

**“Sovereign Wealth Fund “Samruk-Kazyna” JSC**

Interim condensed consolidated financial statements (unaudited)

*As at March 31, 2020 and for the three months then ended*

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## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In millions of tenge</i>	<b>Note</b>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	13,971,825	13,141,006
Intangible assets	6	2,100,615	2,000,417
Exploration and evaluation assets		386,777	371,894
Investment property		24,091	24,888
Investments in joint ventures and associates	7	4,795,447	4,242,871
Loans issued and finance lease receivables	8	426,841	370,556
Amounts due from credit institutions	9	165,346	169,792
Deferred tax assets		116,346	91,229
Other non-current financial assets		358,604	336,245
Other non-current assets		776,049	768,673
		<b>23,121,941</b>	<b>21,517,571</b>
<b>Current assets</b>			
Inventories		666,961	654,452
VAT receivable		183,546	191,260
Income tax prepaid		93,688	81,894
Trade accounts receivable	10	632,709	620,388
Loans issued and finance lease receivables	8	142,989	150,273
Amounts due from credit institutions	9	532,090	593,974
Other current financial assets		81,580	74,669
Other current assets	10	402,968	396,166
Cash and cash equivalents	11	2,359,893	1,993,962
		<b>5,096,424</b>	<b>4,757,038</b>
Assets classified as held for sale	4	10,703	130,487
<b>Total assets</b>		<b>28,229,068</b>	<b>26,405,096</b>

*The explanatory notes on pages 8 through 39 form an integral part of these interim condensed consolidated financial statements (unaudited).*

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

<i>In millions of tenge</i>	Note	March 31, 2020 (unaudited)	December 31, 2019 (audited)
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holder of the Parent</b>			
Share capital		5,229,112	5,229,112
Additional paid-in capital	12.1	7,674	17,303
Currency translation reserve	12.6	2,014,532	1,319,406
Revaluation reserve of investments at fair value through other comprehensive income		24,582	29,354
Hedging reserve		(59,093)	(46,726)
Other capital reserves		(16,984)	(16,984)
Retained earnings		6,359,213	6,171,964
		13,559,036	12,703,429
Non-controlling interest		1,666,466	1,634,047
<b>Total equity</b>		<b>15,225,502</b>	<b>14,337,476</b>
<b>Non-current liabilities</b>			
Borrowings	13	6,964,040	6,103,443
Loans from the Government of the Republic of Kazakhstan		632,511	622,322
Lease liabilities	15	416,828	340,029
Provisions	16	430,455	350,863
Deferred tax liabilities		1,173,224	1,064,128
Employee benefit liabilities		114,148	111,840
Prepayment on oil supply agreements	14	373,302	357,902
Other non-current liabilities		122,935	111,659
		10,227,443	9,062,186
<b>Current liabilities</b>			
Borrowings	13	734,849	737,950
Loans from the Government of the Republic of Kazakhstan		10,240	5,238
Lease liabilities	15	114,341	84,138
Provisions	16	130,787	119,367
Employee benefit liabilities		12,775	12,983
Income taxes payable		21,175	16,124
Trade and other payables	17	958,260	1,046,047
Prepayment on oil supply agreements	14	126,302	158,162
Other current liabilities	17	666,559	739,639
		2,775,288	2,919,648
Liabilities associated with assets classified as held for sale	4	835	85,786
<b>Total liabilities</b>		<b>13,003,566</b>	<b>12,067,620</b>
<b>Total equity and liabilities</b>		<b>28,229,068</b>	<b>26,405,096</b>

Managing Director for Economy and Finance –  
Member of the Management Board



*Beibit Karymsakov*

Chief accountant

*Almaz Abdrakhmanova*

*The explanatory notes on pages 8 through 39 form an integral part of these interim condensed consolidated financial statements (unaudited).*

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of tenge</i>	Note	For the three months ended March 31, 2020 (unaudited)	For the three months ended March 31, 2019 (unaudited) (restated*)
<b>Continuing operations</b>			
Revenue	18	2,280,314	2,533,063
Government grants		4,383	16,402
		<b>2,284,697</b>	<b>2,549,465</b>
Cost of sales	19	(1,749,831)	(1,967,121)
<b>Gross profit</b>		<b>534,866</b>	<b>582,344</b>
General and administrative expenses	20	(97,053)	(101,866)
Transportation and selling expenses	21	(195,466)	(204,556)
Impairment loss, net	22	(107,830)	(6,667)
(Loss)/gain on disposal of subsidiaries	4	(173)	17,487
Gain on business combination	2	–	54,649
<b>Operating profit</b>		<b>134,344</b>	<b>341,391</b>
Finance income	23	44,297	36,899
Finance costs	24	(145,549)	(140,817)
Other non-operating loss		(22,135)	(9,018)
Other non-operating income		35,489	8,533
Share in profit of joint ventures and associates, net	25	74,756	239,567
Net foreign exchange gain/(loss), net		169,417	(12,314)
<b>Profit before income tax</b>		<b>290,619</b>	<b>464,241</b>
Income tax expenses		(65,498)	(78,814)
<b>Net profit for the period</b>		<b>225,121</b>	<b>385,427</b>
<b>Net profit for the period attributable to:</b>			
Equity holder of the Parent		218,765	338,122
Non-controlling interest		6,356	47,305
		<b>225,121</b>	<b>385,427</b>

*The explanatory notes on pages 8 through 39 form an integral part of these interim condensed consolidated financial statements (unaudited).*

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**

<i>In millions of tenge</i>	<b>Note</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited) (restated*)</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations	12.6	821,071	(39,700)
Unrealized loss from revaluation investments at fair value through other comprehensive income		(4,372)	(19)
Share of the other comprehensive (loss)/income of associates and joint ventures		(65)	685
(Loss)/gain on transactions with hedge instruments		(11,868)	22,157
Net realized (loss)/gain on investments at fair value through other comprehensive income		(252)	7
Tax effect on comprehensive loss components		(62,026)	-
<b>Other comprehensive gain/(loss) to be reclassified to profit or loss in subsequent periods</b>		<b>742,488</b>	<b>(16,870)</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Share of the other comprehensive income of associates and joint ventures		-	207
Actuarial gain/(loss) on defined benefit plans		195	(535)
Tax effect on comprehensive gain/(loss) components		8	29
<b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>203</b>	<b>(299)</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>742,691</b>	<b>(17,169)</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>967,812</b>	<b>368,258</b>
<b>Total comprehensive income for the period, attributable to:</b>			
Equity holder of the Parent		896,829	325,142
Non-controlling interest		70,983	43,116
		<b>967,812</b>	<b>368,258</b>

\* Certain amounts shown here do not correspond to interim consolidated financial statements for the three months ended March 31, 2019 and reflect restatement made, details of which are disclosed in Note 2.

Managing Director for Economy and Finance –  
Member of the Management Board



*Beibit Karymsakov*

Chief accountant

*Almaz Abdрахmanova*

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# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of tenge	Note	Attributable to the equity holder of the Parent							Total	Non-controlling interest	Total
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings			
<b>Balance as at December 31, 2018 (audited)</b>											
Effect of adoption of new IFRS		5,133,766	17,303	28,806	1,349,799	(67,163)	(16,807)	5,100,419	11,546,123	1,407,152	12,953,275
		-	-	-	-	-	-	(8,932)	(8,932)	(6,227)	(15,159)
<b>Balance as at January 1, 2019</b>		5,133,766	17,303	28,806	1,349,799	(67,163)	(16,807)	5,091,487	11,537,191	1,400,925	12,938,116
Total comprehensive income for the period	2	-	-	(18)	(34,841)	21,850	-	338,151	325,142	43,116	368,258
Issue of shares		15,000	-	-	-	-	-	-	15,000	-	15,000
Dividends		-	-	-	-	-	-	-	-	(15,308)	(15,308)
Other transactions with the Shareholder		-	-	-	-	-	-	(2,501)	(2,501)	-	(2,501)
Other distributions to the Shareholder		-	-	-	-	-	-	(37,848)	(37,848)	-	(37,848)
Acquisition of subsidiaries	2	-	-	-	-	-	-	-	-	85,804	85,804
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	-	-	-	(1,357)	(1,357)	(161)	(1,518)
Other equity movements		-	-	290	-	-	-	(305)	(15)	(2,911)	(2,926)
<b>Balance as at March 31, 2019 (unaudited) (restated)</b>		5,148,766	17,303	29,078	1,314,958	(45,313)	(16,807)	5,387,627	11,835,612	1,511,465	13,347,077

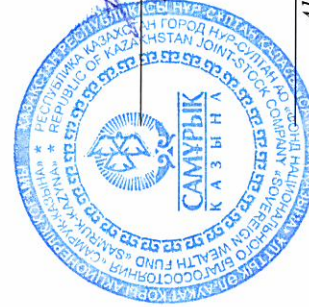
\* Certain amounts shown here do not correspond to interim consolidated financial statements for the three months ended March 31, 2019 and reflect restatement made, details of which are disclosed in Note 2.

The explanatory notes on pages 8 through 39 form an integral part of these interim condensed consolidated financial statements (unaudited).

