

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

**Interim condensed consolidated financial statements (unaudited)**

*As at March 31, 2021 and for the three months then ended*

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### Interim condensed consolidated financial statements (unaudited)

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**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

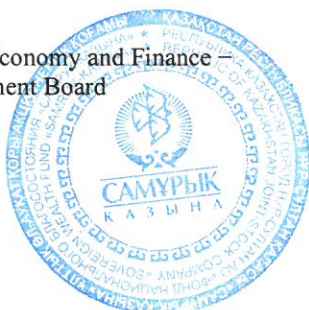
<i>In millions of tenge</i>	<b>Note</b>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	13,748,312	13,703,885
Intangible assets	6	2,009,476	2,022,024
Exploration and evaluation assets	7	342,681	367,393
Investment property		42,960	40,560
Investments in joint ventures and associates	8	5,139,050	4,985,676
Loans issued and finance lease receivables		373,611	366,830
Amounts due from credit institutions	9	129,502	135,315
Deferred tax assets		83,470	79,267
Other non-current financial assets	10	584,417	614,382
Other non-current assets	11	483,226	447,907
		<b>22,936,705</b>	<b>22,763,239</b>
<b>Current assets</b>			
Inventories	12	648,280	626,363
VAT receivable		186,833	256,319
Income tax prepaid		98,925	97,503
Trade accounts receivable	13	748,069	667,107
Loans issued and finance lease receivables		52,777	55,406
Amounts due from credit institutions	9	339,947	354,257
Other current financial assets	10	430,831	188,427
Other current assets	13	214,190	184,769
Cash and cash equivalents	14	2,382,366	2,227,669
		<b>5,102,218</b>	<b>4,657,820</b>
Assets classified as held for sale or distribution to the Shareholder	4	12,333	61,787
		<b>5,114,551</b>	<b>4,719,607</b>
<b>Total assets</b>		<b>28,051,256</b>	<b>27,482,846</b>

*The explanatory notes on pages 8 through 37 form an integral part of these interim condensed consolidated financial statements (unaudited).*

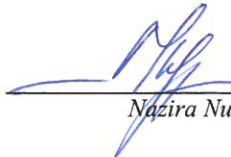
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

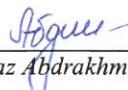
<i>In millions of tenge</i>	Note	March 31, 2021 (unaudited)	December 31, 2020 (audited)
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holder of the Parent</b>			
Share capital		5,258,657	5,258,657
Currency translation reserve		1,809,591	1,763,499
Revaluation reserve of investments at fair value through other comprehensive income		31,754	31,464
Hedging reserve		(56,167)	(60,416)
Other capital reserves		(16,984)	(16,984)
Retained earnings		6,853,465	6,502,544
		<b>13,880,316</b>	<b>13,478,764</b>
Non-controlling interest		1,701,908	1,672,851
<b>Total equity</b>		<b>15,582,224</b>	<b>15,151,615</b>
<b>Non-current liabilities</b>			
Borrowings	16	6,679,495	6,608,990
Loans from the Government of the Republic of Kazakhstan		571,662	562,449
Lease liabilities	17	402,654	396,441
Provisions		368,466	386,921
Deferred tax liabilities		1,177,950	1,143,256
Employee benefit liabilities		121,305	120,943
Prepayment on oil supply agreements	18	146,898	185,680
Other non-current liabilities		153,638	138,085
		<b>9,622,068</b>	<b>9,542,765</b>
<b>Current liabilities</b>			
Borrowings	16	869,058	850,210
Loans from the Government of the Republic of Kazakhstan		30,417	30,773
Lease liabilities	17	151,090	118,878
Provisions		83,576	80,980
Employee benefit liabilities		12,026	14,051
Income taxes payable		17,530	10,567
Trade and other payables	19	859,225	828,258
Prepayment on oil supply agreements	18	23,834	97,882
Other current liabilities	19	798,599	752,031
		<b>2,845,355</b>	<b>2,783,630</b>
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	4	1,609	4,836
		<b>2,846,964</b>	<b>2,788,466</b>
<b>Total liabilities</b>		<b>12,469,032</b>	<b>12,331,231</b>
<b>Total equity and liabilities</b>		<b>28,051,256</b>	<b>27,482,846</b>

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



Chief accountant

  
\_\_\_\_\_  
Nazira Nurbayeva

  
\_\_\_\_\_  
Almaz Abdrakhmanova

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**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

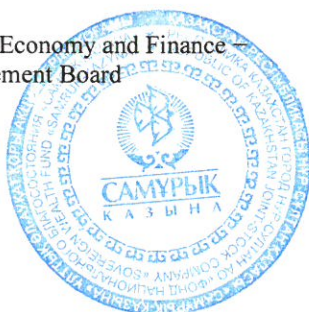
<i>In millions of tenge</i>	<b>Note</b>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
<b>Continuing operations</b>			
Revenue	20	2,412,021	2,280,314
Government grants		6,183	4,383
		<b>2,418,204</b>	<b>2,284,697</b>
Cost of sales	21	<b>(1,781,334)</b>	<b>(1,749,831)</b>
<b>Gross profit</b>		<b>636,870</b>	<b>534,866</b>
General and administrative expenses	22	<b>(95,762)</b>	<b>(97,053)</b>
Transportation and selling expenses	23	<b>(191,724)</b>	<b>(195,466)</b>
Impairment loss, net	24	<b>(20,099)</b>	<b>(107,830)</b>
Loss on disposal of subsidiaries		-	<b>(173)</b>
<b>Operating profit</b>		<b>329,285</b>	<b>134,344</b>
Finance income	25	<b>26,699</b>	44,297
Finance costs	26	<b>(133,805)</b>	<b>(145,549)</b>
Other non-operating loss		<b>(9,347)</b>	<b>(22,135)</b>
Other non-operating income		<b>20,297</b>	35,489
Share in profit of joint ventures and associates, net	27	<b>238,327</b>	74,756
Net foreign exchange gain, net		<b>16,101</b>	169,417
<b>Profit before income tax</b>		<b>487,557</b>	<b>290,619</b>
Income tax expenses	28	<b>(93,766)</b>	<b>(65,498)</b>
<b>Net profit for the period</b>		<b>393,791</b>	<b>225,121</b>
<b>Net profit for the period attributable to:</b>			
Equity holder of the Parent		<b>350,478</b>	218,765
Non-controlling interest		<b>43,313</b>	6,356
		<b>393,791</b>	<b>225,121</b>

*The explanatory notes on pages 8 through 37 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>	Note	For the three months ended March 31, 2021 (unaudited)	For the three months ended March 31, 2020 (unaudited)
<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	15.3	53,868	821,071
Unrealized loss from revaluation investments at fair value through other comprehensive income		(31)	(4,372)
Share of the other comprehensive income/(loss) of associates and joint ventures	8	209	(65)
Gain/(loss) on transactions with hedge instruments		4,957	(11,868)
Net realized gain/(loss) on investments at fair value through other comprehensive income		307	(252)
Tax effect on comprehensive income components		(4,365)	(62,026)
<b>Other comprehensive gain to be reclassified to profit or loss in subsequent periods</b>		<b>54,945</b>	<b>742,488</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	8	53	-
Actuarial gain on defined benefit plans		791	195
Tax effect on comprehensive gain/(loss) components		(20)	8
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>824</b>	<b>203</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>55,769</b>	<b>742,691</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>449,560</b>	<b>967,812</b>
<b>Total comprehensive income for the period, attributable to:</b>			
Equity holder of the Parent		401,548	896,829
Non-controlling interest		48,012	70,983
		<b>449,560</b>	<b>967,812</b>

Managing Director for Economy and Finance  
Member of the Management Board



Chief accountant

Nazira Nurbayeva

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		
		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		Non-controlling interest	
<b>Balance as at December 31, 2019 (audited)</b>		5,229,112	17,303	29,354	1,319,406	(46,726)	(16,984)	6,176,856	12,708,321	1,634,632	14,342,953
Net profit for the period		-	-	-	-	-	-	218,765	218,765	6,356	225,121
Other comprehensive (loss)/income for the period		-	-	(4,772)	695,060	(12,301)	-	77	678,064	64,627	742,691
<b>Total comprehensive (loss)/income for the period</b>		-	-	(4,772)	695,060	(12,301)	-	218,842	896,829	70,983	967,812
Other contributions of the Shareholder		-	(9,629)	-	-	-	-	626	(9,003)	-	(9,003)
Dividends		-	-	-	-	-	-	-	-	(24,541)	(24,541)
Other transactions with the Shareholder		-	-	-	-	-	-	(70)	(70)	-	(70)
Other distributions to the Shareholder		-	-	-	-	-	-	(7,507)	(7,507)	-	(7,507)
Transfer of assets to the Shareholder		-	-	-	-	-	-	(24,809)	(24,809)	-	(24,809)
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	-	-	-	194	194	17	211
Disposal of subsidiaries		-	-	-	-	-	-	-	-	(14,040)	(14,040)
Other equity movements		-	-	-	66	(66)	-	(27)	(27)	-	(27)
<b>Balance as at March 31, 2020 (unaudited)</b>		5,229,112	7,674	24,582	2,014,532	(59,093)	(16,984)	6,364,105	13,563,928	1,667,051	15,230,979

