

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 WITH INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of tenge	Note	For the years ended December 31	
		2020	2019 ¹
Revenue and other income			
Revenue	5	4,556,037	6,858,856
Share in profit of joint ventures and associates, net	6	511,195	827,979
Finance income	13	109,753	240,880
Gain on sale of subsidiaries		519	17,481
Other operating income		24,576	24,936
Total revenue and other income		5,202,080	7,970,132
Costs and expenses			
Cost of purchased oil, gas, petroleum products and other materials	7	(2,277,066)	(3,913,744)
Production expenses	8	(740,786)	(721,693)
Taxes other than income tax	9	(269,559)	(454,295)
Depreciation, depletion and amortization	32	(360,283)	(337,424)
Transportation and selling expenses	10	(458,186)	(420,402)
General and administrative expenses	11	(170,208)	(213,967)
Impairment of property, plant and equipment, intangible assets, exploration and evaluation assets	12	(243,694)	(150,751)
Exploration expense	12	(19,807)	(57,068)
Impairments of investments in joint ventures and associate	18	(30,654)	-
Finance costs	13	(297,551)	(317,433)
Other expenses		(32,151)	(7,203)
Net foreign exchange (loss)/ gain		(23,935)	8,479
Total costs and expenses		(4,923,880)	(6,585,501)

¹ Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2019, and reflect reclassifications made, refer to Note

		For the years ended December 31	
In millions of tenge	Note	2020	2019 ¹
Profit before income tax		278,200	1,384,631
Income tax expense	28	(106,303)	(226,180)
Profit for the year from continuing operations		171,897	1,158,451
Discontinued operations			
Profit after income tax for the year from discontinued operations		–	6
Net profit for the year		171,897	1,158,457
Net profit/(loss) for the year attributable to:			
Equity holders of the Parent Company		273,237	1,197,157
Non-controlling interest		(101,340)	(38,700)
		171,897	1,158,457
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Hedging effect		(25)	–
Exchange differences on translation of foreign operations		450,936	(32,072)
Tax effect		(36,481)	(1,240)
Net other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods		414,430	(33,312)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods			
Actuarial loss on defined benefit plans of the Group		(10,592)	(5,688)
Actuarial (loss)/gain on defined benefit plans of joint ventures		(285)	199
Tax effect		108	1,179
Net other comprehensive loss not to be reclassified to profit or loss in the subsequent periods		(10,769)	(4,310)
Net other comprehensive income/(loss) for the year		403,661	(37,622)
Total comprehensive income for the year, net of tax		575,558	1,120,835
Total comprehensive income for the year attributable to:			
Equity holders of the Parent Company		677,742	1,159,447
Non-controlling interest		(102,184)	(38,612)
Earnings per share** – Tenge thousands			
Basic and diluted	23	0.28	1.90

Deputy Chairman of the Management Board for Economy
and Finance



D.S. Karabayev

Chief accountant



A.S. Yesbergenova

² The number of ordinary shares as of December 31, 2020 and 2019 equaled to 610,119,493.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of tenge	Note	As at December 31	
		2019*	2019 ¹
Assets			
Non-current assets			
Property, plant and equipment	14	4,369,745	4,484,271
Right-of-use assets		53,661	38,379
Exploration and evaluation assets	15	158,385	179,897
Investment property		22,826	9,541
Intangible assets	16	168,481	171,172
Long-term bank deposits	17	56,528	52,526
Investments in joint ventures and associates	18	6,471,021	5,590,384
Deferred income tax assets	28	58,590	73,714
VAT receivable		94,481	133,557
Advances for non-current assets		23,343	73,367
Loans and receivables due from related parties	21	684,610	615,546
Other non-current financial assets		11,651	2,488
Other non-current non-financial assets		3,542	17,162
		12,176,864	11,442,004
Current assets			
Inventories	19	228,065	281,215
VAT receivable		106,695	74,049
Income tax prepaid	28	70,301	54,517
Trade accounts receivable	20	422,821	397,757
Short-term bank deposits	17	282,472	359,504
Loans and receivables due from related parties	21	27,795	138,719
Other current financial assets	20	57,071	63,555
Other current non-financial assets	20	88,821	198,539
Cash and cash equivalents	22	1,145,864	1,064,452
		2,429,905	2,632,307
Assets classified as held for sale	14	46,518	7,604
		2,476,423	2,639,911
Total assets		14,653,287	14,081,915
Equity and liabilities			
Equity			
Share capital	23	916,541	916,541
Additional paid-in capital	23	8,981	40,794
Other equity		58	83
Currency translation reserve		2,146,035	1,731,747
Retained earnings		5,636,705	5,469,236
Attributable to equity holders of the Parent Company		8,708,320	8,158,401

¹ Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2019, and reflect reclassifications made, refer to Note 3.