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to the equity holder of the Parent							Total	Non-controlling interest	Total
	Revaluation reserve of investments at fair value through other comprehensive income	Additional paid-in capital	Share capital	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings			
<i>In millions of tenge</i>										
<b>Balance as at December 31, 2019 (audited)</b>										
Total comprehensive income for the period		5,229,112	17,303	29,354	1,319,406	(46,726)	(16,984)	6,171,964	1,634,047	14,337,476
Other contributions of the Shareholder	12.1	-	-	(4,772)	695,060	(12,301)	-	218,842	70,983	967,812
Dividends	12.2	-	(9,629)	-	-	-	-	626	-	(9,003)
Other transactions with the Shareholder		-	-	-	-	-	-	-	(24,541)	(24,541)
Other distributions to the Shareholder	12.3	-	-	-	-	-	-	(70)	-	(70)
Transfer of assets to the Shareholder	12.4	-	-	-	-	-	-	(7,507)	-	(7,507)
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	-	-	-	(24,809)	-	(24,809)
Disposal of subsidiaries	12.5	-	-	-	-	-	-	194	17	211
Other equity movements		-	-	-	66	(66)	-	-	(14,040)	(14,040)
<b>Balance as at March 31, 2020 (unaudited)</b>		5,229,112	7,674	24,582	2,014,532	(59,093)	(16,984)	6,359,213	1,666,466	15,225,502

Managing Director for Economy and Finance –  
Member of the Management Board



Beibit Karymsakov

Chief accountant

Almaz Abdrakhmanova

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## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of tenge</i>	Note	For the three months ended March 31, 2020 (unaudited)	For the three months ended March 31, 2019 (unaudited)
<b>Cash flows from operating activities</b>			
Receipts from customers		2,341,028	2,393,400
Payments to suppliers		(1,384,878)	(1,550,451)
Payments to employees		(249,371)	(227,931)
Other taxes and payments		(363,350)	(394,319)
Operations with financial instruments (the Fund and Kazpost)		5,968	(3,822)
Other payments, net		(54,191)	(63,919)
Return of VAT from the budget		23,003	18,172
Income taxes paid		(56,731)	(74,661)
Interest paid		(72,198)	(66,710)
Interest received		35,840	42,459
<b>Net cash flows received from operating activities</b>		<b>225,120</b>	<b>72,218</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment, exploration and evaluation assets		(254,784)	(247,084)
Dividends received from joint ventures and associates	7	10,897	7,396
Redemption/(placement) of bank deposits, net		123,922	(489,662)
Loans issued		-	(2,434)
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		9,441	56,760
Proceeds of receivables from sale of shares of BTA bank		-	4,000
Acquisition of intangible assets		(4,116)	(2,204)
Sale of joint ventures and associates		36,730	-
Acquisition of subsidiaries, net of cash acquired with the subsidiary		-	5,563
Repayment of loans issued		824	10,510
Purchase of debt instruments		(35,934)	(28,359)
Other receipts, net		35,806	3,583
<b>Net cash flows used in investing activities</b>		<b>(77,214)</b>	<b>(681,931)</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interest		(212)	(1,477)
Proceeds from borrowings		340,895	255,832
Repayment of borrowings		(336,402)	(450,446)
Repayment of lease liabilities		(28,515)	(17,650)
Distributions to the Shareholder		(8,490)	(79,859)
Contribution to share capital		-	15,000
Dividends paid to non-controlling interest of subsidiaries		(6,087)	(9,279)
Other payments, net		(248)	(3,087)
<b>Net cash flows used in financing activities</b>		<b>(39,059)</b>	<b>(290,966)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>108,847</b>	<b>(900,679)</b>
Effects of exchange rate changes on cash and cash equivalents		256,365	(28,830)
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		388	6,470
Change in allowance for expected credit losses		331	10
Cash and cash equivalents at the beginning of the year		1,993,962	2,487,533
<b>Cash and cash equivalents at the end of the period</b>	11	<b>2,359,893</b>	<b>1,564,504</b>

Managing Director for Economy and Finance –  
Member of the Management Board



*Beibit Karymsakov*

Chief accountant

*Almaz Abdrakhmanova*

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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### 1. GENERAL INFORMATION

#### Corporate information

“Sovereign Wealth Fund “Samruk-Kazyna” JSC (the “Fund” or “Samruk-Kazyna”) was established on November 3, 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan dated October 17, 2008. The formation was enacted by the merger of “Sustainable Development Fund “Kazyna” JSC (“Kazyna”) and “Kazakhstan Holding Company for State Assets Management “Samruk” JSC (“Samruk”) and the additional transfer to the Fund of interests in certain entities owned by the Government of the Republic of Kazakhstan (the “State” or the “Government”). The Government, represented by the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, is the sole shareholder of the Fund (the “Shareholder” or the “Parent”).

During this process the Government’s overall objective was to increase management efficiency and to optimise organisational structures for them to successfully achieve their strategic objectives as set in the respective Government programs and development plans.

The Fund is a holding company combining state-owned enterprises listed in *Note 26* (the “Group”). Prior to February 1, 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan *On National Welfare Fund* No. 134-4 dated February 13, 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 *On Sovereign Wealth Fund* No. 550-4, the Fund’s activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments as follows (*Note 30*):

- Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil, gas and refined products;
- Transportation segment includes operations related to railway and air transportation of cargo and passengers;
- Communication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also renting out of lines, data transfer services and wireless communication services;
- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan;
- Mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration;
- Industrial segment includes industry enterprises and projects of chemical industry;
- Corporate center segment covers Fund’s investing and financing activities, including provision of loans to related and third parties;
- Other segment includes operations related to assisting the Government in increasing housing availability by investing into residential development and other operations.

The address of the Fund’s registered office is 17/10 E10 str., Nur-Sultan, the Republic of Kazakhstan.

These interim condensed consolidated financial statements were authorised for issue by the Managing Director for Economy and Finance – Member of the Management Board and Chief accountant of the Fund on June 15, 2020.

#### Privatization plan

On April 30, 2014 the Government approved the initial Privatization Plan for 2014-2016. On December 30, 2015 the Government approved the new 2016-2020 Complex Privatization Plan (replacing previous 2014-2016 Privatization Plan) (“Privatization Plan”) and the list of all state owned assets to be privatized, including certain Fund subsidiaries.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the three months ended March 31, 2020 were prepared in accordance with International Accounting Standard No. 34 *Interim Financial Statements* (IAS 34). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2019.

These interim condensed consolidated financial statements are presented in Kazakhstan tenge (“tenge”) and all monetary amounts are rounded to the nearest million tenge except where otherwise indicated.

#### Restatements affecting comparative information

##### *Investments in Sekerbank TAS*

During the year ended December 31, 2019 the Group reclassified investments in Sekerbank TAS from assets classified as held for sale to the investments in associates. In accordance with IFRS 5, the relevant amendments were made retrospectively.

##### *National Atomic Company “Kazatomprom” JSC (“NAC KAP”)*

In February 2019 the Group obtained control over JV Khorasan-U LLP by obtaining a majority of voting rights and representation on the supervisory board. The Group applied fair value for accounting of acquired assets and liabilities. The Group consolidates JV Khorasan-U LLP starting from March 1, 2019. The valuation of identifiable assets and liabilities was completed by an independent professional appraiser in June 2019, as a result, a comparative information of the interim consolidated statement of comprehensive income was restated as presented in the table below.

<i>In millions of tenge</i>	For the three months ended March 31, 2019 (unaudited)	NAC KAP	Investments in Sekerbank TAS	For the three months ended March 31, 2019 (unaudited) (restated)
Impairment loss, net	(9,167)	–	2,500	(6,667)
Gain on business combination	324	54,325	–	54,649
<b>Operating profit</b>	<b>284,566</b>	<b>54,325</b>	<b>2,500</b>	<b>341,391</b>
Share in profit of joint ventures and associates, net	240,785	–	(1,218)	239,567
<b>Profit before income tax</b>	<b>408,634</b>	<b>54,325</b>	<b>1,282</b>	<b>464,241</b>
<b>Net profit for the period</b>	<b>329,820</b>	<b>54,325</b>	<b>1,282</b>	<b>385,427</b>
<b>Net profit for the period attributable to:</b>				
Equity holder of the Parent	290,663	46,177	1,282	338,122
Non-controlling interest	39,157	8,148	–	47,305
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign operations	(38,397)	–	(1,303)	(39,700)
Share of the OCI items of associates and joint ventures	664	–	21	685
<b>Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>(15,588)</b>	<b>–</b>	<b>(1,282)</b>	<b>(16,870)</b>
<b>Other comprehensive loss for the period, net of tax</b>	<b>(15,887)</b>	<b>–</b>	<b>(1,282)</b>	<b>(17,169)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>313,933</b>	<b>54,325</b>	<b>–</b>	<b>368,258</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>				
Equity holder of the Parent	278,965	46,177	–	325,142
Non-controlling interest	34,968	8,148	–	43,116

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 2. BASIS OF PREPARATION (continued)

#### Foreign currency translation

##### *Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements for the three months ended March 31, 2020 are measured using the currency of the primary economic environment in which the entities operate (“the functional currency”). The interim condensed consolidated financial statements are presented in tenge (“tenge”), which is the Group’s presentation currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

##### *Group entities*

Gains, losses and financial position of all of the Group’s subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

##### *Exchange rates*

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (“KASE”) are used as official currency exchange rates in the Republic of Kazakhstan.

The following table presents currency exchange rates to tenge:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>Weighted average for the three months ended March 31, 2020</b>	<b>Weighted average for the three months ended March 31, 2019</b>	<b>June 15, 2020</b>
United States dollar (“USD”)	<b>447.67</b>	382.59	<b>391.72</b>	378.13	<b>405.08</b>
Euro (“EUR”)	<b>491.36</b>	429	<b>431.82</b>	429.71	<b>455.63</b>
Russian ruble (“RUR”)	<b>5.74</b>	6.16	<b>5.89</b>	5.72	<b>5.76</b>

#### Considerations in respect of COVID-19 (coronavirus) pandemic and the current economic environment

The impact of COVID-19 and the current economic environment on the basis of preparation of this interim financial information has been considered. The Group continues to consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information. Forecast liquidity has been assessed under a number of stressed scenarios to support this assertion.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

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**2. BASIS OF PREPARATION (continued)****Considerations in respect of COVID-19 (coronavirus) pandemic and the current economic environment (continued)**

The significant accounting judgments and estimates of the Group were disclosed in its consolidated financial statements for the year ended December 31, 2019. These were subsequently reviewed at the end of the first quarter of 2020 to determine if any changes were required to those judgments and estimates as a result of current market conditions. The valuation of certain assets and liabilities is subject to a greater level of uncertainty than when reported in the annual consolidated financial statements, including those set out below.

*Recoverability of oil and gas assets, downstream, refining and other assets*

The price assumptions used in value-in-use impairment testing were reviewed as a result of the significant changes in market prices during the first quarter of 2020. The Group's long-term assumptions for Brent oil prices, KZT/USD exchange rate and inflation projections have been revised and are based on a combination of externally sourced forecasts and rates of the independent research organizations considering long-term market expectations. Production volumes are based on proved developed and undeveloped reserves for subsidiaries, and on proved and probable reserves for significant investments in joint ventures and associates. Production period is either based on subsoil use contracts' expiration date or on extended license period where the Group has intention to extend the license. Estimated production volumes are based on the Group's production plans that are mostly used for the purposes of filing of application for extension of subsoil use contracts.