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**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**

In millions of tenge	Note	Attributable to the equity holder of the Parent							Total	Non-controlling interest	Total
		Share capital	comprehensive income	other through	Revaluation reserve of investments at fair value	Currency translation reserve	Hedging reserve	Other capital reserves			
<b>Balance as at December 31, 2020 (audited)</b>		5,258,657	31,464	1,763,499	(60,416)	(16,984)	6,502,544	13,478,764	1,672,851	15,151,615	
Net profit for the period		-	-	-	-	-	350,478	350,478	43,313	393,791	
Other comprehensive income for the period		-	290	45,989	4,352	-	439	51,070	4,699	55,769	
<b>Total comprehensive income for the period</b>		-	290	45,989	4,352	-	350,917	401,548	48,012	449,560	
Issue of shares		-	-	-	-	-	-	-	192	192	
Dividends	15.1	-	-	-	-	-	-	-	(19,996)	(19,996)	
Other distributions to the Shareholder		-	-	-	-	-	4	4	-	4	
Disposal of subsidiaries	15.2	-	-	-	-	-	-	-	849	849	
Other equity movements		-	-	103	(103)	-	-	-	-	-	
<b>Balance as at March 31, 2021 (unaudited)</b>		5,258,657	31,754	1,809,591	(56,167)	(16,984)	6,853,465	13,880,316	1,701,908	15,582,224	



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

*[Signature]*  
Nazira Nurbayeva

Chief accountant

*[Signature]*  
Almaz Abdurakhmanova

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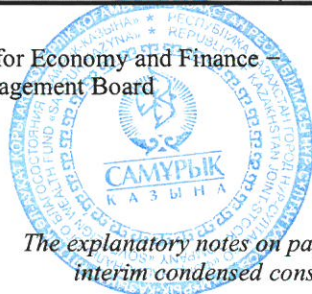


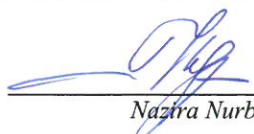
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

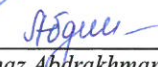
<i>In millions of tenge</i>	Note	For the three months ended March 31, 2021 (unaudited)	For the three months ended March 31, 2020 (unaudited)
<b>Cash flows from operating activities</b>			
Receipts from customers		2,480,024	2,341,028
Payments to suppliers		(1,468,339)	(1,384,878)
Payments to employees		(253,286)	(249,371)
Other taxes and payments		(361,372)	(363,350)
Operations with financial instruments (the Fund and Kazpost)		6,066	5,968
Short-term lease payments and variable lease payments		(9,159)	(24,656)
Other payments		(13,738)	(29,535)
Return of VAT from the budget		98,467	23,003
Income taxes paid		(46,367)	(56,731)
Interest paid		(67,640)	(72,198)
Interest received		17,204	35,840
<b>Net cash flows received from operating activities</b>		<b>381,860</b>	<b>225,120</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and exploration and evaluation assets		(283,766)	(254,784)
Acquisition of intangible assets		(7,682)	(4,116)
Proceeds from sale of property, plant and equipment		28,129	6,233
Proceeds from sale of other non-current assets		639	573
Proceeds from sale of joint ventures and associates		-	43,864
Additional contributions to share capital of joint ventures and associates without change in ownership	8	(1,716)	(7,134)
Dividends received from joint ventures and associates	8	380	10,897
Redemption of bank deposits, net		13,778	123,922
Loans issued		(1,671)	-
Repayment of loans issued		1,486	824
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		14	9,441
Purchase of debt instruments		(51,497)	(35,934)
Proceeds from sale of debt instruments		70,505	7,553
Other receipts		38,935	21,447
<b>Net cash flows used in investing activities</b>		<b>(192,466)</b>	<b>(77,214)</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interest		-	(212)
Proceeds from borrowings		301,872	340,895
Repayment of borrowings	16	(304,844)	(336,402)
Repayment of lease liabilities	17	(23,316)	(28,515)
Distributions to the Shareholder		(18,596)	(8,490)
Contributions by non-controlling interest		192	-
Dividends paid to non-controlling interest of subsidiaries		-	(6,087)
Other payments		(61)	(248)
<b>Net cash flows used in financing activities</b>		<b>(44,753)</b>	<b>(39,059)</b>
<b>Net increase in cash and cash equivalents</b>		<b>144,641</b>	<b>108,847</b>
Effects of exchange rate changes on cash and cash equivalents		9,858	256,365
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		267	388
Change in allowance for expected credit losses		(69)	331
Cash and cash equivalents at the beginning of the year		2,227,669	1,993,962
<b>Cash and cash equivalents at the end of the period</b>	14	<b>2,382,366</b>	<b>2,359,893</b>

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

Chief accountant



  
\_\_\_\_\_  
Nazira Nurbayeva

  
\_\_\_\_\_  
Almaz Abdrakhmanova

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)****For the three months ended March 31, 2021**

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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 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 companies listed in *Note 29* (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 33*):

- 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 May 31, 2021.

**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. On December 29, 2020, by the Resolution of the Government of the Republic of Kazakhstan No. 908 *On Some Issues of Privatization for 2021-2025*, a new comprehensive Privatization Plan for 2021-2025 was approved (hereinafter – the “Privatization Plan”), which includes a new list of state owned organizations and assets of the Fund’s group to be privatized and transferred to a competitive environment.

## 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, 2020.

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.

#### 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:

	March 31, 2021	December 31, 2020	Weighted average for the three months ended March 31, 2021	Weighted average for the three months ended March 31, 2020	May 31, 2021
United States dollar (“USD”)	424.89	420.91	419.94	391.72	428.70
Euro (“EUR”)	498.31	516.79	506.31	431.82	522.37
Russian ruble (“RUR”)	5.62	5.62	5.64	5.89	5.84

**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**

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

The significant accounting judgments and estimates of the Group were disclosed in its consolidated financial statements for the year ended December 31, 2020. At the end of the first quarter of 2021, the Group analyzed and determined that all judgments and estimates used and disclosed in the consolidated financial statements for the year ended December 31, 2020 remain applicable. 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, 2020, except for the adoption of new standards and interpretations effective as of January 1, 2021. 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

*Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**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 OR DISTRIBUTION TO THE SHAREHOLDER

#### Disposals

##### *Vostokmashzavod JSC*

On December 30, 2020 the Group, represented by its subsidiary Repair Corporation Kamkor LLP, entered into a sale agreement with a third party to sell shares of Vostokmashzavod JSC. The Group classified the assets and liabilities of Vostokmashzavod JSC as at December 31, 2020 as assets held for sale measured at the lower of carrying amount and fair value less costs to sell. On January 8, 2021 the Group completed sale transaction of the shares of Vostokmashzavod JSC, and, as a result, lost control over the subsidiary

At the date of loss of control assets and liabilities of Vostokmashzavod JSC were as follows:

<i>In millions of tenge</i>	<b>January 8, 2021 (unaudited)</b>
Property, plant and equipment	5,466
Investment property	35
Inventories	664
VAT receivable	434
Trade accounts receivable	28
Other current assets	29
<b>Total assets</b>	<b>6,656</b>
Borrowings	5,529
Deferred tax liabilities	1,031
Employee benefit liabilities	34
Trade and other payables	1,915
Other current liabilities	1,471
<b>Total liabilities</b>	<b>9,980</b>
<b>Net assets</b>	<b>(3,324)</b>

The result of disposal of the subsidiary is as follows:

<i>In millions of tenge</i>	
Advance received previously	100
Disposed net liabilities	3,324
Disposed non-controlling interest ( <i>Note 15</i> )	(849)
Adjustment to fair value of loans receivable and receivables from a former subsidiary	(2,575)
<b>Net result from disposal of Vostokmashzavod JSC</b>	<b>-</b>

As at the date of disposal Vostokmashzavod JSC had loans and trade payables due to the Group with a carrying value of 5,529 million tenge and 938 million tenge, respectively. Under the transaction for the acquisition of share in Vostokmashzavod JSC, the buyer guaranteed the repayment of this debt. Therefore, as a result of disposal, the Group recognized loans receivable and receivables at their fair value of 3,251 million tenge and 641 million tenge, respectively, reflecting the adjustment to fair value in the reconciliation above.

