, respectively – before the transaction, those ownership interests were 14.45%, 33.98% and 33.98%, respectively.
- as of 31 December 2018 the Group obtained control over Baiken-U LLP through having majority of the voting rights and representation in the Supervisory Board.
- the Group maintained significant influence over Kyzylkum LLP and JV Khorasan-U LLP as at 31 December 2018 and the Group concluded at that date that no control was obtained over JV Khorasan-U LLP pending participants' approval of changes in the charter of the investee that will enable the Group to exercise the majority of votes.
- in February 2019, the owners of JV Khorasan-U LLP approved changes to the charter documents of that entity, which gave the Group the ability to cast a majority vote at the supervisory board. As a result, the Group obtained control over JV Khorasan-U LLP from that date.

The acquisition of Baiken-U LLP as well as the increase in ownership interest in Kyzylkum LLP and Khorasan-U LLP were reflected in the consolidated financial statements for the year ended 31 December 2018 at provisional (carrying) values. The valuations by an independent appraiser were finalised in the first half 2019. As a result, the statement of financial position as of 31 December 2018 was re-stated in these condensed interim consolidated financial statements (Note 3).

35 Business Combinations (Continued)

Baiken-U LLP

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In millions of Kazakhstani Tenge

Cash consideration paid	26,136
Net liabilities from pre-existing relationship	(10,285)
Total consideration transferred	15,851
Investment in Baiken-U LLP prior to the acquisition, 5%	6,140
Interest in Baiken-U LLP via PSIL/EAL prior to the acquisition, effective 9.45%	11,607
Total purchase consideration and fair value of previously held interest in the acquiree	33,598

Consideration transferred by the Group under the terms of the settlement deed was allocated to the acquisition transactions of Baiken-U LLP, Kyzylkum LLP and JV Khorasan-U LLP based on their relative fair values (based on the valuation completed in the first half 2019).

Prior to the acquisition, the Group's investments in Baiken-U LLP were re-measured to fair value, following the requirements of IFRS 9. Liabilities from pre-existing relationship represent receivables of Baiken-U LLP from the Group, mainly for delivery of uranium.

The Group assessed the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed in the acquisition of the entity under IFRS 3 Business Combinations. The valuation was performed by an independent appraiser.

Information on the acquired assets and liabilities assumed and resultant goodwill was based on the fair values at 31 December 2018.

In millions of Kazakhstani Tenge

	Fair value
Cash and cash equivalents	28,420
Accounts receivable	11,583
Inventories	2,814
Mineral rights	89,419
Property, plant and equipment	16,355
Mine development assets	21,437
Other assets	2,460
Accounts payable	(2,142)
Deferred tax liability	(20,154)
Other liabilities	(1,913)
Carrying value of identifiable net assets acquired (before elimination of intra-group balances)	148,279
Less: elimination of intra-group balances	(10,285)
Carrying value of identifiable net assets acquired	137,994
Less: bargain purchase gain arising from acquisition	(70,433)
Less: non-controlling interest	(33,963)
Total purchase consideration and previously held interest in the acquiree	33,598

Based on the valuation, the assets value of Baiken-U LLP increased by Tenge 97,724 million to fair value, mainly due to valuation of the subsoil use (mineral) right.

35 Business Combinations (Continued)

The non-controlling interest represents a share in the net assets of the acquire attributable to owners of the non-controlling interest. The non-controlling interest was determined based on the proportionate share of the fair value of the acquiree's net assets.

Increase in investments in associates - Kyzylkum LLP, Khorasan-U LLP

As a result of the fair value assessment, the investment in associates changed as follows:

In millions of Kazakhstani Tenge

Investment in Kyzylkum LLP based on provisional values	2,465
Investment in Kyzylkum LLP based on fair values	1,589
Net change in the value of investment in Kyzylkum LLP	(876)
Investment in Khorasan-U LLP based on provision values	3,909
Investment in Khorasan-U LLP based on fair values	23,271
Net change in the value of investment in Khorasan-U LLP	19,362
Increase in investments in associates (Note 3)	18,486

JV Khorasan-U LLP

The Group gained control over JV Khorasan-U LLP on 20 February 2019. The Group assessed the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed in the acquisition of the entity under IFRS 3 Business Combinations. The valuation was performed by an independent appraiser.