The discount rates used in value-in-use impairment testing were also reviewed. Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 9.16%-15.13% depending on the production period, size and equity risk premium, beta and gearing ratio of the relevant cash-generating unit.

The revision to the Group's oil and gas price assumptions and discount rates did not result in the recognition of any significant impairment charges for the first quarter of 2020, except for 60,440 million tenge relating to Embamunaigas CGU and 38,000 million tenge related to the Group's joint venture and the associate (*Note 22*).

The Group assessed downstream, refining and other assets, including goodwill, the Group considered forecasted refinery margins, production volumes, among other factors. As a result of the impairment analysis, recoverable amounts were identified to be higher than the carrying values, and no impairment was recognized.

*Provisions assumptions*

The nominal risk-free discount rate applied to provisions was reviewed as a result of the changes in long-dated government bond yields during the first quarter of 2020. The changes have not significantly affected the Group's overall assessment of the discount rate applied to the Group's provisions and therefore the rate, as disclosed in the consolidated financial statements, remains unchanged. The timing and amount of cash flows relating to Group's existing provisions are not currently expected to change significantly as a result of the current environment however the detailed annual review will take place later in 2020.

*Other accounting judgments and estimates*

All other significant accounting judgments and estimates disclosed in the annual consolidated financial statements remain applicable and no new significant accounting judgments or estimates have been identified.

**New and amended standards and interpretations**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards and interpretations effective as of January 1, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

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**2. BASIS OF PREPARATION (continued)****New and amended standards and interpretations (continued)***Amendments to IFRS 3 Definition of a Business*

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output.

Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial statements of the Group, since the Group's current practice is in line with these amendments.

*Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial statements of the Group as the Group does not have any interest rate hedge arrangements.

*Amendments to IAS 1 and IAS 8: Definition of Material*

The amendments provide a new definition of materiality that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial statements of, nor is there expected to be any future impact to the Group.

*Conceptual Framework for Financial Reporting issued on March 29, 2018 (Financial reporting framework)*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

**3. SEASONALITY OF OPERATIONS**

The Group's operating expenses are subject to seasonal fluctuations, with higher expenses for various materials, production services, maintenance and other services usually expected in the second half of the year rather than in the first six months. These fluctuations are mainly due to requirements to conduct formal public tenders during the first six months with goods and services being purchased in the second six months of the year.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 4. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE

#### Disposals

##### *Transtelecom JSC*

In April 2018, a purchase and sale agreement was concluded on the sale of 26% minus 1 (one) share of Transtelecom JSC. On January 24, 2020 the remaining balance of the purchase price was paid by the buyer for 26% minus 1 (one) share of Transtelecom JSC. On January 29, 2020 shares of Transtelecom JSC were written off, as a result, the Group lost control over the subsidiary and recognised residual interest of 25% as investment in associate.

At the date of loss of control net assets of Transtelecom JSC were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>
Property, plant and equipment	85,466
Intangible assets	4,607
Inventories	2,307
VAT receivable	767
Income tax prepaid	169
Trade accounts receivable	8,333
Loans issued and finance lease receivables	798
Amounts due from credit institutions	27
Other non-current financial assets	97
Other non-current assets	573
Other current assets	12,175
Cash and cash equivalents	6,352
<b>Total assets</b>	<b>121,671</b>
Borrowings	53,139
Lease liabilities	1,853
Deferred tax liabilities	4,467
Employee benefit liabilities	504
Trade and other payables	18,841
Other non-current liabilities	2,472
Other current liabilities	7,646
<b>Total liabilities</b>	<b>88,922</b>
<b>Net assets</b>	<b>32,749</b>

Net cash inflow from disposal of a subsidiary was as follows:

<i>In millions of tenge</i>	
Cash consideration received	9,450
Advances received previously	(470)
Less: cash and cash equivalents of disposed subsidiary	(6,352)
<b>Total cash inflow</b>	<b>2,628</b>

The resulting loss on disposal of Transtelecom JSC net of loss of 16 million tenge incurred by Transtelecom JSC for the period from January 1, 2020 till the date of sale amounted to 173 million tenge.

##### *Uranium Enrichment Center JSC (“TsOU”)*

In 2019 the Group has entered a conditional contract to sell its 50% interest minus 1 (one) share in TsOU to its partner in this joint venture – TVEL JSC (TVEL). The Group reserves 1 share of TsOU, which will retain the Group’s right to access uranium enrichment services in accordance with the conditions previously agreed with TVEL. At December 31, 2019 the Group classified the investment in the joint venture TsOU as an asset held for sale.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 4. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE (continued)

#### Disposals (continued)

##### *Uranium Enrichment Center JSC (“TsOU”) (continued)*

On March 17, 2020 the Group completed this sale. The contract price was 6,253 million Russian rubles payable in euro at an exchange rate fixed as at December 31, 2019, thus, cash consideration received was 90 million euro (equivalent to 43,858 million tenge).

*In millions of tenge*

<b>Contract price at the exchange rate as at December 31, 2019</b>	<b>40,485</b>
Less: carrying value of the investment in joint venture	(18,670)
Transfer of foreign currency translation reserve	248
<b>Net result from the sale of investment in joint venture included in other non-operating income</b>	<b>22,063</b>

##### *MC SEZ Khorgos – Eastern Gates JSC (“Khorgos”)*

In March 2020 in accordance with the Resolution of the Government of Republic of Kazakhstan dated March 19, 2019 the Fund transferred 100% of the shares of a subsidiary Khorgos to the Almaty region municipalities free of charge. The net assets of the Khorgos amounted to 24,809 million tenge (*Note 12*).

At the date of loss of control net assets of Khorgos were as follows:

	<b>Net assets at the date of disposal</b>
<i>In millions of tenge</i>	
Property, plant and equipment	20,219
Intangible assets	555
Inventories	16
Trade accounts receivable	31
Other non-current assets	2,734
Other current assets	332
Cash and cash equivalents	1,886
<b>Total assets</b>	<b>25,773</b>
Employee benefit liabilities	2
Trade and other payables	847
Other current liabilities	115
<b>Total liabilities</b>	<b>964</b>
<b>Net assets</b>	<b>24,809</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**
**5. PROPERTY, PLANT AND EQUIPMENT**

<i>In millions of tenge</i>	<b>Oil and gas assets</b>	<b>Pipelines and refinery assets</b>	<b>Buildings and premises</b>	<b>Railway tracks and infra- structure</b>	<b>Machinery, equipment and vehicles</b>	<b>Mining assets</b>	<b>Other</b>	<b>Construc- tion in progress</b>	<b>Total</b>
<b>Net book value at January 1, 2020 (audited)</b>	4,232,980	2,186,306	1,106,733	1,134,626	3,222,641	164,837	192,092	900,791	13,141,006
Foreign currency translation	<b>623,941</b>	<b>78,038</b>	<b>17,270</b>	<b>(54)</b>	<b>51,302</b>	–	<b>14,778</b>	<b>26,963</b>	<b>812,238</b>
Changes in estimates	<b>32,404</b>	<b>3,904</b>	<b>111</b>	–	–	–	<b>135</b>	–	<b>36,554</b>
Additions	<b>6,207</b>	<b>1,513</b>	<b>406</b>	<b>1</b>	<b>29,440</b>	<b>5,189</b>	<b>1,168</b>	<b>175,960</b>	<b>219,884</b>
Additions through lease agreements	–	–	<b>2,178</b>	–	<b>77,120</b>	–	<b>1,342</b>	<b>2</b>	<b>80,642</b>
Disposals	<b>(3,226)</b>	<b>(10,214)</b>	<b>(11,528)</b>	–	<b>(24,435)</b>	–	<b>(659)</b>	<b>(1,072)</b>	<b>(51,134)</b>
Depreciation charge	<b>(76,158)</b>	<b>(36,610)</b>	<b>(14,764)</b>	<b>(9,262)</b>	<b>(80,343)</b>	<b>(7,295)</b>	<b>(5,945)</b>	–	<b>(230,377)</b>
Depreciation and impairment on disposals	<b>2,232</b>	<b>1,172</b>	<b>334</b>	–	<b>5,757</b>	–	<b>452</b>	<b>799</b>	<b>10,746</b>
Impairment, net of reversal of impairment	<b>(43,149)</b>	–	<b>(404)</b>	<b>4</b>	<b>(1,063)</b>	–	<b>(171)</b>	<b>(72)</b>	<b>(44,855)</b>
Discontinued operations / transfer to assets classified as held for sale	–	–	–	–	<b>(76)</b>	–	–	–	<b>(76)</b>
Transfers from/(to) intangible assets	–	–	–	–	–	<b>3</b>	<b>12</b>	<b>(1,123)</b>	<b>(1,108)</b>
Transfers from/(to) exploration and evaluation assets, investment property	<b>18</b>	–	<b>249</b>	–	–	–	<b>(2)</b>	–	<b>265</b>
Transfer from/(to) inventories, net	<b>(1,560)</b>	<b>426</b>	–	<b>(334)</b>	<b>(31)</b>	<b>455</b>	<b>86</b>	<b>(1,002)</b>	<b>(1,960)</b>
Other transfers and reclassifications	<b>17,850</b>	<b>7,143</b>	<b>25,800</b>	<b>12,585</b>	<b>22,785</b>	<b>733</b>	<b>4,822</b>	<b>(91,718)</b>	–
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>4,791,539</b>	<b>2,231,678</b>	<b>1,126,385</b>	<b>1,137,566</b>	<b>3,303,097</b>	<b>163,922</b>	<b>208,110</b>	<b>1,009,528</b>	<b>13,971,825</b>
Historical cost	<b>6,418,463</b>	<b>3,647,244</b>	<b>1,676,720</b>	<b>1,400,942</b>	<b>5,605,397</b>	<b>327,055</b>	<b>380,908</b>	<b>1,105,228</b>	<b>20,561,957</b>
Accumulated depreciation and impairment	<b>(1,626,924)</b>	<b>(1,415,566)</b>	<b>(550,335)</b>	<b>(263,376)</b>	<b>(2,302,300)</b>	<b>(163,133)</b>	<b>(172,798)</b>	<b>(95,700)</b>	<b>(6,590,132)</b>
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>4,791,539</b>	<b>2,231,678</b>	<b>1,126,385</b>	<b>1,137,566</b>	<b>3,303,097</b>	<b>163,922</b>	<b>208,110</b>	<b>1,009,528</b>	<b>13,971,825</b>
Historical cost	5,615,863	3,437,819	1,620,347	1,390,130	5,413,649	320,677	346,537	995,098	19,140,120
Accumulated depreciation and impairment	<b>(1,382,883)</b>	<b>(1,251,513)</b>	<b>(513,614)</b>	<b>(255,504)</b>	<b>(2,191,008)</b>	<b>(155,840)</b>	<b>(154,445)</b>	<b>(94,307)</b>	<b>(5,999,114)</b>
<b>Net book value at December 31, 2019 (audited)</b>	4,232,980	2,186,306	1,106,733	1,134,626	3,222,641	164,837	192,092	900,791	13,141,006