As a result, the disposal of the subsidiary in 2021 did not have an impact on the financial result.

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

**4. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)**

**Assets classified as held for sale or distribution to the Shareholder**

Assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Assets classified as held for sale		<b>11,903</b>	61,360
Assets classified as held for distribution to Shareholder, including:		<b>430</b>	427
<i>KOREM JSC</i>	Energy	<b>326</b>	323
<i>Other</i>		<b>104</b>	104
		<b>12,333</b>	61,787

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Liabilities associated with assets classified as held for sale		<b>1,588</b>	4,814
Liabilities associated with assets classified as held for distribution to the Shareholder, including:		<b>21</b>	22
<i>KOREM JSC</i>	Energy	<b>21</b>	22
		<b>1,609</b>	4,836

In accordance with the planned activities for transfer of 100% shares of KOREM JSC within 12 months period to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, as at March 31, 2021 the Fund classified net assets of KOREM JSC of 305 million tenge as held for distribution to the Shareholder.

For the three months ended March 31, 2021, the Group sold compressor station “Korkyt-ata”, which was reclassified to assets held for sale in 2020, for the consideration of 42,886 million tenge.

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

**5. PROPERTY, PLANT AND EQUIPMENT**

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
<b>Net book value at January 1, 2021 (audited)</b>	4,455,419	1,986,120	1,176,291	1,161,613	3,315,856	154,747	198,742	1,255,097	13,703,885
Foreign currency translation	36,205	2,878	546	-	3,125	-	931	2,420	46,105
Changes in estimates	(24,872)	(3,294)	(23)	-	109	-	10	-	(28,070)
Additions	5,251	935	2,444	20	47,704	6,594	652	166,470	230,070
Additions through lease agreements	-	32,554	1,108	-	21,755	-	1,577	-	56,994
Capitalized repair works on right-of-use assets	-	-	-	-	4,126	-	-	-	4,126
Disposals	(5,747)	(39,343)	(1,623)	(16)	(10,200)	(37)	(1,073)	(304)	(58,343)
Depreciation charge	(69,659)	(44,484)	(17,417)	(9,012)	(85,620)	(7,036)	(5,747)	-	(238,975)
Depreciation and impairment on disposals	4,360	11,504	1,043	15	9,443	-	1,006	298	27,669
Impairment, net of reversal of impairment (Note 24)	10	-	(4)	1	51	-	5	(99)	(36)
Transfer to assets classified as held for sale	-	(23)	(198)	-	(201)	-	(92)	-	(514)
Transfers from/(to) intangible assets (Note 6)	(44)	-	(1)	-	(1)	-	-	(623)	(669)
Transfers from/(to) exploration and evaluation assets, investment property, net	8,817	-	(2,926)	-	89	-	(23)	-	5,957
Transfer from/(to) inventories, net	-	16	(14)	(118)	62	539	39	(411)	113
Other transfers and reclassifications	29,734	7,220	1,569	(257)	28,705	170	2,857	(69,998)	-
<b>Net book value at March 31, 2021 (unaudited)</b>	<b>4,439,474</b>	<b>1,954,083</b>	<b>1,160,795</b>	<b>1,152,246</b>	<b>3,335,003</b>	<b>154,977</b>	<b>198,884</b>	<b>1,352,850</b>	<b>13,748,312</b>
Historical cost	6,268,431	3,618,300	1,761,661	1,446,441	5,902,000	345,161	386,152	1,470,768	21,198,914
Accumulated depreciation and impairment	(1,828,957)	(1,664,217)	(600,866)	(294,195)	(2,566,997)	(190,184)	(187,268)	(117,918)	(7,450,602)
<b>Net book value at March 31, 2021 (unaudited)</b>	<b>4,439,474</b>	<b>1,954,083</b>	<b>1,160,795</b>	<b>1,152,246</b>	<b>3,335,003</b>	<b>154,977</b>	<b>198,884</b>	<b>1,352,850</b>	<b>13,748,312</b>

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

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Historical cost	6,207,948	3,607,779	1,764,392	1,447,389	5,812,284	338,271	375,664	1,374,385	20,928,112
Accumulated depreciation and impairment	(1,752,529)	(1,621,659)	(588,101)	(285,776)	(2,496,428)	(183,524)	(176,922)	(119,288)	(7,224,227)
<b>Net book value at December 31, 2020 (audited)</b>	<b>4,455,419</b>	<b>1,986,120</b>	<b>1,176,291</b>	<b>1,161,613</b>	<b>3,315,856</b>	<b>154,747</b>	<b>198,742</b>	<b>1,255,097</b>	<b>13,703,885</b>
<i>Including right-of-use assets under lease agreements</i>									
<b>Net book value at January 1, 2020 (audited)</b>	40,947	6,253	69,501	-	355,064	-	30,137	-	501,902
Foreign currency translation	475	56	128	-	2,512	-	252	-	3,423
Changes in estimates	-	-	-	-	109	-	8	-	117
Additions through lease agreements	-	32,554	1,108	-	21,755	-	1,577	-	56,994
Capitalized repair works on right-of-use assets	-	-	-	-	4,126	-	-	-	4,126
Disposals	-	-	(531)	-	(3,911)	-	-	-	(4,442)
Depreciation charge	(1,686)	(8,208)	(4,029)	-	(15,983)	-	(1,429)	-	(31,335)
Depreciation and impairment on disposals	-	-	230	-	3,910	-	-	-	4,140
Transfer for assets for sale	-	-	-	-	(13)	-	(68)	-	(81)
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>39,736</b>	<b>30,655</b>	<b>66,407</b>	<b>-</b>	<b>367,569</b>	<b>-</b>	<b>30,477</b>	<b>-</b>	<b>534,844</b>
Historical cost of right-of-use assets under lease agreements	54,373	39,632	102,629	-	612,344	-	36,737	-	845,715
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(14,637)	(8,977)	(36,222)	-	(244,775)	-	(6,260)	-	(310,871)
<b>Net book value at March 31, 2020 (unaudited)</b>	<b>39,736</b>	<b>30,655</b>	<b>66,407</b>	<b>-</b>	<b>367,569</b>	<b>-</b>	<b>30,477</b>	<b>-</b>	<b>534,844</b>



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

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Historical cost of right-of-use assets under lease agreements	53,747	7,014	102,001	-	530,064	-	35,063	-	727,889
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(12,800)	(761)	(32,500)	-	(175,000)	-	(4,926)	-	(225,987)
<b>Net book value at December 31, 2020 (audited)</b>	<b>40,947</b>	<b>6,253</b>	<b>69,501</b>	<b>-</b>	<b>355,064</b>	<b>-</b>	<b>30,137</b>	<b>-</b>	<b>501,902</b>

As at March 31, 2021 property, plant and equipment with net book value of 921,506 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2020: 959,895 million tenge).

As at March 31, 2021 the cost of fully amortised property, plant and equipment of the Group was equal to 1,164,421 million tenge (December 31, 2020: 1,320,644 million tenge).

For the three months ended March 31, 2021 the Group capitalized borrowing costs at an average interest rate of 2.35% in the amount of 8,749 million tenge (Note 16) (for the three months ended March 31, 2020: at an average interest rate of 6.0% in the amount of 6,076 million tenge).

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

**6. INTANGIBLE ASSETS**

<i>In millions of tenge</i>	Licenses	Subsurface use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
<b>Net book value at</b>							
<b>January 1, 2021 (audited)</b>	711,045	832,147	315,981	24,825	63,930	74,096	2,022,024
Foreign currency translation	4,829	1,985	104	234	33	(117)	7,068
Additions	206	375	-	-	5,978	31	6,590
Disposals	(1,226)	-	-	-	(75)	(3)	(1,304)
Amortization charge	(11,308)	(8,461)	-	-	(4,696)	(1,394)	(25,859)
Accumulated amortization on disposals	234	-	-	-	51	3	288
Transfers from/(to) property, plant and equipment, net (Note 5)	147	44	-	-	420	58	669
Other transfers	68	-	-	-	207	(275)	-
<b>Net book value at</b>							
<b>March 31, 2021 (unaudited)</b>	703,995	826,090	316,085	25,059	65,848	72,399	2,009,476
Historical cost	874,607	928,590	432,993	64,325	196,220	148,285	2,645,020
Accumulated amortization and impairment	(170,612)	(102,500)	(116,908)	(39,266)	(130,372)	(75,886)	(635,544)
<b>Net book value at</b>							
<b>March 31, 2021 (unaudited)</b>	703,995	826,090	316,085	25,059	65,848	72,399	2,009,476
Historical cost	869,540	933,938	432,947	63,722	189,762	148,180	2,638,089
Accumulated amortization and impairment	(158,495)	(101,791)	(116,966)	(38,897)	(125,832)	(74,084)	(616,065)
<b>Net book value at</b>							
<b>December 31, 2020 (audited)</b>	711,045	832,147	315,981	24,825	63,930	74,096	2,022,024