In millions of tenge	Note	As at December 31	
		2019*	2019 ¹
Non-controlling interest	23	(71,641)	38,255
Total equity		8,636,679	8,196,656
Non-current liabilities			
Borrowings	24	3,716,892	3,584,076
Provisions	25	303,154	273,589
Deferred income tax liabilities	28	555,894	509,462
Lease liabilities		45,499	35,996
Other non-current financial liabilities		32,963	16,365
Other non-current non-financial liabilities		28,831	27,329
		4,683,233	4,446,817
Current liabilities			
Borrowings	24	361,556	253,428
Provisions	25	63,235	103,538
Income tax payable	28	8,967	13,011
Trade accounts payable	26	536,922	667,861
Other taxes payable	27	130,263	86,666
Lease liabilities		16,971	10,922
Other current financial liabilities	26	86,440	93,139
Other current non-financial liabilities	26	129,021	209,877
		1,333,375	1,438,442
Total liabilities		6,016,608	5,885,259
Total equity and liabilities		14,653,287	14,081,915
Book value per ordinary share – Tenge thousands	23	13.880	13.154

Deputy Chairman of the Management Board for Economy
and Finance



D.S. Karabayev

Chief accountant



A.S. Yesbergenova

CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of tenge	Note	For the years ended December 31,	
		2019	2019
Operating activities			
Profit before income tax from continuing operations		278,200	1,384,631
Profit before income tax from discontinued operations		–	6
Profit before income tax		278,200	1,384,637

¹ Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2019, and reflect reclassifications made, refer to Note 3.

In millions of tenge	Note	For the years ended December 31,	
		2019	2019
Adjustments to reconcile profit before taxation to net cash provided by operating activities:			
Depreciation, depletion and amortization	32	360,283	337,424
Impairment of property, plant and equipment, intangible assets, exploration and evaluation assets	12	243,694	150,751
Finance costs	13	297,551	317,433
Net foreign exchange differences		45,388	4,142
Impairment of investment in joint venture	18	30,654	–
Exploration expense	12	19,807	57,068
Loss on disposal of property, plant and equipment, intangible assets and investment property, net		6,508	6,430
Accrual of impairment of VAT receivable	11	6,435	15,703
Change in financial guarantees		6,288	(6,956)
VAT that could not be offset	11	4,528	6,910
Allowance of expected credit loss for trade receivables and other financial assets	11	4,225	14,096
Unrealized losses/(gains) from derivatives on petroleum products		626	(465)
Gain on sale of subsidiaries		(519)	(17,481)
Allowance/(reversal) of obsolete inventories		357	(2,534)
Adjustment for repayment of advances received for the supply of oil		–	(864,450)
(Reversal)/accrual of impairment losses allowance for other non-financial assets	11	(65)	42
Realized gain from derivatives on petroleum products		(22,946)	(8,410)
Movements in provisions		(43,174)	2,967
Finance income	13	(109,753)	(240,880)
Share in profit of joint ventures and associates, net	6	(511,195)	(827,979)
Other adjustments		317	13
Operating profit before working capital changes		617,209	328,461
Change in VAT receivable		(3,993)	(28,070)
Change in inventory		82,337	11,710
Change in trade accounts receivable and other current assets		121,837	11,466
Change in trade and other payables and contract liabilities		(305,380)	(23,578)
Change in other taxes payable		34,066	(19,916)
Cash generated from operations		546,076	280,073
Dividends received from joint ventures and associates	18	134,772	126,461
Net payment of derivative instruments		(142)	(7)
Income taxes paid		(87,984)	(161,979)
Interest received		90,798	118,207
Interest paid		(236,987)	(238,954)
Net cash flow from operating activities		446,533	123,801
Investing activities			
Withdrawal and placement of bank deposits, net		104,107	28,987