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**
**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In millions of tenge</i>	<b>Oil and gas assets</b>	<b>Pipelines and refinery assets</b>	<b>Buildings and premises</b>	<b>Railway tracks and infra- structure</b>	<b>Machinery, equipment and vehicles</b>	<b>Mining assets</b>	<b>Other</b>	<b>Construc- tion in progress</b>	<b>Total</b>
<b>Including right-of-use assets under lease agreements</b>									
<b>Net book value at January 1, 2020 (audited)</b>	43,814	928	30,694	–	294,357	–	45,167	–	414,960
Foreign currency translation	7,123	78	2,513	–	37,390	–	2,493	–	49,597
Changes in estimates	–	–	–	–	–	–	135	–	135
Additions through lease agreements	–	–	2,178	–	77,120	–	1,344	–	80,642
Disposals	–	–	(118)	–	(12,960)	–	(225)	–	(13,303)
Depreciation charge	(1,705)	(63)	(2,307)	–	(12,940)	–	(1,764)	–	(18,779)
Depreciation and impairment on disposals	–	–	9	–	3,850	–	32	–	3,891
Other transfers and reclassifications	–	–	–	–	–	–	–	–	–
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>49,232</b>	<b>943</b>	<b>32,969</b>	<b>–</b>	<b>386,817</b>	<b>–</b>	<b>47,182</b>	<b>–</b>	<b>517,143</b>
Historical cost of right-of-use assets under lease agreements	58,065	1,491	46,457	–	538,632	–	53,224	–	697,869
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(8,833)	(548)	(13,488)	–	(151,815)	–	(6,042)	–	(180,726)
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>49,232</b>	<b>943</b>	<b>32,969</b>	<b>–</b>	<b>386,817</b>	<b>–</b>	<b>47,182</b>	<b>–</b>	<b>517,143</b>

As at March 31, 2020 property, plant and equipment with net book value of 1,179,939 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2019: 1,101,686 million tenge).

As at March 31, 2020 the cost of fully amortised property, plant and equipment of the Group was equal to 1,293,165 million tenge (December 31, 2019: 1,088,767 million tenge).

For the three months ended March 31, 2020 the Group capitalized borrowing costs at an average interest rate of 6.0% in the amount of 6,076 million tenge (*Note 13*) (for the three months ended March 31, 2019: at an average interest rate of 8.2% in the amount of 4,371 million tenge).



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 6. INTANGIBLE ASSETS

<i>In millions of tenge</i>	Licenses	Subsur- face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
<b>Net book value at January 1, 2020 (audited)</b>	700,371	845,690	305,741	28,960	51,638	68,017	2,000,417
Foreign currency translation	<b>82,833</b>	<b>32,894</b>	<b>1,703</b>	<b>4,926</b>	<b>589</b>	<b>1,870</b>	<b>124,815</b>
Additions	<b>212</b>	<b>16</b>	–	–	<b>1,284</b>	<b>568</b>	<b>2,080</b>
Disposals	<b>(625)</b>	–	–	–	<b>(1,035)</b>	<b>(830)</b>	<b>(2,490)</b>
Amortization charge	<b>(11,264)</b>	<b>(8,940)</b>	–	–	<b>(4,960)</b>	<b>(1,092)</b>	<b>(26,256)</b>
Accumulated amortization on disposals	<b>621</b>	–	–	–	<b>320</b>	–	<b>941</b>
Transfers from/(to) property, plant and equipment, net	<b>(8)</b>	–	–	–	<b>267</b>	<b>849</b>	<b>1,108</b>
Other transfers	<b>197</b>	–	–	–	<b>483</b>	<b>(680)</b>	–
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>772,337</b>	<b>869,660</b>	<b>307,444</b>	<b>33,886</b>	<b>48,586</b>	<b>68,702</b>	<b>2,100,615</b>
Historical cost	<b>904,401</b>	<b>937,896</b>	<b>424,351</b>	<b>67,773</b>	<b>167,777</b>	<b>143,221</b>	<b>2,645,419</b>
Accumulated amortization and impairment	<b>(132,064)</b>	<b>(68,236)</b>	<b>(116,907)</b>	<b>(33,887)</b>	<b>(119,191)</b>	<b>(74,519)</b>	<b>(544,804)</b>
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>772,337</b>	<b>869,660</b>	<b>307,444</b>	<b>33,886</b>	<b>48,586</b>	<b>68,702</b>	<b>2,100,615</b>
Historical cost	806,886	912,221	422,649	57,921	161,183	131,846	2,492,706
Accumulated amortization and impairment	<b>(106,515)</b>	<b>(66,531)</b>	<b>(116,908)</b>	<b>(28,961)</b>	<b>(109,545)</b>	<b>(63,829)</b>	<b>(492,289)</b>
<b>Net book value at December 31, 2019 (audited)</b>	700,371	845,690	305,741	28,960	51,638	68,017	2,000,417

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

Investments in joint ventures and associates comprised the following:

In millions of tenge	Main activity	Place of business	March 31, 2020 (unaudited)		December 31, 2019 (audited)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
<b>Joint ventures</b>						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	2,854,664	20.00%	2,377,207	20.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Kazakhstan	165,022	50.00%	158,867	50.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	163,804	50.00%	168,086	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	93,999	50.00%	101,766	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas	Kazakhstan	85,880	50.00%	79,849	50.00%
Forum Muider B.V.	Coal production	Kazakhstan	37,870	50.00%	33,938	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	34,443	50.00%	47,662	50.00%
AstanaGas KMG JSC	Gas pipeline construction	Kazakhstan	30,396	50.00%	33,813	50.00%
Other			161,762		171,949	
<b>Total joint ventures</b>			<b>3,627,840</b>		<b>3,173,137</b>	
<b>Associates</b>						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	487,855	29.82%	459,091	29.82%
Caspian Pipeline Consortium JSC	Transportation of crude oil	Kazakhstan/ Russia	443,268	20.75%	359,173	20.75%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	82,595	33.00%	95,320	33.00%
JV KATCO LLP	Exploration, production, processing and export of uranium	Kazakhstan	56,386	49.00%	61,642	49.00%
Other			97,503		94,508	
<b>Total associates</b>			<b>1,167,607</b>		<b>1,069,734</b>	
			<b>4,795,447</b>		<b>4,242,871</b>	

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following table summarizes the movements in equity investments in joint ventures and associates:

*In millions of tenge*

<b>Balance as at January 1 (audited)</b>	4,242,871
Foreign currency translation	<b>589,977</b>
Share in profit of joint ventures and associates, net (Note 25)	<b>74,756</b>
Transfers from assets classified as held for sale (Note 4)	<b>9,087</b>
Additional contributions without change in ownership	<b>7,298</b>
Discount on loans issued	<b>292</b>
Dividends received	<b>(10,861)</b>
Change in dividends receivable	<b>(71,217)</b>
Impairment (Note 22)	<b>(46,691)</b>
Other comprehensive income, other than foreign currency translation	<b>(65)</b>
<b>Balance as at March 31 (unaudited)</b>	<b>4,795,447</b>

### 8. LOANS ISSUED AND FINANCE LEASE RECEIVABLES

Loans issued and finance lease receivables comprised the following:

	<b>March 31, 2020 (unaudited)</b>	December 31, 2019 (audited)
<i>In millions of tenge</i>		
Loans issued at amortized cost	<b>265,592</b>	244,802
Loans issued at FVPL	<b>242,338</b>	214,396
Finance lease receivables	<b>74,835</b>	75,119
<b>Total loans and finance lease receivables</b>	<b>582,765</b>	534,317
Less: allowance for expected credit losses	<b>(12,935)</b>	(13,488)
<b>Loans issued and finance lease receivables, net</b>	<b>569,830</b>	520,829
Less: current portion	<b>(142,989)</b>	(150,273)
<b>Non-current portion</b>	<b>426,841</b>	370,556

The components of finance lease receivables are as follows:

	<b>March 31, 2020 (unaudited)</b>	December 31, 2019 (audited)
<i>In millions of tenge</i>		
Within one year	<b>10,080</b>	12,662
Later than one year, but not later than five years	<b>48,424</b>	47,585
After five years	<b>59,540</b>	57,567
<b>Lease payments</b>	<b>118,044</b>	117,814
Less: unearned finance income	<b>(43,209)</b>	(42,695)
<b>Net investment in finance leases</b>	<b>74,835</b>	75,119

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 9. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Bank deposits	581,642	643,857
Loans to credit institutions	123,445	127,393
Less: allowance for expected credit losses	(7,651)	(7,484)
<b>Amounts due from credit institutions, net</b>	<b>697,436</b>	<b>763,766</b>
Less: current portion	(532,090)	(593,974)
<b>Non-current portion</b>	<b>165,346</b>	<b>169,792</b>

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Rating from A+(A1) to A-(A3)	208,636	207,078
Rating from BBB-(Baa3) to BB-(Ba3)	324,299	420,760
Rating from B+(B1) to B-(B3)	164,501	135,928
	<b>697,436</b>	<b>763,766</b>

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>Weighted average interest rate</b>	<b>December 31, 2019 (audited)</b>	<b>Weighted average interest rate</b>
Amounts due from credit institutions, denominated in US dollars	472,450	1.59%	546,639	1.06%
Amounts due from credit institutions, denominated in tenge	224,773	5.68%	217,117	5.86%
Amounts due from credit institutions, denominated in other currencies	213	4%	10	4%
	<b>697,436</b>		<b>763,766</b>	

As at March 31, 2020 amounts due from credit institutions included funds of 11,759 million tenge pledged as collateral for certain Group's borrowings (December 31, 2019: 15,062 million tenge).