**7. EXPLORATION AND EVALUATION ASSETS**

Movements in exploration and evaluation assets are presented as follows:

<i>In millions of tenge</i>	Tangible	Intangible	Total
<b>Net book value at January 1, 2021 (audited)</b>	339,742	27,651	367,393
Foreign currency translation	1,656	-	1,656
Additions	2,475	425	2,900
Impairment/write-off, net of reversal of impairment (Note 24)	(19,800)	-	(19,800)
Transfers to property, plant and equipment	(8,817)	-	(8,817)
Transfer to inventories	(651)	-	(651)
<b>Net book value at March 31, 2021 (unaudited)</b>	314,605	28,076	342,681
Historical cost	338,044	36,250	374,294
Accumulated impairment	(23,439)	(8,174)	(31,613)
<b>Net book value at March 31, 2021 (unaudited)</b>	314,605	28,076	342,681
Historical cost	365,000	35,825	400,825
Accumulated impairment	(25,258)	(8,174)	(33,432)
<b>Net book value at December 31, 2020 (audited)</b>	339,742	27,651	367,393

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

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

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	<b>Main activity</b>	<b>Place of business</b>	<b>March 31, 2021</b>		<b>December 31, 2020</b>	
			<b>Carrying amount (unaudited)</b>	<b>Percentage ownership</b>	<b>Carrying amount (audited)</b>	<b>Percentage ownership</b>
<b>Joint ventures</b>						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	2,910,697	20.00%	2,793,887	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	306,715	50.00%	291,086	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	158,516	50.00%	156,771	50.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Kazakhstan	154,692	50.00%	142,585	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas	Kazakhstan	79,301	50.00%	76,702	50.00%
Forum Muider B.V.	Coal production	Netherlands	46,314	50.00%	42,437	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	44,273	50.00%	44,585	50.00%
JV Kazgermunai LLP	Oil and gas exploration and production	Kazakhstan	33,419	50.00%	32,840	50.00%
Other			151,410		150,741	
<b>Total joint ventures</b>			<b>3,885,337</b>		<b>3,731,634</b>	
<b>Associates</b>						
Caspian Pipeline Consortium JSC	Transportation of crude oil	Kazakhstan/Russia	504,985	20.75%	478,134	20.75%
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	500,152	29.82%	531,591	29.82%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	80,871	33.00%	78,636	33.00%
JV KATCO LLP	Exploration, production, processing and export of uranium	Kazakhstan	55,460	49.00%	55,845	49.00%
Other			112,245		109,836	
<b>Total associates</b>			<b>1,253,713</b>		<b>1,254,042</b>	
			<b>5,139,050</b>		<b>4,985,676</b>	

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

**8. 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>	4,985,676
Share in profit of joint ventures and associates, net (Note 27)	<b>238,327</b>
Foreign currency translation	<b>37,935</b>
Additional contributions without change in ownership	<b>1,716</b>
Discount on loans issued	<b>754</b>
Other comprehensive income, other than foreign currency translation	<b>262</b>
Dividends received	<b>(380)</b>
Impairment, net (Note 24)	<b>(1,282)</b>
Change in dividends receivable	<b>(123,958)</b>
<b>Balance as at March 31, 2021 (unaudited)</b>	<b>5,139,050</b>

**9. AMOUNTS DUE FROM CREDIT INSTITUTIONS**

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Bank deposits	<b>359,776</b>	370,845
Loans to credit institutions	<b>113,343</b>	122,217
Less: allowance for expected credit losses	<b>(3,670)</b>	(3,490)
<b>Amounts due from credit institutions, net</b>	<b>469,449</b>	489,572
Less: current portion	<b>(339,947)</b>	(354,257)
<b>Non-current portion</b>	<b>129,502</b>	135,315

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Rating from A+(A1) to A-(A3)	<b>126,142</b>	124,409
Rating from BBB+(Baa1) to BBB(Baa2)	<b>1,732</b>	1,608
Rating from BBB-(Baa3) to BB-(Ba3)	<b>265,277</b>	284,997
Rating from B+(B1) to B-(B3)	<b>76,298</b>	78,558
	<b>469,449</b>	489,572

<i>In millions of tenge</i>	<b>March 31, 2020 (unaudited)</b>	<b>Weighted average interest rate</b>	December 31, 2020 (audited)	Weighted average interest rate
Amounts due from credit institutions, denominated in US dollars	<b>299,154</b>	<b>0.46%</b>	308,948	0.47%
Amounts due from credit institutions, denominated in tenge	<b>170,293</b>	<b>5.57%</b>	180,623	3.46%
Amounts due from credit institutions, denominated in other currencies	<b>2</b>	<b>1.90%</b>	1	0.70%
	<b>469,449</b>		489,572	

As at March 31, 2021 amounts due from credit institutions included funds of 10,596 million tenge pledged as collateral for certain Group’s borrowings (December 31, 2020: 12,031 million tenge).

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

### 10. OTHER FINANCIAL ASSETS

Other financial assets comprised the following:

<i>In millions of tenge</i>	March 31, 2021 (unaudited)	December 31, 2020 (audited)
<b>Financial assets at FVOCI, including:</b>	<b>20,094</b>	56,830
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	6,587	6,492
Corporate bonds	6,418	6,135
Bonds of Kazakhstani financial institutions	5,248	42,331
Treasury notes of foreign governments	1,782	1,810
Equity securities	59	62
<b>Financial assets at amortized cost, including:</b>	<b>929,574</b>	683,618
Bonds of Kazakhstani financial institutions	342,247	333,082
Corporate bonds	106,041	104,700
Notes of the National Bank of the Republic of Kazakhstan	41,221	62,295
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan	1,865	1,834
Other financial assets, including:		
<i>Other accounts receivable</i>	257,152	114,510
<i>Restricted cash</i>	162,092	170,135
<i>Dividends receivable</i>	127,385	3,427
<i>Amounts due from employees</i>	11,347	12,441
<i>Other</i>	11,773	10,730
Less: allowance for expected credit losses	(131,549)	(129,536)
<b>Financial assets at FVPL, including:</b>	<b>65,580</b>	62,361
Equity securities	57,186	56,955
Corporate bonds	3,875	3,508
Options	2,300	1,048
Forward and futures contracts	1,440	97
Bonds of Kazakhstani financial institutions	779	753
<b>Total financial assets</b>	<b>1,015,248</b>	802,809
Less: current portion	(430,831)	(188,427)
<b>Non-current portion</b>	<b>584,417</b>	614,382

Other financial assets by currency, except for derivatives, comprised:

<i>In millions of tenge</i>	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Financial assets, denominated in tenge	786,926	618,107
Financial assets, denominated in US dollars	183,883	149,242
Financial assets, denominated in euro	36,963	29,363
Financial assets, denominated in rubles	12	14
Financial assets, denominated in other currency	3,724	4,938
	<b>1,011,508</b>	801,664

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

**11. OTHER NON-CURRENT ASSETS**

Other non-current assets comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Advances paid for non-current assets	269,295	217,889
Long-term VAT receivable	190,277	194,145
Prepaid expenses	52,280	67,306
Long-term inventories	11,345	10,521
Other	26,675	24,166
Less: impairment allowance	<b>(66,646)</b>	<b>(66,120)</b>
	<b>483,226</b>	<b>447,907</b>

**12. INVENTORIES**

Inventories comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Uranium products ( <i>at lower of cost and net realizable value</i> )	217,711	183,360
Production materials and supplies ( <i>at lower of cost and net realizable value</i> )	63,086	65,869
Oil refined products for sale ( <i>at lower of cost and net realizable value</i> )	61,621	56,712
Crude oil ( <i>at cost</i> )	50,527	34,151
Work in progress ( <i>at lower of cost and net realizable value</i> )	45,403	45,104
Goods for resale ( <i>at lower of cost and net realizable value</i> )	41,389	60,180
Oil and gas industry materials and supplies ( <i>at cost</i> )	40,206	38,196
Fuel ( <i>at lower of cost and net realizable value</i> )	21,979	20,489
Railway industry materials and supplies ( <i>at cost</i> )	15,481	15,010
Gas processed products ( <i>at cost</i> )	15,227	32,841
Aircraft spare parts ( <i>at cost</i> )	13,477	13,308
Electric transmission equipment spare parts ( <i>at lower of cost and net realizable value</i> )	4,964	4,845
Uranium industry materials and supplies ( <i>at lower of cost and net realizable value</i> )	1,920	1,841
Telecommunication equipment spare parts ( <i>at lower of cost and net realizable value</i> )	1,881	1,805
Other materials and supplies ( <i>at lower of cost and net realizable value</i> )	53,408	52,652
	<b>648,280</b>	<b>626,363</b>

**13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS**

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Trade accounts receivable	794,824	714,328
Less: allowance for expected credit losses	<b>(46,755)</b>	<b>(47,221)</b>
	<b>748,069</b>	<b>667,107</b>

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

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

Other current assets comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Advances paid and deferred expenses	124,397	89,778
Other prepaid taxes	77,546	84,595
Other non-financial current assets	26,456	24,798
Less: impairment allowance	(14,209)	(14,402)
	<b>214,190</b>	184,769

As at March 31, 2021 the Group’s receivables of 179,029 million tenge were pledged under certain Group borrowings (December 31, 2020: 156,111 million tenge).