		For the years ended December 31,	
In millions of tenge	Note	2019	2019
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets		(396,406)	(444,193)
Proceeds from sale of property, plant and equipment, intangible assets, investment property, exploration and evaluation assets and assets held for sale		50,738	42,776
Proceeds from disposal of subsidiaries, net		8,710	56,760
Contribution to joint ventures		(6,586)	(889)
Proceeds from disposal of joint ventures		5,966	–
Loans given to related parties	29	(57,485)	(56,516)
Repayment of loans due from related parties	29	72,721	47,656
(Acquisition)/refund of debt securities		(292)	454
Proceeds from lease receivables from joint venture		1,404	–
Proceeds from Note receivable from a shareholder of a joint venture		11,512	5,403
Net cash flows used in investing activities		(205,611)	(319,562)
Financing activities			
Proceeds from borrowings	24	676,979	271,772
Repayment of borrowings	24	(807,355)	(444,656)
Dividends paid to Samruk-Kazyna and National Bank of RK	23	(81,738)	(36,998)
Dividends paid to non-controlling interests	23	(4,553)	(5,693)
Share buyback by subsidiary	23	(212)	(2,318)
Distributions to Samruk-Kazyna	23	(7,987)	(36,297)
Payment of principal lease liabilities		(18,978)	(16,181)
Payment under financial guarantee		(1,383)	–
Net cash flows used in financing activities		(245,227)	(270,371)
Effects of exchange rate changes on cash and cash equivalents		85,341	(14,985)
Change in allowance for expected credit losses in cash and cash equivalents		376	(279)
Net change in cash and cash equivalents		81,412	(481,396)
Cash and cash equivalents, at the beginning of the year		1,064,452	1,545,848
Cash and cash equivalents, at the end of the year		1,145,864	1,064,452

Deputy Chairman of the Management Board for Economy
and Finance



D.S. Karabayev

Chief accountant



A.S. Yesbergenova

NON-CASH AND OTHER TRANSACTIONS: SUPPLEMENTAL DISCLOSURE

The following significant non-cash transactions and other transactions were excluded from the consolidated statement of cash flows:

Account payable for non-current assets

For the year ended December 31, 2020, accounts payable for purchases of property, plant and equipment increased by 6,107 million tenge (2019: increased by 97,382 million tenge).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of tenge	Share capital	Additional paid-in capital	Other equity
As at December 31, 2018	916,541	40,794	83
Effect of adoption of IFRS 16	–	–	–
As at January 1, 2019 (restated)	916,541	40,794	83
Net profit/(loss) for the year	–	–	–
Other comprehensive (loss)/income	–	–	–
Total comprehensive income/(loss) for the year	–	–	–
Dividends (Note 23)	–	–	–
Transactions with Samruk-Kazyna (Note 23)	–	–	–
Distributions to Samruk-Kazyna (Note 23)	–	–	–
Share buyback by subsidiary	–	–	–
Contribution to share capital of subsidiary without change in ownership shares	–	–	–
As at December 31, 2019	916,541	40,794	83
Net profit/(loss) for the year	–	–	–
Other comprehensive income/(loss)	–	–	(25)
Total comprehensive income/(loss) for the year	–	–	(25)
Dividends (Note 23)	–	–	–
Transactions with Samruk-Kazyna (Note 23)	–	–	–
Distributions to Samruk-Kazyna (Note 23)	–	–	–
Transfer of pipelines contributed by the Government due to termination of the trust management agreement (Note 23)	–	(17,323)	–
Transfer of difference between par and fair value of to the loan received from Samruk-Kazyna to the Company due to settlement (Note 23)	–	(10,971)	–
Transfer of excess of fair value over nominal value of the loan receivable, contributed by Samruk-Kazyna due to settlement (Note 23)	–	(3,519)	–
Reserve for put option of non-controlling interest holder of a subsidiary	–	–	–
Share buyback by subsidiary	–	–	–
As at December 31, 2020	916,541	8,981	58

Deputy Chairman of the Management Board for Economy and Finance



D.S. Karabayev

Chief accountant



A.S. Yesbergenova

Attributable to equity holders of the Parent Company

Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total
1,764,108	4,341,063	7,062,589	80,480	7,143,069
–	(4,268)	(4,268)	(910)	(5,178)
1,764,108	4,336,795	7,058,321	79,570	7,137,891
–	1,197,157	1,197,157	(38,700)	1,158,457
(32,361)	(5,349)	(37,710)	88	(37,622)
(32,361)	1,191,808	1,159,447	(38,612)	1,120,835
–	(36,998)	(36,998)	(4,138)	(41,136)
–	(14,184)	(14,184)	–	(14,184)
–	(6,194)	(6,194)	–	(6,194)
–	(1,991)	(1,991)	(473)	(2,464)
–	–	–	1,908	1,908
1,731,747	5,469,236	8,158,401	38,255	8,196,656
–	273,237	273,237	(101,340)	171,897
414,288	(9,758)	404,505	(844)	403,661
414,288	263,479	677,742	(102,184)	575,558
–	(81,738)	(81,738)	(4,856)	(86,594)
–	(11,617)	(11,617)	–	(11,617)
–	(7,763)	(7,763)	–	(7,763)
–	1,205	(16,118)	–	(16,118)
–	10,971	–	–	–
–	3,519	–	–	–
–	(10,750)	(10,750)	(2,481)	(13,231)
–	163	163	(375)	(212)
2,146,035	5,636,705	8,708,320	(71,641)	8,636,679

The accounting policies and explanatory notes on pages 9 through 91 form an integral part of these consolidated financial statements.