### 10. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Trade accounts receivable	681,567	666,464
Less: allowance for expected credit losses	(48,858)	(46,076)
	<b>632,709</b>	<b>620,388</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 10. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS (continued)

Other current assets comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Advances paid and deferred expenses	127,426	195,205
Other accounts receivable	110,541	109,307
Other prepaid taxes	90,736	97,818
Dividends receivable	83,884	12,708
Restricted cash	56,699	53,262
Amounts due from employees	4,730	4,928
Other non-financial current assets	26,702	20,136
Other financial current assets	9,629	9,907
Less: impairment allowance	(107,379)	(107,105)
	<b>402,968</b>	<b>396,166</b>

At March 31, 2020 the Group's receivables of 106,201 million tenge were pledged under certain Group borrowings (December 31, 2019: 71,401 million tenge).

At March 31, 2020 250 million tenge of the Group's receivables were interest bearing (December 31, 2019: 313 million tenge). As at March 31, 2020 the weighted average interest rate was 11.12% (December 31, 2019: 11.16%).

### 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Current accounts with banks – US dollars	1,039,795	1,116,492
Current accounts with banks – tenge	235,098	215,008
Current accounts with banks – other currency	32,885	33,392
Bank deposits – US dollars	658,048	199,949
Bank deposits – tenge	285,323	379,212
Bank deposits – other currency	4,982	6,450
Cash in transit	71,221	23,555
Cash on hand	10,937	9,821
Reverse repurchase agreements with other banks with contractual maturity of three months or less	21,923	10,735
Less: allowance for expected credit losses	(319)	(652)
	<b>2,359,893</b>	<b>1,993,962</b>

Short-term bank deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at March 31, 2020 the weighted average interest rates for short-term bank deposits and current accounts were 3.99% and 1.2%, respectively (December 31, 2019: 6.02% and 0.87%, respectively).

### 12. EQUITY

#### 12.1 Additional paid-in capital

In 2017 the Government contributed gas pipelines to the Group on trust management, the fair value of which was recorded within additional paid in capital in the amount of 9,638 million tenge. Upon termination of trust management agreement, the Group returned gas pipelines to the Government and reversed the carrying value of these pipelines from additional paid in capital, and 626 million tenge of accumulated depreciation of gas pipelines was reversed from retained earnings.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 12. EQUITY (continued)

#### 12.2 Dividends

##### *Dividends attributable to non-controlling interest*

During the three months ended March 31, 2020, the Group declared dividends of 24,541 million tenge to the holders of non-controlling interest in NAC KAP.

#### 12.3 Other distributions to the Shareholder

##### *Financing of social projects*

During the three months ended March 31, 2020, in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of various social projects for total amount of 8,354 million tenge. These liabilities were recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

#### 12.4 Transfer of assets to the Shareholder

##### *Transfer of shares of Khorgos*

In March 2020 in accordance with the Resolution of the Government of the Republic of Kazakhstan dated March 19, 2019 the Group transferred 100% of the shares of a subsidiary Khorgos with the net assets of 24,809 million tenge to the Almaty region municipalities free of charge (*Note 4*). This transaction was recognized as transfer of assets to the Shareholder in consolidated statement of changes in equity.

#### 12.5 Disposal of subsidiaries

In January 2020 the Group sold 26% minus 1 (one) share of Transtelecom JSC to the third party. As a result, the Group lost control over the subsidiary and recognised disposal of non-controlling interest in Transtelecom JSC of 14,040 million tenge in consolidated statement of changes in equity (*Note 4*).

#### 12.6 Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. During the three months ended March 31, 2020, foreign translation difference amounted to 1,466,578 million tenge.

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As at March 31, 2020, unrealized foreign currency loss of 645,507 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

#### 12.7 Book value per share

In accordance with the decision of the Exchange Board of Kazakhstan Stock Exchange JSC (“KASE”) dated October 4, 2010 financial statements shall disclose book value per share (common and preferred) as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Total assets	<b>28,229,068</b>	26,405,096
Less: intangible assets	<b>(2,100,615)</b>	(2,000,417)
Less: total liabilities	<b>(13,003,566)</b>	(12,067,620)
<b>Net assets for common shares</b>	<b>13,124,887</b>	12,337,059
Number of common shares as at reporting date	<b>3,481,957,769</b>	3,481,957,769
Book value per common share, tenge	<b>3,769</b>	3,543

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 12. EQUITY (continued)

#### 12.7 Book value per share (continued)

	For the three months ended March 31, 2020 (unaudited)	For the three months ended March 31, 2019 (unaudited) (restated)
<b>Earnings per share</b>		
Weighted average number of common shares for basic and diluted earnings per share	3,481,957,769	3,481,939,975
Basic and diluted share in net profit for the period	62.83	97.11

### 13. BORROWINGS

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Fixed interest rate borrowings	6,330,034	5,519,465
Floating interest rate borrowings	1,368,855	1,321,928
	7,698,889	6,841,393
Less: amounts due for settlement within 12 months	(734,849)	(737,950)
<b>Amounts due for settlement after 12 months</b>	<b>6,964,040</b>	<b>6,103,443</b>

<i>In millions of tenge</i>	March 31, 2020 (unaudited)	December 31, 2019 (audited)
US dollar-denominated borrowings	5,464,372	4,694,855
Tenge-denominated borrowings	1,816,114	1,758,863
Other currency-denominated borrowings	418,403	387,675
	7,698,889	6,841,393

Under the terms of some loan agreements, respective subsidiaries of the Group are obliged to comply with certain covenants. The Group reviews compliance with all the Group loan covenants at each reporting date. Failure to comply with financial covenants gives the lenders the right to demand early repayment of loans. As of March 31, 2020 and December 31, 2019, the Group complied with all financial and non-financial covenants.

Changes in borrowings are as follows:

<i>In millions of tenge</i>	
<b>Balance as at January 1, 2020 (audited)</b>	6,841,393
Additions	330,895
Interest accrued	107,406
Discount	(11,042)
Purchase of property plant and equipment financed by borrowings	6,193
Interest capitalized (Note 5)	6,076
Interest paid	(65,752)
Repayment of principal	(334,628)
Amortization of discount	2,493
Foreign currency translation	830,205
Other	(14,350)
<b>Balance as at March 31, 2020 (unaudited)</b>	<b>7,698,889</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 13. BORROWINGS (continued)

The carrying amount of borrowings by the Group subsidiaries is presented below:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
NC KMG and its subsidiaries	4,370,113	3,777,706
NC KTZh and its subsidiaries	1,505,242	1,362,486
The Fund	576,176	536,088
UCC and its subsidiaries	341,963	277,685
Kazakhtelecom and its subsidiaries	266,683	263,782
Samruk-Energy and its subsidiaries	203,231	205,063
KEGOC and its subsidiaries	160,836	150,326
NAC KAP and its subsidiaries	131,629	159,964
EGRES-2	102,026	94,088
Other subsidiaries of the Fund	40,990	14,205
<b>Total borrowings</b>	<b>7,698,889</b>	<b>6,841,393</b>

### 14. PREPAYMENT ON OIL SUPPLY AGREEMENT

#### KMG Kashagan B.V.

During 2016, the KMG Kashagan B.V. entered into a long-term crude oil supply agreement. In accordance with the terms of the agreement, during the period from 2018 till 2025, KMG Kashagan B.V. will supply the minimum volume of oil of 16.6 million tons from the Kashagan field.

The Agreement stipulates price determination on the basis of current market quotations and prepayment is reimbursed by means of physical supply of crude oil.

For the three months ended March 31, 2020 KMG Kashagan B.V. has partially settled the prepayments by oil supply in the total amount of 238 million US dollars (equivalent to 93,265 million tenge).

The total amount of accrued remuneration for the three months ended March 31, 2020 was 5,237 million tenge (for the three months ended March 31, 2019: 18,156 million tenge) (Note 24). Payment of remuneration shall be made in kind with crude oil.

In accordance with the terms of agreement, KMG Kashagan B.V. must ensure the supplied volume of crude oil is unencumbered.

Prepayment on oil supply agreement is recognized as contract liability to customers in accordance with IFRS 15.

### 15. LEASE LIABILITIES

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments comprised the following:

<i>In millions of tenge</i>	<b>Minimum lease payments</b>		<b>Present value of minimum lease payments</b>	
	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Within one year	137,605	101,784	114,341	84,138
Two to five years inclusive	370,455	293,864	303,444	236,087
After five years	155,971	146,158	113,384	103,942
	<b>664,031</b>	<b>541,806</b>	<b>531,169</b>	<b>424,167</b>
Less: amounts representing finance costs	<b>(132,862)</b>	<b>(117,639)</b>	<b>-</b>	<b>-</b>
<b>Present value of minimum lease payments</b>	<b>531,169</b>	<b>424,167</b>	<b>531,169</b>	<b>424,167</b>
Less: amounts due for settlement within 12 months			<b>(114,341)</b>	<b>(84,138)</b>
<b>Amounts due for settlement after 12 months</b>			<b>416,828</b>	<b>340,029</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 15. LEASE LIABILITIES (continued)

As at March 31, 2020 interest calculation was based on effective interest rates ranging from 5.53% to 14.50% (December 31, 2019: from 4.7% to 14.0%).