### 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Current accounts with banks – US dollars	633,367	701,048
Current accounts with banks – tenge	299,856	248,087
Current accounts with banks – other currency	41,805	44,149
Bank deposits – US dollars	771,747	740,940
Bank deposits – tenge	527,830	405,360
Bank deposits – other currency	57,332	55,743
Reverse repurchase agreements with contractual maturity of three months or less	36,537	15,421
Cash on hand	11,571	9,057
Cash in transit	2,711	8,185
Less: allowance for expected credit losses	(390)	(321)
	<b>2,382,366</b>	2,227,669

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, 2021 the weighted average interest rates for short-term bank deposits were 6.12% in tenge, 0.21% in US dollars, 0.23% in other currency; and current accounts were 1.21% in tenge, 0.21% in USD dollars, 1.04% in other currency, respectively (December 31, 2020: the weighted average interest rates for short-term bank deposits were 7.7% in tenge, 0.39% in US dollars, 1.13% in other currency; and current accounts were 0.1% in tenge, 0.07% in US dollars, 0.35% in other currency, respectively).

### 15. EQUITY

#### 15.1 Dividends

*Dividends attributable to non-controlling interest*

During the three months ended March 31, 2021, the Group declared dividends of 19,996 million tenge to the holders of non-controlling interest in National Atomic Company “Kazatomprom” JSC (“NAC KAP”).

#### 15.2 Disposal of subsidiaries

In January 2021, as a result of the loss of control over Vostokmashzavod JSC, the Group recognized the disposal of the non-controlling interest in Vostokmashzavod JSC of 849 million tenge in interim consolidated statement of changes in equity (Note 4).

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

### 15. EQUITY (continued)

#### 15.3 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, 2021, foreign translation difference amounted to 90,350 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, 2021, unrealized foreign currency loss of 36,482 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

#### 15.4 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, 2021 (unaudited)</b>	December 31, 2020 (audited)
Total assets	<b>28,051,256</b>	27,482,846
Less: intangible assets	<b>(2,009,476)</b>	(2,022,024)
Less: total liabilities	<b>(12,469,032)</b>	(12,331,231)
<b>Net assets for common shares</b>	<b>13,572,748</b>	13,129,591
Number of common shares as at reporting date	<b>3,481,960,408</b>	3,481,960,408
Book value per common share, tenge	<b>3,898</b>	3,771
	<b>For the three months ended March 31, 2021 (unaudited)</b>	For the three months ended March 31, 2020 (unaudited)
<b>Earnings per share</b>		
Weighted average number of common shares for basic and diluted earnings per share	<b>3,481,958,658</b>	3,481,957,769
Basic and diluted share in net profit for the period	<b>113.09</b>	64.65

### 16. BORROWINGS

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Fixed interest rate borrowings	<b>6,137,616</b>	6,026,196
Floating interest rate borrowings	<b>1,410,937</b>	1,433,004
	<b>7,548,553</b>	7,459,200
Less: amounts due for settlement within 12 months	<b>(869,058)</b>	(850,210)
<b>Amounts due for settlement after 12 months</b>	<b>6,679,495</b>	6,608,990
	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
US dollar-denominated borrowings	<b>4,967,400</b>	4,908,083
Tenge-denominated borrowings	<b>1,890,373</b>	1,893,815
Other currency-denominated borrowings	<b>690,780</b>	657,302
	<b>7,548,553</b>	7,459,200



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

### 16. BORROWINGS (continued)

#### Covenants

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.

On October 31, 2011 the Group, represented by its subsidiary SSAP LLP, obtained a credit line in Eurasian Development Bank (EDB) in the amount of 8,820 million tenge maturing in 2024 and an interest rate of 10.5%, which corresponded to the market interest rate for similar loans.

The loan was obtained as part of reconstruction of the sulphuric acid plant and is due for settlement in accordance with the established schedule starting from March 1, 2016. Interest is due for settlement starting from March 1, 2014.

As part of the credit agreement with EDB, the SSAP LLP undertakes to ensure payment on the debt-service ratio of at least 1.2 and the ratio of Debt / EBITDA not exceeding 3.5.

Based on the results of 2020, the Group calculated these ratios, where the Debt / EBITDA ratio was 4.58. Debt service ratio is calculated based on the free cash flow divided by the amount of debt payments. As at December 31, 2020 the debt service ratio was 0.72, which meant a breach of obligations under the contract.

On December 3, 2020 the Group sent a letter to the EDB with a request not to apply penalties and not to demand the principal amount and accrued interest and commissions to be immediately paid to the bank in case of violation by the borrower, based on the results of 2020, of obligations to comply with the values of financial ratios provided for in subparagraphs a) and b) of clause 9.4 of the Loan Agreement No. 138 dated 2 August 2011.

Due to the fact that the Group did not receive a waiver from the bank before December 31, 2020 and March 31, 2021, the long term portion of loans in the amount of 2,086 million tenge and 1,700 million tenge, respectively, was reclassified to current liabilities.

As at March 31, 2021 and December 31, 2020 the Group complied with financial and non-financial covenants required by other loan agreements.

Changes in borrowings are as follows:

*In millions of tenge*

<b>Balance as at January 1, 2021 (audited)</b>	7,459,200
Additions	<b>306,026</b>
Interest accrued	<b>109,017</b>
Discount ( <i>Note 25</i> )	(10)
Interest capitalized ( <i>Note 5</i> )	<b>8,749</b>
Interest paid	<b>(63,799)</b>
Repayment of principal	<b>(304,844)</b>
Amortization of discount	<b>3,722</b>
Foreign currency translation	<b>30,854</b>
Other	<b>(362)</b>
<b>Balance as at March 31, 2021 (unaudited)</b>	<b>7,548,553</b>

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

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
NC KMG and its subsidiaries	<b>4,041,425</b>	4,017,810
NC KTZh and its subsidiaries	<b>1,432,778</b>	1,444,085
UCC and its subsidiaries	<b>583,769</b>	516,888
The Fund	<b>583,043</b>	553,217
Kazakhtelecom and its subsidiaries	<b>268,940</b>	284,527
Samruk-Energy and its subsidiaries	<b>188,429</b>	196,075
KEGOC and its subsidiaries	<b>165,222</b>	161,034
EGRES-2	<b>100,576</b>	100,611
NAC KAP and its subsidiaries	<b>95,887</b>	97,827
Air Astana	<b>67,342</b>	69,035
Other subsidiaries of the Fund	<b>21,142</b>	18,091
<b>Total borrowings</b>	<b>7,548,553</b>	7,459,200

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

### 17. LEASE LIABILITIES

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

<i>In millions of tenge</i>	Minimum lease payments		Present value of minimum lease payments	
	March 31, 2021 (unaudited)	December 31, 2020 (audited)	March 31, 2021 (unaudited)	December 31, 2020 (audited)
Within one year	174,049	139,234	151,090	118,878
Two to five years inclusive	398,771	343,809	294,003	288,224
After five years	97,643	138,253	108,651	108,217
	<b>670,463</b>	<b>621,296</b>	<b>553,744</b>	<b>515,319</b>
Less: amounts representing finance costs	(116,719)	(105,977)	-	-
<b>Present value of minimum lease payments</b>	<b>553,744</b>	<b>515,319</b>	<b>553,744</b>	<b>515,319</b>
Less: amounts due for settlement within 12 months	-	-	(151,090)	(118,878)
<b>Amounts due for settlement after 12 months</b>	<b>-</b>	<b>-</b>	<b>402,654</b>	<b>396,441</b>

As at March 31, 2021 interest calculation was based on effective interest rates ranging from 5.17% to 14.50% (December 31, 2020: from 4.01% to 14.5%).