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In millions of Kazakhstani Tenge

Cash consideration paid	-
Net liabilities from pre-existing relationship	(1,948)
Total consideration transferred	(1,948)
Investment in Khorasan-U LLP prior to the acquisition, 50%	83,653
Total purchase consideration and fair value of previously held interest in the acquiree	81,705

35 Business Combinations (Continued)

Liabilities from pre-existing relationship represent receivables of JV Khorasan-U LLP from the Group, mainly for delivery of uranium. The difference between the consideration transferred and the fair value of the acquiree's identifiable assets, liabilities assumed and contingent liabilities led to recognition of a bargain purchase gain, as presented in the table below.

<i>In millions of Kazakhstani Tenge</i>	Fair value
Cash and cash equivalents	5,563
Accounts receivable	10,020
Inventories	8,873
Property, plant and equipment	181
Mine development assets	22,627
Mineral rights	178,856
Other assets	6,105
Promissory note	(17,441)
Accounts payable	(4,527)
Deferred tax liability	(36,873)
Other liabilities	(1,777)
Carrying value of identifiable net assets acquired (before elimination of intra-group balances)	171,607
Less: elimination of intra-group balances	(1,948)
Carrying value of identifiable net assets acquired	169,659
Less: non-controlling interest	(85,804)
Less: bargain purchase gain	(2,150)
Total purchase consideration and previously held interest in the acquire	81,705

The valuation of identifiable assets and liabilities was performed by an independent professional appraiser.

Based on the valuation, the assets value increased by Tenge 184,221 million to fair value, mainly due to valuation of the subsoil use (mineral) right.

The non-controlling interest represents a share in the net assets of the acquire attributable to owners of the non-controlling interest. The non-controlling interest was determined based on proportionate share of the acquire's net assets' fair value.

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36 Non-controlling Interest

The following table provides information about each significant subsidiary that has non-controlling interest that is material to the Group as of 30 September 2019:

Name	Country of incorporation and principal place of business	Ownership rights held by non-controlling interest	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest
Ulba Metallurgical Plant JSC	Kazakhstan	9.82%	313	6,703
Appak LLP	Kazakhstan	35%	1,163	7,662
Inkai LLP	Kazakhstan	40%	6,666	89,714
Baiken-U LLP	Kazakhstan	47.5%	1,833	58,491
JV Khorasan-U LLP	Kazakhstan	50%	2,292	88,095
Total			12,267	250,665

The following table provides information about each significant subsidiary that has a non-controlling interest that is material to the Group as of 31 December 2018:

Name	Country of incorporation and principal place of business	Ownership rights held by non-controlling interest	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest
Ulba Metallurgical Plant JSC	Kazakhstan	9.82%	30	6,399
Appak LLP	Kazakhstan	35%	1,533	8,031
Inkai LLP	Kazakhstan	40%	6,372	83,047
Baiken-U LLP	Kazakhstan	47.5%	-	70,433
Total			7,935	167,910

The summarised financial information of these subsidiaries as of 30 September 2019 and 31 December 2018 as well as for the period ended 30 September 2019 and 30 September 2018 is as follows:

In millions of Kazakhstani Tenge	Ulba Metallurgical Plant JSC		Appak LLP		Inkai LLP		Baiken-U LLP		JV Khorasan- U LLP
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019
	Current assets	41,831	38,282	12,414	14,373	36,515	57,052	32,902	42,906
Non-current assets	39,874	40,499	13,337	13,251	227,739	228,651	122,399	129,582	198,453
Current liabilities	(5,763)	(6,150)	(1,622)	(2,307)	(4,835)	(42,747)	(11,223)	(2,792)	(18,898)
Non-current liabilities	(6,546)	(5,903)	(2,242)	(2,376)	(35,131)	(35,334)	(20,939)	(21,417)	(37,314)
Equity, incl. Equity attributable to the Group	69,396	66,728	21,887	22,941	224,288	207,622	123,139	148,279	176,191
Non-controlling interest	6,703	6,399	7,662	8,031	89,714	83,047	58,491	70,433	88,095

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36 Non-controlling Interest (Continued)

<i>In millions of Kazakhstani Tenge</i>	Ulba Metallurgical Plant JSC		Appak LLP		Inkai LLP		Baiken-U LLP		JV Khorasan -U LLP
	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019
	For the nine months ended								
Revenue	27,475	29,440	10,262	7,461	39,610	24,093	13,296	-	22,613
Depreciation and amortisation	(1,017)	(1,044)	(1,069)	(1,235)	(4,319)	(4,089)	(2,494)	-	(2,755)
Depreciation and amortisation from fair value	-	-	-	-	(1,432)	(1,839)	(340)	-	(1,392)
Finance income	169	144	79	129	147	31	532	-	91
Finance costs	(266)	(202)	(127)	(253)	(753)	(1,223)	(75)	-	(65)
Income tax expense	(1,138)	(1,523)	(856)	(458)	(4,337)	(1,489)	(909)	-	(1,147)
Net foreign exchange gain/(loss)	10	1,259	(14)	(86)	266	(2,661)	(158)	-	448
Impairment (loss)/reversal of impairment	(83)	(226)	(27)	19	-	-	(19)	-	1
Profit/(loss) for the period	3,071	4,415	3,324	1,928	16,666	3,714	3,859	-	4,583
Profit/(loss) attributable to the owners of the Company	2,666	4,056	2,161	1,253	10,000	2,228	2,026	-	2,291
Profit/(loss) attributable to non-controlling interest	303	397	1,163	675	6,666	1,486	1,833	-	2,292
Total comprehensive income/(loss) for the period	2,969	4,453	3,324	1,928	16,666	3,714	3,859	-	4,583
Net cash inflow/ (outflow) from:									
- operating activities	494	2,867	1,748	4,303	24,670	17,201	5,347	-	7,630
- investing activities	(797)	(1,060)	(1,420)	(656)	4,838	(7,756)	(2,546)	-	(1,253)
- financing activities	(298)	(386)	(4,669)	(4,009)	(34,878)	(6,836)	(16,231)	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	(174)	868	(23)	29	175	336	(189)	-	342
Net change in cash and cash equivalents	(775)	2,289	(4,364)	(333)	(5,195)	2,945	(13,619)	-	6,719

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37 Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the number of ordinary shares in issue during the period. The Company has no dilutive potential ordinary shares; therefore, the diluted earnings per share equals the basic earnings per share. Earnings per share from continuing operations is calculated as follows:

<i>In millions of Kazakhstani Tenge</i>	For the three months ended		For the nine months ended	
	30 September 2019 (unaudited)	30 September 2018 (unaudited)	30 September 2019 (unaudited)	30 September 2018 (unaudited)
Profit from continuing operations for the period attributable to owners of the Company (in millions of Kazakhstani Tenge)	37,048	24,649	129,954	349,137
Profit for the period attributable to owners of the Company (in millions of Kazakhstani Tenge)	37,048	24,649	129,954	350,240
Number of ordinary shares (in thousands)	259,357	259,357	259,357	259,357
Earnings per share from continuing operations attributable to the owners of the Company, basic and diluted (rounded to Tenge)	143	95	501	1,346
Earnings per share attributable to the owners of the Company, basic and diluted (rounded to Tenge)	143	95	501	1,350