Changes in lease liabilities are as follows:

*In millions of tenge*

<b>January 1, 2020 (audited)</b>	424,167
Additions of leases	77,184
Foreign currency translation	55,705
Interest accrued	8,499
Interest paid	(6,080)
Repayment of principal	(28,393)
Other	87
<b>March 31, 2020 (unaudited)</b>	<b>531,169</b>

### 16. PROVISIONS

Provisions comprised the following:

<i>In millions of tenge</i>	<b>Asset retirement obligations</b>	<b>Provision for environmental remediation</b>	<b>Provision for taxes</b>	<b>Provision for construction of social objects</b>	<b>Other</b>	<b>Total</b>
<b>Provision at January 1, 2020 (audited)</b>	260,648	64,341	18,184	4,904	122,153	470,230
Foreign currency translation	18,559	6,273	4	–	20,294	45,130
Transfer to liabilities associated with assets classified as held for sale	(6)	–	–	–	–	(6)
Change in estimate	37,115	–	–	–	(3,364)	33,751
Unwinding of discount	4,139	474	–	–	6	4,619
Provision for the year	968	10	–	–	8,931	9,909
Use of provision	(105)	(229)	(99)	–	(307)	(740)
Reversal of unused amounts	(21)	(438)	–	(832)	(360)	(1,651)
<b>Provision at March 31, 2020 (unaudited)</b>	<b>321,297</b>	<b>70,431</b>	<b>18,089</b>	<b>4,072</b>	<b>147,353</b>	<b>561,242</b>

Current portion and non-current portion of provisions are presented as follows:

<i>In millions of tenge</i>	<b>Asset retirement obligations</b>	<b>Provision for environmental remediation</b>	<b>Provision for taxes</b>	<b>Provision for construction of social objects</b>	<b>Other</b>	<b>Total</b>
Current portion	1,931	7,825	18,184	4,904	86,523	119,367
Non-current portion	258,717	56,516	–	–	35,630	350,863
<b>Provision at December 31, 2019 (audited)</b>	260,648	64,341	18,184	4,904	122,153	470,230
Current portion	1,542	7,827	18,089	4,072	99,257	130,787
Non-current portion	319,755	62,604	–	–	48,096	430,455
<b>Provision at March 31, 2020 (unaudited)</b>	<b>321,297</b>	<b>70,431</b>	<b>18,089</b>	<b>4,072</b>	<b>147,353</b>	<b>561,242</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 16. PROVISIONS (continued)

Other provisions as at March 31, 2020 included provisions for aircraft maintenance for the amount of 46,509 million tenge (December 31, 2019: 34,916 million tenge), gas transportation provision of 32,722 million tenge (December 31, 2019: 27,965 million tenge), provision of 1,221 million tenge by results of an environmental audit of Embamunaigas JSC (December 31, 2019: 4,585 million tenge) and provision of 40,469 million tenge by results of litigations with Consortium of companies Ersai Caspian Contractor LLP and Caspian Offshore and Marine Construction LLP (December 31, 2019: 34,132).

### 17. TRADE AND OTHER PAYABLES, AND OTHER CURRENT LIABILITIES

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Trade accounts payable	<b>868,083</b>	910,226
Accounts payable for the supply of property, plant and equipment	<b>70,516</b>	112,150
Other accounts payable	<b>19,661</b>	23,671
	<b>958,260</b>	1,046,047

Trade accounts payable were expressed in the following currencies:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Tenge-denominated trade accounts payable	<b>499,238</b>	507,937
US dollar-denominated trade accounts payable	<b>291,010</b>	326,279
Other currency-denominated trade accounts payable	<b>77,835</b>	76,010
	<b>868,083</b>	910,226

Other current liabilities comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
Contract liabilities to customers	<b>202,988</b>	299,467
Due to employees	<b>121,809</b>	118,657
Other taxes payable	<b>114,355</b>	137,789
Amounts due to customers	<b>33,400</b>	34,768
Other estimated liabilities	<b>33,233</b>	19,975
Dividends payable	<b>25,242</b>	6,727
Pension and social contributions liabilities	<b>15,612</b>	15,805
Advances received and deferred income	<b>13,497</b>	11,802
Obligations to the Shareholder on the financing of social projects	<b>10,176</b>	12,100
Obligations under guarantee agreements	<b>7,428</b>	7,355
Government grant liability	<b>4,350</b>	–
Other financial liabilities	<b>46,570</b>	41,225
Other non-financial liabilities	<b>37,899</b>	33,969
	<b>666,559</b>	739,639



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 18. REVENUE

Revenue comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Sales of crude oil	617,407	931,515
Sales of oil refined products	483,866	618,822
Sales of gas products	286,237	247,847
Railway cargo transportation	240,091	209,735
Sales of refined gold	122,554	70,897
Telecommunication services	122,474	88,023
Oil and gas transportation fee	82,027	78,367
Electricity complex	72,973	62,743
Electricity transmission services	69,355	55,581
Air transportation	63,388	63,246
Sales of uranium products	55,333	48,641
Oil processing fees	50,787	50,808
Railway passenger transportation	18,133	19,774
Interest income	12,440	12,027
Postal services	9,503	10,721
Less: Crude oil Quality Bank	(2,886)	(1,490)
Less: indirect taxes and commercial discounts	(112,967)	(122,742)
Other revenue	89,599	88,548
	<b>2,280,314</b>	<b>2,533,063</b>

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
<b>Geographical markets</b>		
Kazakhstan	989,592	857,917
Other countries	1,290,722	1,675,146
	<b>2,280,314</b>	<b>2,533,063</b>

### 19. COST OF SALES

Cost of sales comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Materials and supplies	901,914	1,154,459
Depreciation, depletion and amortization	233,376	214,960
Personnel costs, including social taxes and withdrawals	212,020	210,829
Fuel and energy	103,614	97,127
Production services rendered	59,583	65,938
Repair and maintenance	53,152	44,708
Taxes other than social taxes and withdrawals	26,504	20,420
Mineral extraction tax	23,813	38,171
Interest expense	21,337	23,859
Rent	20,233	26,569
Transportation expenses	10,917	10,636
Other	83,368	59,445
	<b>1,749,831</b>	<b>1,967,121</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 20. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Personnel costs, including social taxes and withdrawals	49,622	45,465
Depreciation and amortization	8,617	10,021
Taxes other than social taxes and withdrawals	7,607	8,189
Consulting services	7,462	6,705
Other services by third parties	1,274	951
Business trips	1,257	1,473
Rent	1,216	1,222
Sponsorship and charitable donations	1,194	4,412
Repair and maintenance	1,184	843
Utilities expenses and maintenance of buildings	1,055	1,052
Transportation services	701	763
Bank services	453	559
Professional education and advanced trainings	337	335
Fines and penalties	307	382
Allowance for expected credit losses for trade receivable and other assets	(221)	8,777
Other	14,988	10,717
	<b>97,053</b>	<b>101,866</b>

### 21. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Transportation	124,654	114,163
Custom duties	31,221	33,820
Rent tax	19,597	34,171
Commission fees to agents and advertising	4,415	3,283
Personnel costs, including social taxes and withdrawals	4,074	5,140
Depreciation and amortization	3,793	3,637
Other	7,712	10,342
	<b>195,466</b>	<b>204,556</b>

### 22. IMPAIRMENT LOSS

Impairment loss comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited) (restated)</b>
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets	61,259	161
Impairment of investments in joint ventures and associates (Note 7)	46,691	–
Impairment of VAT receivable	603	1,161
Accrual / (reversal of) expected credit losses on other financial assets	374	(436)
Accrual of expected credit losses on amounts in credit institutions	162	1,532
Reversal of expected credit losses on loans issued	(690)	(670)
(Reversal of impairment) / impairment of assets held for sale	(160)	2,111
Other	(409)	2,808
	<b>107,830</b>	<b>6,667</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 22. IMPAIRMENT LOSS (continued)

Impairment losses of property, plant and equipment, exploration and evaluation assets were recognised mainly for the following CGUs:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Embamunaigas (EMG)	<b>60,440</b>	–
Others	<b>819</b>	161
	<b>61,259</b>	161

### EMG

As of March 31, 2020, EMG carried out a formal assessment of the recoverable amount of property, plant and equipment and exploration and evaluation assets due to the presence of impairment indicators such as decline in the forecasted oil prices. EMG calculated recoverable amount using a discounted cash flow model. The discount rate applied to cash flow projections was equal to 13.99%. The 5-year business plan was used as a primary source of information. It contains forecasts for crude oil production, sales volumes, revenues, costs and capital expenditure. The result of this assessment indicated that the carrying value of assets exceeded their estimated recoverable amount by 60,440 million tenge, and was recognised as impairment in the interim consolidated statement of comprehensive income.

Sensitivity analysis:

The key assumptions required for the recoverable amount estimation are the oil prices, production volumes, foreign exchange rate, inflation rate and discount rate. The sensitivity of the headroom to changes in the key assumptions was estimated as follows:

- If Brent crude oil prices had been assumed to be 5% lower than the price assumptions used in the assessment, this would have led to decrease in estimated recoverable amount by almost 48 billion tenge;
- If the production volume were to be reduced by around 5% for the whole period, this would cause almost 14 billion tenge effect;
- If the discount rate rises by 5%, this would cause almost 3 billion tenge;
- If the inflation rate rises by 5%, this would cause almost 4 billion tenge;
- If the KZT / US dollar exchange rate had been assumed to be 5% lower for the whole period, this would have led to decrease in estimated recoverable amount by 38 billion tenge;
- If the above factors increased by 5%, the headroom would have increased significantly.

### 23. FINANCE INCOME

Finance income comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Interest income on amounts due from credit institutions and cash and cash equivalents	<b>16,871</b>	19,784
Discount on liabilities at rates below market	<b>11,288</b>	975
Income from loans and financial assets	<b>9,346</b>	9,654
Income from financial guarantees	<b>2,286</b>	734
Unwinding of discount on long-term receivables	<b>441</b>	2,057
Other	<b>4,065</b>	3,695
	<b>44,297</b>	36,899

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 24. FINANCE COSTS

Finance costs comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2019 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>
Interest on loans and debt securities issued	<b>104,786</b>	92,564
Interest on oil supply agreement (Note 14)	<b>5,237</b>	18,156
Interest on lease liabilities	<b>8,518</b>	6,486
Amortization of discount on provisions and other payables	<b>4,768</b>	5,059
Finance costs for the early redemption of bonds	<b>–</b>	2,316
Discount on assets at rates below market	<b>782</b>	449
Financial guarantees	<b>501</b>	–
Other	<b>20,957</b>	15,787
	<b>145,549</b>	140,817

### 25. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET

Share in profit/(loss) of joint ventures and associates comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2020 (unaudited)</b>	<b>For the three months ended March 31, 2019 (unaudited) (restated)</b>
Tengizchevroil LLP	<b>63,951</b>	105,735
Caspian Pipeline Consortium JSC	<b>20,124</b>	17,520
Mangistau Investments B.V.	<b>6,114</b>	23,269
JV Kazgermunai LLP	<b>6,006</b>	6,795
JV KATCO LLP	<b>5,034</b>	3,155
Forum Muider B.V.	<b>3,931</b>	4,447
Kazzinc LLP	<b>3,550</b>	9,935
Ural Group Limited BVI	<b>(2,466)</b>	(1,806)
Asian Gas Pipeline LLP	<b>(4,282)</b>	30,856
KazRosGas LLP	<b>(6,441)</b>	1,637
Beineu Shymkent Gas Pipeline LLP	<b>(7,767)</b>	23,256
Valsera Holdings B.V.	<b>(11,276)</b>	(2,839)
Other	<b>(1,722)</b>	17,607
	<b>74,756</b>	239,567