Changes in lease liabilities are as follows:

<i>In millions of tenge</i>	
<b>January 1, 2020 (audited)</b>	515,319
Additions of leases	55,834
Foreign currency translation	319
Interest accrued (Note 26)	9,506
Interest paid	(3,795)
Repayment of principal	(23,316)
Other	(123)
<b>March 31, 2021 (unaudited)</b>	<b>553,744</b>

### 18. PREPAYMENT ON OIL SUPPLY AGREEMENT

#### KMG Kashagan B.V.

In 2018, the KMG Kashagan B.V. signed the second supplementary agreement to the crude oil supply agreement entered into in 2016. Under the terms of the supplementary agreement, the term of oil supplies was extended until December 2025, accordingly the minimum volume of oil from the Kashagan field was increased, and for the period from 2018 to 2025 amounts to 16.6 million tons.

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

In accordance with the terms of the agreement, supply of oil started from January 2017. The KMG Kashagan B.V. considers this agreement as a contract, which was signed for the purpose of delivery of non-financial items in accordance with the Company's expectations and sale requirements.

During the three months ended March 31, 2021, the KMG Kashagan B.V. delivered crude oil for the amount of 289 million US dollars (equivalent to 121,219 million tenge).

The total amount of accrued remuneration for three months ended March 31, 2021 was 1,739 million tenge (for the three months ended March 31, 2020: 5,237 million tenge) (Note 26). Payment of remuneration shall be made in kind with crude oil.

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

**18. PREPAYMENT ON OIL SUPPLY AGREEMENT (continued)**

**KMG Kashagan B.V. (continued)**

As at March 31, 2021, the current portion of the advance payment under the crude oil supply agreement amounted to 23,834 million tenge (December 31, 2020: 97,882 million tenge). The non-current portion of the advance payment under the crude oil supply agreement was 146,898 million tenge (December 31, 2020: 185,680 million tenge).

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 a contract liability to customers in accordance with IFRS 15.

**19. TRADE AND OTHER PAYABLES, AND OTHER CURRENT LIABILITIES**

Trade and other accounts payable comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Trade accounts payable	804,007	731,348
Accounts payable for the supply of property, plant and equipment	39,515	82,722
Other accounts payable	15,703	14,188
	<b>859,225</b>	<b>828,258</b>

Trade accounts payable were expressed in the following currencies:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
Tenge-denominated trade accounts payable	438,558	413,111
US dollar-denominated trade accounts payable	297,056	239,608
Other currency-denominated trade accounts payable	68,393	78,629
	<b>804,007</b>	<b>731,348</b>

Other current liabilities comprised the following:

<i>In millions of tenge</i>	<b>March 31, 2021 (unaudited)</b>	December 31, 2020 (audited)
<b>Other financial liabilities</b>		
Due to employees	57,252	35,181
Amounts due to customers	40,622	40,364
Obligations to the Shareholder on the financing of social projects	36,164	54,027
Dividends payable	20,496	477
Obligations under guarantee agreements	5,982	6,174
Other	35,931	30,445
<b>Other non-financial liabilities</b>		
Contract liabilities to customers	224,303	228,774
Other taxes payable	197,959	179,929
Vacation and other employee benefits allowance	75,440	87,479
Pension and social contributions liabilities	16,804	16,750
Advances received and deferred income	16,416	11,971
Other estimated liabilities	12,254	12,162
Government grant liability	8,942	197
Other	50,034	48,101
	<b>798,599</b>	<b>752,031</b>

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

**20. REVENUE**

Revenue comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Sales of crude oil	753,027	617,407
Sales of oil refined products	540,242	483,866
Railway cargo transportation	266,540	240,091
Sales of gas products	210,304	286,237
Telecommunication services	136,441	122,474
Sales of refined gold	130,412	122,554
Electricity complex	89,614	72,973
Oil and gas transportation fee	77,961	82,027
Electricity transmission services	68,944	69,355
Air transportation	58,052	63,388
Sales of uranium products	49,787	55,333
Oil processing fees	46,684	50,787
Interest income	16,960	12,440
Postal services	11,782	9,503
Railway passenger transportation	10,916	18,133
Less: Crude oil Quality Bank	(239)	(2,886)
Less: indirect taxes and commercial discounts	(139,781)	(112,967)
Other revenue	84,375	89,599
	<b>2,412,021</b>	<b>2,280,314</b>

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
<b>Geographical markets</b>		
Kazakhstan	1,031,914	989,592
Other countries	1,380,107	1,290,722
	<b>2,412,021</b>	<b>2,280,314</b>

**21. COST OF SALES**

Cost of sales comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Materials and supplies	948,416	901,914
Depreciation, depletion and amortization	241,323	233,376
Personnel costs, including social taxes and withdrawals	234,203	212,020
Fuel and energy	100,555	103,614
Repair and maintenance	52,561	53,152
Production services rendered	43,323	59,583
Mineral extraction tax	25,199	23,813
Taxes other than social taxes and withdrawals	25,052	26,504
Interest expense	18,976	21,337
Transportation expenses	15,824	10,917
Rent	9,495	20,233
Other	66,407	83,368
	<b>1,781,334</b>	<b>1,749,831</b>

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

**22. 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, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Personnel costs, including social taxes and withdrawals	48,800	49,622
Depreciation and amortization	9,597	8,617
Taxes other than social taxes and withdrawals	7,808	7,607
Consulting services	5,710	7,462
Sponsorship and charitable donations	2,850	1,194
Allowance for expected credit losses for trade receivable and other assets	2,167	(221)
Repair and maintenance	1,276	1,184
Rent	1,192	1,216
Other services by third parties	1,092	1,274
Utilities expenses and maintenance of buildings	929	1,055
Business trips	649	1,257
Transportation services	556	701
Bank services	448	453
Professional education and advanced trainings	339	337
Fines and penalties	109	307
Other	12,240	14,988
	<b>95,762</b>	<b>97,053</b>

**23. 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, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Transportation	125,309	124,654
Rent tax	26,509	19,597
Custom duties	20,734	31,221
Rent expenses	6,510	6,031
Personnel costs, including social taxes and withdrawals	4,239	4,074
Depreciation and amortization	4,165	3,793
Commission fees to agents and advertising	2,656	4,415
Other	1,602	1,681
	<b>191,724</b>	<b>195,466</b>

**24. IMPAIRMENT LOSS**

Impairment loss comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets (Notes 5, 7)	19,836	61,259
Impairment of investments in joint ventures and associates (Note 8)	1,282	46,691
Expected credit losses on amounts in credit institutions	178	162
Expected credit losses on other financial assets	152	374
Reversal of expected credit losses on loans issued	(386)	(690)
(Reversal of impairment) / impairment of VAT receivable	(1,654)	603
Reversal of impairment of assets held for sale	-	(160)
Other	691	(409)
	<b>20,099</b>	<b>107,830</b>

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

### 24. IMPAIRMENT LOSS (continued)

For the following non-current assets the impairment for the three months ended March 31, 2021 and 2020 includes the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	For the three months ended March 31, 2020 (unaudited)
<b>Impairment expense</b>		
Embamunaigas (EMG)	–	60,440
Other	36	819
<b>Write-off</b>		
Brownfields of KMG EP	19,800	–
	<b>19,836</b>	<b>61,259</b>

### EMG

As of March 31, 2020, Embamunaigas (EMG), subsidiary of KazMunayGas Exploration Production JSC (KMG EP), carried out an 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 for value in use valuation method. The discount rate applied to cash flow projections was equal to 14.4%. The 5-year business plan was used as a primary source of information, which 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, particularly, 44,098 million tenge of property, plant and equipment and 16,342 million tenge of exploration and evaluation assets were impaired in the interim consolidated statement of comprehensive income for the three months ended March 31, 2020.

For the three months ended March 31, 2021, no indicators of impairment of property, plant and equipment and exploration and evaluation assets were observed.

### Brownfields of KMG EP

As of March 31, 2021, EMG partially reduced the contract area of Taisoigan and wrote off exploration expenses in the amount of 19,800 million tenge.