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 26. CONSOLIDATION

Subsidiaries included in these interim condensed consolidated financial statements are presented as follows:

		<b>Ownership percentage</b>	
		<b>March 31, 2020 (unaudited)</b>	<b>December 31, 2019 (audited)</b>
1	National Company “KazMunayGas” JSC (“NC KMG”) and subsidiaries	<b>90.42%</b>	90.42%
2	KMG Kashagan B.V.	<b>100.00%</b>	100.00%
3	National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”) and subsidiaries	<b>100.00%</b>	100.00%
4	National Atomic Company “Kazatomprom” JSC (“NAC KAP”) and subsidiaries	<b>81.28%</b>	81.28%
5	Samruk-Energy JSC (“Samruk-Energy”) and subsidiaries	<b>100.00%</b>	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC (“KEGOC”) and subsidiaries	<b>90.00% + 1</b>	90.00% + 1
7	Kazpost JSC and subsidiaries	<b>100.00%</b>	100.00%
8	Kazakhtelecom JSC (“KTC”) and subsidiaries	<b>52.03%</b>	52.03%
9	Air Astana JSC (“Air Astana”) and subsidiaries	<b>51.00%</b>	51.00%
10	Samruk-Kazyna Construction JSC and subsidiaries	<b>100.00%</b>	100.00%
11	National Mining Company “Tau-Ken Samruk” JSC and subsidiaries	<b>100.00%</b>	100.00%
12	United Chemical Company LLP (“UCC”) and subsidiaries	<b>100.00%</b>	100.00%
13	Samruk-Kazyna Invest LLP and subsidiaries	<b>100.00%</b>	100.00%
14	Samruk-Kazyna Contract LLP	<b>100.00%</b>	100.00%
15	KOREM JSC	<b>100.00%</b>	100.00%
16	SK Business Service LLP and subsidiaries	<b>100.00%</b>	100.00%
17	Qazaq Air JSC	<b>100.00%</b>	100.00%
18	Kazakhstan nuclear electric plants JSC	<b>100.00%</b>	100.00%
19	Stantsiya Ekibastuzskaya GRES-2 JSC (“EGRES-2”)	<b>100.00%</b>	100.00%

### 27. RELATED PARTY DISCLOSURES

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include key management personnel of the Group, enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Group’s key management personnel and other entities controlled by the Government. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 27. RELATED PARTY DISCLOSURES (continued)

The following table shows the total amount of transactions that were made with related parties during the three months ended March 31, 2020 and March 31, 2019, and the corresponding balances as of March 31, 2020 and December 31, 2019:

<i>In millions of tenge</i>		<b>Associates</b>	<b>Joint ventures</b>	<b>Other state-controlled entities</b>
Due from related parties	<b>March 31, 2020</b>	<b>4,609</b>	<b>39,535</b>	<b>21,746</b>
	December 31, 2019	4,225	40,165	25,921
Due to related parties	<b>March 31, 2020</b>	<b>38,764</b>	<b>225,211</b>	<b>11,356</b>
	December 31, 2019	34,212	186,746	14,946
Sale of goods and services	<b>March 31, 2020</b>	<b>21,147</b>	<b>156,559</b>	<b>150,873</b>
	March 31, 2019	18,666	89,217	86,957
Purchase of goods and services	<b>March 31, 2020</b>	<b>49,008</b>	<b>350,773</b>	<b>7,690</b>
	March 31, 2019	36,751	425,729	4,946
Other income/(loss)	<b>March 31, 2020</b>	<b>10,797</b>	<b>45,101</b>	<b>8,804</b>
	March 31, 2019	(739)	369	8,117
Cash and cash equivalents, and amounts due from credit institutions (assets)	<b>March 31, 2020</b>	<b>8</b>	<b>71</b>	<b>260,279</b>
	December 31, 2019	–	248	308,250
Loans issued	<b>March 31, 2020</b>	<b>59,052</b>	<b>421,978</b>	<b>5,364</b>
	December 31, 2019	66,394	365,017	5,184
Borrowings	<b>March 31, 2020</b>	<b>17,464</b>	<b>4</b>	<b>1,147,046</b>
	December 31, 2019	17,460	5	1,114,707
Other assets	<b>March 31, 2020</b>	<b>14,264</b>	<b>38,060</b>	<b>123,900</b>
	December 31, 2019	13,171	116,244	120,270
Other liabilities	<b>March 31, 2020</b>	<b>61,724</b>	<b>94,575</b>	<b>28,430</b>
	December 31, 2019	15,132	61,270	31,483
Interest accrued due from related parties	<b>March 31, 2020</b>	<b>1,829</b>	<b>7,963</b>	<b>11,616</b>
	March 31, 2019	3,142	8,836	–
Interest accrued due to related parties	<b>March 31, 2020</b>	<b>1,493</b>	<b>119</b>	<b>25,894</b>
	March 31, 2019	–	143	27,016

As at March 31, 2020 some of the Group's borrowings of 57,650 million tenge were guaranteed by the Government of the Republic of Kazakhstan (December 31, 2019: 51,062 million tenge).

Total compensation to key management personnel included in general and administrative expenses in the consolidated statement of comprehensive income was equal to 1,114 million tenge for the three months ended March 31, 2020 (for the three months ended March 31, 2019: 968 million tenge). Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, finance lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financial assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.

#### Fair values of financial instruments and investment property

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amount of the following Group's financial instruments is a reasonable estimate of their fair value:

<i>In millions of tenge</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>March 31, 2020 (unaudited)</b>
<b>Financial instruments category</b>				
<b>Assets</b>				
Loans issued at fair value through profit and loss	–	–	242,338	242,338
Financial assets measured at fair value through OCI	57,426	9,812	63	67,301
Financial assets at fair value through profit and loss	5,565	14,143	25,084	44,792
Derivative financial assets	–	5,548	1,057	6,605

<i>In millions of tenge</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>December 31, 2019 (audited)</b>
<b>Financial instruments category</b>				
<b>Assets</b>				
Loans issued at fair value through profit and loss	–	–	214,396	214,396
Financial assets measured at fair value through OCI	42,577	10,344	63	52,984
Financial assets at fair value through profit and loss	3,900	17,125	25,084	46,109
Derivative financial assets	–	952	543	1,495

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Fair values of financial instruments and investment property (continued)

<i>In millions of tenge</i>	March 31, 2020 (unaudited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Loans issued at amortized cost and finance lease receivables	327,492	313,064	–	20,004	293,060
Amounts due from credit institutions	697,436	692,828	513,097	179,714	17
Investment property	24,091	32,236	–	9,498	22,738
<b>Financial liabilities</b>					
Borrowings	7,698,889	7,620,832	4,881,421	1,962,776	776,635
Loans from the Government of the Republic of Kazakhstan	642,751	402,840	–	402,840	–
Guarantee obligations	49,617	52,986	–	27,957	25,029

<i>In millions of tenge</i>	December 31, 2019 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Loans issued at amortized cost and finance lease receivables	306,433	314,192	–	26,674	287,518
Amounts due from credit institutions	763,766	776,646	474,248	302,381	17
Investment property	24,888	32,774	–	9,541	23,233
<b>Financial liabilities</b>					
Borrowings	6,841,393	7,324,768	4,943,524	1,948,352	432,892
Loans from the Government of the Republic of Kazakhstan	627,560	548,717	–	548,717	–
Guarantee obligations	48,957	46,414	–	25,992	20,422

The fair value of the above financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

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**29. COMMITMENTS AND CONTINGENCIES**

In addition to the contingent liabilities and commitments disclosed in the Group annual consolidated financial statements of the Group for the year ended December 31, 2019, the following changes have taken place during the three months ended March 31, 2020:

**Legal proceedings**

*The proceedings initiated against Mr. Stati and his related parties related to the arrest of shares KMG Kashagan B.V. belonging to the Fund*

On September 14, 2017 the pre-judgement attachment in respect of the Fund's rights on management of 50% KMG Kashagan B.V. shares was imposed with regard to the decision of the Amsterdam Court (the “Pre-judgement Attachment”).

The named Pre-judgement Attachment was imposed as part of the claim for recognition and enforcement of the arbitral award on the matter of Anatolie Stati, Gabriel Stati, Ascom Group SA and Terra Raf Trans Trading Ltd. against the Republic of Kazakhstan issued in 2013 by the Arbitration Tribunal at the Arbitration Institute of the Stockholm Chamber of Commerce.

In interim proceedings initiated by the Fund on lifting the Pre-judgement Attachment, the Appeal Court in Amsterdam on January 5, 2018 by way of a preliminary judgment ruled that the aforesaid attachment remains effective. This decision of the Appeal Court in Amsterdam does not create any additional restriction the Fund rights in respect of the KMG Kashagan B.V. shares.

On May 7, 2019, the Appeal Court in Amsterdam upheld the decision of the trial court to maintain the Pre-judgement Attachment imposed on the shares of KMG Kashagan B.V., owned by the Fund, worth 5.2 billion US dollars. The decision of the Appeal Court was appealed to the Supreme Court of the Netherlands. A decision of the Netherlands Supreme Court is expected to be made in the autumn of 2020.

Regarding the legal proceeding on the recognition and enforcement of the 2013 arbitral award against the Republic of Kazakhstan in the Netherlands (Exequatur Proceedings), on August 27, 2019 the Amsterdam Court of Appeal held a hearing on the claim of A. Stati and other on the recognition and enforcement of the arbitration decision made by the Stockholm tribunal against the Republic of Kazakhstan in 2013. A decision is expected in July 2020.

Regarding the main trial of the Statutory Claim filed on December 7, 2017, in which the Stati requests the court to recognize the Fund as part of the Republic of Kazakhstan and oblige the Fund to execute the Main Proceedings, a court hearing on the Fund's complaint was held on November 5, 2019. In March 2020, the court refused the Fund to dismiss the case on procedural grounds. The timetable for consideration of the merits of the case by the court has not yet been determined.

Currently, the Fund makes all necessary arrangements to protect its interest in accordance with the established procedure and will continue to defend its rights.