### 25. FINANCE INCOME

Finance income comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	For the three months ended March 31, 2020 (unaudited)
Interest income on amounts due from credit institutions and cash and cash equivalents	12,286	16,871
Interest income from loans and financial assets	7,150	9,346
Revaluation gain on financial assets at fair value through profit/loss	3,226	–
Income from financial guarantees	1,609	2,286
Unwinding of discount on long-term receivables	778	441
Discount on liabilities at rates below market ( <i>Note 13</i> )	10	11,288
Other	1,640	4,065
	<b>26,699</b>	<b>44,297</b>

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

**26. FINANCE COSTS**

Finance costs comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Interest on loans and debt securities issued	107,672	104,786
Interest on lease liabilities (Note 17)	9,506	8,518
Amortization of discount on provisions and other payables	4,783	4,768
Interest on oil supply agreement (Note 18)	1,739	5,237
Discount on assets at rates below market	1,083	782
Financial guarantees	-	501
Other	9,022	20,957
	<b>133,805</b>	<b>145,549</b>

**27. 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, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
Tengizchevroil LLP	89,341	63,951
Asian Gas Pipeline LLP	55,817	(4,282)
Kazzinc LLP	26,564	3,550
Caspian Pipeline Consortium JSC	22,005	20,124
Beineu Shymkent Gas Pipeline LLP	19,745	(7,767)
Mangistau Investments B.V.	12,054	6,114
Valseira Holdings B.V.	3,915	(11,276)
Forum Muider B.V.	3,877	3,931
KazRosGas LLP	1,845	(6,441)
JV Kazgermunai LLP	253	6,006
JV KATCO LLP	(385)	5,034
Ural Group Limited BVI	(1,747)	(2,466)
Other	5,043	(1,722)
	<b>238,327</b>	<b>74,756</b>

**28. INCOME TAX EXPENSES**

Income tax expenses comprised the following:

<i>In millions of tenge</i>	<b>For the three months ended March 31, 2021 (unaudited)</b>	<b>For the three months ended March 31, 2020 (unaudited)</b>
<b>Current income tax expenses</b>		
Corporate income tax (“CIT”)	66,656	51,734
Withholding tax on dividends and interest income	1,066	3,904
Excess profit tax	-	33
<b>Deferred income tax expense/(benefit)</b>		
Corporate income tax (“CIT”)	12,645	(3,231)
Withholding tax on dividends and interest income	13,401	9,593
Excess profit tax	(2)	3,465
<b>Income tax expenses</b>	<b>93,766</b>	<b>65,498</b>

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

### 29. CONSOLIDATION

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

	Main activity	Country of incorporation	Ownership percentage		
			March 31, 2021 (unaudited)	December 31, 2020 (audited)	
1	National Company “KazMunayGas” JSC (“NC KMG”) and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	90.42%	90.42%
2	KMG Kashagan B.V.	Exploration and production of hydrocarbons	Netherlands	95.00%	95.00%
3	National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”) and subsidiaries	Passenger and cargo transportation	Kazakhstan	100.00%	100.00%
4	National Atomic Company “Kazatomprom” JSC (“NAC KAP”) and subsidiaries	Production and mining of uranium, rare metals	Kazakhstan	75.00%	75.00%
5	Samruk-Energy JSC (“Samruk-Energy”) and subsidiaries	Electricity and heat production	Kazakhstan	100.00%	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC (“KEGOC”) and subsidiaries	Electricity transmission services	Kazakhstan	90.00% + 1	90.00% + 1
7	Kazpost JSC and subsidiaries	Postal and financial activities	Kazakhstan	100.00%	100.00%
8	Kazakhtelecom JSC (“KTC”) and subsidiaries	Telecommunication services	Kazakhstan	52.03%	52.03%
9	Air Astana JSC (“Air Astana”) and subsidiaries	Air transportation	Kazakhstan	51.00%	51.00%
10	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Kazakhstan	100.00%	100.00%
11	National Mining Company “Tau-Ken Samruk” and subsidiaries	Exploration, mining and processing of solid minerals	Kazakhstan	100.00%	100.00%
12	United Chemical Company LLP (“UCC”) and subsidiaries	Development and implementation of projects in the chemical industry	Kazakhstan	100.00%	100.00%
13	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Kazakhstan	100.00%	100.00%
14	Samruk-Kazyna Contract LLP	Procurement activities	Kazakhstan	100.00%	100.00%
15	KOREM JSC	Electricity market operator	Kazakhstan	100.00%	100.00%
16	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Kazakhstan	100.00%	100.00%
17	Qazaq Air JSC	Air transportation	Kazakhstan	100.00%	100.00%
18	Kazakhstan nuclear electric plants LLP	Servicing companies in the electricity sector	Kazakhstan	100.00%	100.00%
19	Stantsiya Ekibastuzskaya GRES-2 JSC (“EGRES-2”)	Power generation	Kazakhstan	100.00%	100.00%

### 30. 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)

### 30. 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, 2021 and March 31, 2020, and the corresponding balances as of March 31, 2021 and December 31, 2020:

<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, 2021</b>	<b>3,503</b>	<b>115,920</b>	<b>28,938</b>
	December 31, 2020	3,008	29,132	22,639
Due to related parties	<b>March 31, 2021</b>	<b>33,799</b>	<b>216,813</b>	<b>9,653</b>
	December 31, 2020	27,742	218,085	9,163
Sale of goods and services	<b>March 31, 2021</b>	<b>73,055</b>	<b>137,766</b>	<b>160,409</b>
	March 31, 2020	21,147	156,559	150,873
Purchase of goods and services	<b>March 31, 2021</b>	<b>37,925</b>	<b>343,225</b>	<b>7,168</b>
	March 31, 2020	49,008	350,773	7,690
Other income/(loss)	<b>March 31, 2021</b>	<b>30</b>	<b>5,322</b>	<b>3,786</b>
	March 31, 2020	10,797	45,101	8,804
Cash and cash equivalents, and amounts due from credit institutions (assets)	<b>March 31, 2021</b>	<b>-</b>	<b>101</b>	<b>222,954</b>
	December 31, 2020	-	242	262,012
Loans issued	<b>March 31, 2021</b>	<b>16,650</b>	<b>335,957</b>	<b>5,656</b>
	December 31, 2020	17,279	313,509	5,559
Borrowings	<b>March 31, 2021</b>	<b>14,144</b>	<b>4</b>	<b>1,006,137</b>
	December 31, 2020	14,004	4	1,065,166
Other assets	<b>March 31, 2021</b>	<b>22,059</b>	<b>20,524</b>	<b>158,084</b>
	December 31, 2020	6,833	16,802	158,936
Other liabilities	<b>March 31, 2021</b>	<b>42,285</b>	<b>159,314</b>	<b>37,512</b>
	December 31, 2020	65,329	46,634	39,063
Interest accrued due from related parties	<b>March 31, 2021</b>	<b>248</b>	<b>5,685</b>	<b>1,290</b>
	March 31, 2020	1,829	7,963	11,616
Interest accrued due to related parties	<b>March 31, 2021</b>	<b>1,222</b>	<b>64,284</b>	<b>24,441</b>
	March 31, 2020	1,493	119	25,894

As at March 31, 2021 some of the Group’s borrowings of 46,758 million tenge were guaranteed by the Government of the Republic of Kazakhstan (December 31, 2020: 48,121 million tenge).

Total compensation to key management personnel included in general and administrative expenses in the interim consolidated statement of comprehensive income was equal to 1,053 million tenge for the three months ended March 31, 2021 (for the three months ended March 31, 2020: 1,114 million tenge). Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

### 31. 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, lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financials 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

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.

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

**31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Fair values of financial instruments (continued)**

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

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	March 31, 2021 (unaudited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Loans issued at fair value through profit and loss	-	-	141,017	141,017
Financial assets measured at fair value through OCI	9,128	10,904	62	20,094
Financial assets at fair value through profit and loss	34,873	4,001	22,966	61,840
Derivative financial assets	-	2,636	1,104	3,740

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2020 (audited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Loans issued at fair value through profit and loss	-	-	138,024	138,024
Financial assets measured at fair value through OCI	8,988	47,779	63	56,830
Financial assets at fair value through profit and loss	34,643	3,897	22,676	61,216
Derivative financial assets	-	97	1,048	1,145

<i>In millions of tenge</i>	Carrying amount	March 31, 2021 (unaudited)			
		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	285,371	313,058	-	28,573	284,485
Financial assets issued at amortized cost	712,304	693,436	7,078	539,270	147,088
Amounts due from credit institutions	469,449	484,449	321,227	163,222	-
<b>Financial liabilities</b>					
Borrowings	7,548,553	8,160,794	5,009,316	2,199,849	951,629
Loans from the Government of the Republic of Kazakhstan	602,079	414,947	-	414,947	-
Guarantee obligations	51,919	50,664	-	35,800	14,864

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

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

#### Fair values of financial instruments (continued)

In millions of tenge	December 31, 2020 (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	284,212	271,526	-	17,441	254,085
Amounts due from credit institutions	489,572	498,082	335,558	162,524	-
<b>Financial liabilities</b>					
Borrowings	7,459,200	8,370,443	5,246,774	2,217,000	906,669
Loans from the Government of the Republic of Kazakhstan	593,222	416,166	-	416,166	-
Guarantee obligations	53,374	51,693	-	35,972	15,721

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

### 32. 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, 2020, the following changes have taken place during the three months ended March 31, 2021:

#### 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 worth 5.2 billion US dollars 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.

On July 14, 2020, the Amsterdam Appeal Court has decided to recognize the arbitrary award rendered in 2013 against the Republic of Kazakhstan on the territory of the Netherlands, though the court has rejected claim of Mr. Stati to enforce the arbitrary award in relation to the Fund.

On December 18, 2020, the Supreme Court overturned the decision of the Amsterdam Court of Appeal of May 7, 2019 on the preservation of the arrest and sent the case on the legality of the arrest of KMG Kashagan shares for consideration to the Court of Appeal in The Hague.

On March 17, 2021, hearings were held on the Main Process.

On April 28, 2021, the District Court of Amsterdam granted the Fund's request to postpone the Main Process pending the decision of the Court of Appeal in The Hague to challenge the restriction on the shares of KMG Kashagan B.V.

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

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

### 32. COMMITMENTS AND CONTINGENCIES (continued)

#### Legal proceedings (continued)

*The civil litigation at KMG International N.V. (further – KMGI)*

Faber Invest & Trade Inc. (further Faber), the non-controlling shareholder of KMGI subsidiaries, has resumed several previous civil filings in 2020, one of which is challenged the increase in the Rompetrol Rafinare Constanta, the KMGI subsidiary, share capital of 2003-2005. The hearing were held periodically, but, no final decisions were made. The next hearings for the one of the civil proceedings is scheduled to be on June 8, 2021.

The Group believes that its position with regard to the new Faber filing will be sustained similar to the matters resolved in 2020 in favour of the Group, and as such, the Group did not recognize any provisions as of March 31, 2021.

*Resolution of the arbitration between KazTransGas JSC (“KTG”) and the partners of the North Caspian project on gas price calculus from the Kashagan field.*

On February 19, 2021, a decision was issued of the arbitration proceedings on the claim of KTG against the partners of the North Caspian project on gas price calculus from the Kashagan field (Decision). The Decision was issued in favour of KTG. In accordance with the Decision, the court ordered the parties to make their calculations within 30 days on the basis of the principles established by the Decision and calculate the amounts payable to KTG, including legal costs.

As at March 31, 2021, the Group recognized other receivable as the effects of this case which has been partially repaid as at the date of issue of this interim condensed consolidated financial statements.

#### Cost recovery audits

As of March 31, 2021 the Group’s share in the total disputed amounts of costs is 963,880 million tenge (December 31, 2020: 871,407 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, 2021, in accordance with its obligations, the Group, including joint ventures, delivered 1,664 thousand tons of crude oil (three months ended March 31, 2020: 1,794 thousand tons) to the Kazakhstan market.

#### Oil supply commitments

As of March 31, 2021 the Group had commitments under the oil supply agreement in the amount of 11.4 million ton to be delivered till March 2022 (as at December 31, 2020: 13,5 million ton).

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

As at March 31, 2021 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
2021	495,522	168,085
2022	249,252	131,894
2023	192,042	95,037
2024	228,692	95,198
2025-2058	2,865,750	1,565,822
<b>Total</b>	<b>4,031,258</b>	<b>2,056,036</b>

#### Capital commitments

As at March 31, 2021 the Group, including its joint ventures and associates, had capital commitments of approximately 3,186,052 million tenge related to acquisition and construction of property, plant and equipment (as at December 31, 2020: 2,902,735 million tenge).

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

**33. SEGMENT REPORTING**

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at March 31, 2021 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	1,550,436	186,092	347,186	148,394	157,044	5,734	12,480	4,655	-	2,412,021
Revenues from sales to other segments	9,114	25	1,056	1,149	33,797	1,488	9,890	11,574	(68,093)	-
<b>Total revenue</b>	<b>1,559,550</b>	<b>186,117</b>	<b>348,242</b>	<b>149,543</b>	<b>190,841</b>	<b>7,222</b>	<b>22,370</b>	<b>16,229</b>	<b>(68,093)</b>	<b>2,412,021</b>
<b>Geographical markets</b>										
Kazakhstan	304,811	135,640	289,272	144,580	181,473	5,632	22,370	16,229	(68,093)	1,031,914
Other countries	1,254,739	50,477	58,970	4,963	9,368	1,590	-	-	-	1,380,107
<b>Gross profit</b>	<b>456,534</b>	<b>15,259</b>	<b>79,302</b>	<b>51,600</b>	<b>58,834</b>	<b>1,413</b>	<b>1,966</b>	<b>7,511</b>	<b>(35,549)</b>	<b>636,870</b>
General and administrative expenses	(40,462)	(7,101)	(25,880)	(11,037)	(6,593)	(1,307)	(5,210)	(844)	2,672	(95,762)
Transportation and selling expenses	(186,943)	(1,603)	(1,377)	(2,086)	(4,001)	(308)	-	-	4,594	(191,724)
Finance income	21,646	1,416	3,576	1,438	2,525	421	2,293	4,541	(11,157)	26,699
Finance costs	(72,251)	(1,682)	(37,698)	(11,908)	(13,243)	(1,507)	(5,394)	(10,692)	20,570	(133,805)
Share in profits/(loss) of joint ventures and associates	209,240	26,733	2,201	-	4,037	(58)	(3,828)	2	-	238,327
Foreign exchange gain/(loss), net	3,502	1,129	3,462	529	541	(5,544)	12,503	409	(430)	16,101
Depreciation, depletion and amortization (impairment)/reversal of impairment of property, plant and equipment, exploration and evaluation assets and intangible assets	(148,227)	(9,054)	(47,539)	(30,022)	(18,911)	(1,869)	(545)	(567)	628	(256,106)
Reversal of impairment/(impairment) of other assets	(19,793)	21	(47)	80	(97)	-	-	-	-	(19,836)
Income tax expenses	1,290	(91)	295	(146)	(1,140)	40	(1,282)	728	43	(263)
	(65,337)	(4,415)	(5,143)	(7,362)	(8,554)	(17)	(823)	(1,362)	(753)	(93,766)
<b>Net profit/(loss) for the period</b>	<b>313,188</b>	<b>29,532</b>	<b>20,127</b>	<b>22,856</b>	<b>36,054</b>	<b>(7,347)</b>	<b>289</b>	<b>307</b>	<b>(21,215)</b>	<b>393,791</b>
<b>Other segment information</b>										
Total assets of the segment	17,263,305	2,457,229	3,886,091	1,210,013	1,606,496	887,135	7,753,882	353,442	(7,366,337)	28,051,256
Total liabilities of the segment	6,575,467	407,818	2,698,194	630,207	751,981	691,767	1,729,809	218,028	(1,234,239)	12,469,032
Investments in joint ventures and associates	4,401,131	617,594	23,586	-	83,072	5,216	40,776	16	(32,341)	5,139,050

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

**33. SEGMENT REPORTING (continued)**

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

<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>Geographical markets</b>										
Kazakhstan	309,282	124,923	284,855	128,010	165,260	2,915	21,699	11,667	(59,019)	989,592
Other countries	1,166,293	60,846	49,234	4,267	8,775	1,307	-	-	-	1,290,722
<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/(loss) of joint ventures and associates, net	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 (impairment)/reversal of impairment of property, plant and equipment, exploration and evaluation assets and intangible assets (impairment)/reversal of impairment of other assets	(145,557)	(9,304)	(43,403)	(27,609)	(18,882)	(1,255)	(559)	(456)	253	(246,772)
Income tax expenses	(61,139)	(7)	263	(376)	-	-	-	-	-	(61,259)
	(38,032)	347	(5,403)	(59)	71	(18)	(3,345)	(192)	60	(46,571)
	(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	16,854,461	2,411,794	3,861,110	1,220,457	1,574,935	804,995	7,738,822	337,307	(7,321,035)	27,482,846
Total liabilities of the segment	6,535,391	377,221	2,701,075	664,364	756,442	609,561	1,696,538	199,447	(1,208,808)	12,331,231
Investments in joint ventures and associates	4,214,205	650,943	21,218	-	79,035	5,273	47,330	13	(32,341)	4,985,676

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

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**34. SUBSEQUENT EVENTS**

**Transfer of shares to the Shareholder**

In accordance with the Resolution of the Government of the Republic of Kazakhstan dated March 17, 2021, on April 14, 2021 the Fund transferred 100% of the controlling shares of KOREM JSC to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan.

**Dividends paid to non-controlling interest**

In May, 2021 the Group paid dividends of 11,266 million tenge to the holders of non-controlling interest in Kazakhtelecom JSC and Kazakhstan Electricity Grid Operating Company JSC.