**Cost recovery audits**

As of March 31, 2020 the Group's share in the total disputed amounts of costs is 919,417 million tenge (December 31, 2019: 782,206 million tenge). The Group and its partners under the production sharing agreements are in negotiation with the Government with respect to the recoverability of these costs.

**Kazakhstan local market obligation**

During three months ended March 31, 2020, in accordance with its obligations, the Group, including joint ventures, delivered 1,794,204 tons of crude oil (three months ended March 31, 2019: 1,459,691 tons) to the Kazakhstan market.

**Oil supply commitments**

As of March 31, 2020 the Group had commitments under the oil supply agreement in the amount of 20.04 million ton to be delivered till March 2021 (as at December 31, 2019: 19.2 million ton).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 29. COMMITMENTS AND CONTINGENCIES (continued)

#### Commitments under oilfield and mining field licenses and subsurface use contracts

As at March 31, 2020 the Group had following commitments on fulfillment of minimal work programs with respect to the requirements of their oilfield and mining licenses and related subsurface use contracts with the Government (in millions of tenge):

Year	Capital expenditures	Operational expenditures
2020	266,356	164,711
2021	212,332	128,103
2022	237,295	126,224
2023	178,600	86,307
2024-2058	3,938,551	1,518,930
<b>Total</b>	<b>4,833,134</b>	<b>2,024,275</b>

#### Capital commitments

As at March 31, 2020 the Group, including its joint ventures and associates, had capital commitments of approximately 3,409,288 million tenge related to acquisition and construction of property, plant and equipment (as at December 31, 2019: 2,979,596 million tenge).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 30. SEGMENT REPORTING

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at March 31, 2020 and for the three months then ended:

<i>In millions of tenge</i>	Oil and gas	Mining	Trans- portation	Com- munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	1,465,365	185,738	333,105	130,993	144,312	1,863	9,775	9,163	–	2,280,314
Revenues from sales to other segments	10,210	31	984	1,284	29,723	2,359	11,924	2,504	(59,019)	–
<b>Total revenue</b>	<b>1,475,575</b>	<b>185,769</b>	<b>334,089</b>	<b>132,277</b>	<b>174,035</b>	<b>4,222</b>	<b>21,699</b>	<b>11,667</b>	<b>(59,019)</b>	<b>2,280,314</b>
<b>Gross profit</b>	<b>367,481</b>	<b>28,732</b>	<b>51,109</b>	<b>41,834</b>	<b>58,700</b>	<b>336</b>	<b>(365)</b>	<b>4,753</b>	<b>(17,714)</b>	<b>534,866</b>
General and administrative expenses	(44,555)	(6,993)	(24,620)	(11,429)	(5,637)	(1,215)	(3,787)	(861)	2,044	(97,053)
Transportation and selling expenses	(187,075)	(3,165)	(2,047)	(3,103)	(4,179)	(236)	–	–	4,339	(195,466)
Finance income	37,128	4,224	2,504	1,591	1,553	131	6,282	1,780	(10,896)	44,297
Finance costs	(74,967)	(14,090)	(36,579)	(13,227)	(12,865)	(1,490)	(8,895)	(1,717)	18,281	(145,549)
Share in profits of joint ventures and associates	65,416	6,113	2,495	–	3,682	(30)	(2,920)	–	–	74,756
Foreign exchange gain/(loss), net	32,388	15,750	(90,996)	11,894	(14,060)	(47,523)	258,096	3,630	238	169,417
Depreciation, depletion and amortization	(145,557)	(9,304)	(43,403)	(27,609)	(18,882)	(1,255)	(559)	(456)	253	(246,772)
Impairment of property, plant and equipment and intangible assets	(61,139)	(7)	263	(376)	–	–	–	–	–	(61,259)
Impairment of other assets	(38,032)	347	(5,403)	(59)	71	(18)	(3,345)	(192)	60	(46,571)
Income tax expenses	(27,673)	(17,225)	(3,722)	(7,536)	(7,006)	(19)	(845)	(1,472)	–	(65,498)
<b>Net profit/(loss) for the period</b>	<b>70,130</b>	<b>34,443</b>	<b>(119,139)</b>	<b>21,034</b>	<b>20,502</b>	<b>(50,570)</b>	<b>244,235</b>	<b>5,983</b>	<b>(1,497)</b>	<b>225,121</b>
<b>Other segment information</b>										
Total assets of the segment	17,939,939	2,395,324	3,775,623	1,181,646	1,540,299	586,471	7,653,418	309,515	(7,153,167)	28,229,068
Total liabilities of the segment	7,230,582	462,585	2,743,251	659,072	744,578	439,633	1,637,155	187,270	(1,100,560)	13,003,566
Investments in joint ventures and associates	4,061,398	594,864	45,244	–	74,240	7,995	44,047	–	(32,341)	4,795,447

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

### 30. SEGMENT REPORTING (continued)

The following table represents information about profit and loss for the three months ended March 31, 2019 and assets and liabilities of operating segments of the Group as at December 31, 2019:

<i>In millions of tenge</i>	Oil and gas	Mining	Trans- portation	Com- munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	1,861,990	142,168	308,377	99,194	107,773	1,218	9,615	2,728	–	2,533,063
Revenues from sales to other segments	18,018	3,873	1,097	986	17,479	735	8,543	1,453	(52,184)	–
<b>Total revenue</b>	<b>1,880,008</b>	<b>146,041</b>	<b>309,474</b>	<b>100,180</b>	<b>125,252</b>	<b>1,953</b>	<b>18,158</b>	<b>4,181</b>	<b>(52,184)</b>	<b>2,533,063</b>
<b>Gross profit</b>	<b>460,286</b>	<b>18,395</b>	<b>38,163</b>	<b>24,949</b>	<b>36,655</b>	<b>212</b>	<b>(7,147)</b>	<b>2,536</b>	<b>8,295</b>	<b>582,344</b>
General and administrative expenses	(40,867)	(7,741)	(31,955)	(8,909)	(4,550)	(1,059)	(7,380)	(901)	1,496	(101,866)
Transportation and selling expenses	(199,745)	(1,629)	(2,194)	(1,115)	(1,347)	(107)	–	–	1,581	(204,556)
Finance income	30,517	1,999	1,217	2,151	1,598	170	8,393	846	(9,992)	36,899
Finance costs	(96,859)	(3,762)	(28,337)	(8,038)	(9,773)	(1,066)	(5,701)	(1,472)	14,191	(140,817)
Share in profits of joint ventures and associates, net	213,847	16,794	1,172	3,053	5,944	(17)	(1,227)	1	–	239,567
Foreign exchange gain/(loss), net	3,224	(396)	5,123	(499)	2,095	1,696	(23,494)	686	(749)	(12,314)
Depreciation, depletion and amortization	(138,084)	(11,679)	(40,025)	(21,601)	(17,110)	(822)	(813)	(244)	535	(229,843)
Impairment of property, plant and equipment and intangible assets	(368)	4	80	–	123	–	–	–	–	(161)
Impairment of other assets	101	(30)	(5,762)	(683)	181	(8)	692	(1,039)	42	(6,506)
Income tax expenses	(72,447)	(666)	2,994	(2,618)	(4,923)	(23)	(841)	(290)	–	(78,814)
<b>Net profit for the period</b>	<b>314,378</b>	<b>77,940</b>	<b>(18,272)</b>	<b>9,168</b>	<b>26,508</b>	<b>(711)</b>	<b>(38,422)</b>	<b>768</b>	<b>14,070</b>	<b>385,427</b>
<b>Other segment information</b>										
Total assets of the segment	16,332,443	2,304,494	3,757,170	1,188,517	1,495,213	574,620	7,579,393	300,603	(7,127,357)	26,405,096
Total liabilities of the segment	6,587,029	460,432	2,562,000	687,057	719,878	379,654	1,563,722	180,027	(1,072,179)	12,067,620
Investments in joint ventures and associates	3,532,589	582,600	33,553	–	70,559	6,428	49,473	10	(32,341)	4,242,871

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

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**31. SUBSEQUENT EVENTS****Issue and redemption of bonds**

In April 2020, the Group redeemed Eurobonds coupon payments to bondholders in the amount of 171,603 thousand US dollars (equivalent to 73,746 million tenge as at payment date).

In April 2020, the Group made a partial redemption of its guaranteed bonds of 43,380 thousand US dollars (equivalent to 18,628 million tenge as at payment date).

On June 10, 2020 the Group made a partial early repayment of 2014 Eurobonds in the total amount of 284,073 thousand US dollars (equivalent to 113,229 million tenge as at payment date), including a premium for partially early repayment in the amount of 67,051 thousand US dollars (equivalent to 26,726 million tenge as at payment date).

**Borrowings**

On May 20, 2020 the Group received a loan of 45,000 thousand US dollars (equivalent to 18,680 million tenge as at operation date) from Citibank Kazakhstan JSC for the period until August 28, 2020 under the Revolving credit line agreement for total amount of 50,000 thousand US dollars dated July 2, 2014.

On June 4, 2020 the Group within the framework of the loan agreement with PJSC «Moscow Credit Bank» dated May 28, 2020 disbursed borrowed funds in the amount of 19,400 million Russian roubles (equivalent to 112,908 million tenge as at operation date) with the interest rate «Key rate of the Central Bank of the Russian Federation + 2.5%» and a maturity date of up to 18 months.

On June 11, 2020 the Group disbursed a short-term loan in the amount of 40,000 thousand US dollars (equivalent to 15,000 million tenge as at operation date). for a period of 3 months from Sumitomo Mitsui Banking Corporation under the uncommitted revolving credit facility agreement dated May 29, 2020 for the amount of 60,000 thousand US dollars.

**Acquisition of subsidiaries**

In May 2020, under agreement concluded in November, 2019 the Group completed a transaction on the acquisition of a 50% share in joint venture Logistic System Management B.V. from a second participant for total amount of 73,000 thousand US dollars (equivalent to 30,669 million tenge as at payment date). As a result of the acquisition, the Group gained control over Logistic System Management B.V.

**Dividends from associate**

During the second quarter of 2020 the Group partially received dividends of 52,000 million tenge from associate company, Kazzinc LLP, by the results of 2019, in accordance with decision of the General meeting of participants dated March 31, 2020.

**Other events**

In April 2020, Borealis AG notified of refusal to further participate in “Production of polyethylene” project due to the current macroeconomic situation and the associated risks for the project.