

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

WITH INDEPENDENT AUDITOR'S REPORT MARCH 4, 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of tenge	Note	For the years ended December 31	
		2021	2020 (restated) ¹
Revenue and other income			
Revenue	6	5,838,793	3,624,964
Share in profit of joint ventures and associates, net	7	768,733	280,815
Finance income	14	84,599	87,987
Gain on sale of joint ventures		19,835	-
Other operating income		30,779	19,020
Total revenue and other income		6,742,739	4,012,786
Costs and expenses			
Cost of purchased oil, gas, petroleum products and other materials	8	(3,596,491)	(1,901,236)
Production expenses	9	(693,031)	(656,178)
Taxes other than income tax	10	(428,639)	(254,322)
Depreciation, depletion and amortization	33	(322,068)	(317,427)
Transportation and selling expenses	11	(131,912)	(137,144)
General and administrative expenses	12	(148,478)	(146,625)
Impairment of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale	13	(20,724)	(243,893)
Exploration expenses	13	(79,083)	(19,807)
Impairment of investment in joint venture and associate	19	(64)	(30,654)
Finance costs	14	(249,265)	(265,372)
Net foreign exchange gain/(loss)		17,781	(16,189)
Other expenses		(24,510)	(28,094)
Total costs and expenses		(5,676,484)	(4,016,941)

¹ Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 5.

	For the years ended December 31	
Profit/(loss) before income tax	1,066,255	(4,155)
Income tax expenses	29 (221,393)	(85,276)
Profit/(loss) for the year from continuing operations	844,862	(89,431)
Discontinued operations		
Profit after income tax for the year from discontinued operations	5 352,478	261,328
Net profit for the year	1,197,340	171,897
Net profit/(loss) for the year attributable to:		
Equity holders of the Parent Company	1,215,561	273,237
Non-controlling interest	(18,221)	(101,340)
	1,197,340	171,897
Other comprehensive income/(loss)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		
Hedging effect	10,055	(25)
Exchange differences on translation of foreign operations	126,673	450,936
Tax effect	(11,818)	(36,481)
Net other comprehensive income to be reclassified to profit or loss in the subsequent periods, net of tax	124,910	414,430
Other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent periods		
Actuarial gain/(loss) on defined benefit plans of the Group, net of tax	5,959	(10,592)
Actuarial loss on defined benefit plans of the joint ventures, net of tax	(169)	(285)
Tax effect	(48)	108
Net other comprehensive gain/(loss) not to be reclassified to profit or loss in the subsequent periods, net of tax	5,742	(10,769)
Net other comprehensive income for the year, net of tax	130,652	403,661
Total comprehensive income for the year, net of tax	1,327,992	575,558
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the Parent Company	1,344,408	677,742
Non-controlling interest	(16,416)	(102,184)
	1,327,992	575,558
Earnings per share² – tenge thousands		
Basic and diluted	24 1.963	0.282
Basic and diluted, from continuing operations	1.385	(0.147)
Basic and diluted, from discontinued operations	0.578	0.428



Deputy Chairman of the Management Board for Economy and Finance

D.S. Karabayev



Chief accountant

A.S. Yesbergenova

² The number of ordinary shares as of December 31, 2021 and 2020 equaled to 610,119,493.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of tenge	As at December 31		
	Note	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	15	3,405,980	4,369,745
Right-of-use assets		40,551	53,661
Exploration and evaluation assets	16	43,541	158,385
Investment property		19,711	22,826
Intangible assets	17	182,222	168,481
Long-term bank deposits	18	56,058	56,528
Investments in joint ventures and associates	19	6,550,384	6,471,021
Deferred income tax assets	29	34,035	58,590
VAT receivable		11,972	94,481
Advances for non-current assets		40,845	23,343
Loans and receivables due from related parties	22	142,394	684,610
Other non-current financial assets		13,248	11,651
Other non-current non-financial assets		4,784	3,542
		10,545,725	12,176,864
Current assets			
Inventories	20	259,497	228,065
VAT receivable		24,845	106,695
Income tax prepaid	29	24,900	70,301
Trade accounts receivable	21	418,255	422,821
Short-term bank deposits	18	510,513	282,472
Loans and receivables due from related parties	22	485,765	27,795
Other current financial assets	21	329,503	57,071
Other current non-financial assets	21	76,614	88,821
Cash and cash equivalents	23	975,849	1,145,864
		3,105,741	2,429,905
Assets classified as held for sale	15	795	46,518
		3,106,536	2,476,423
Total assets		13,652,261	14,653,287
Equity and liabilities			
Equity			
Share capital	24	916,541	916,541
Additional paid-in capital	24	1,142	8,981
Other equity		10,113	58
Currency translation reserve		2,260,533	2,146,035
Retained earnings		5,059,634	5,636,705
Attributable to equity holders of the Parent Company		8,247,963	8,708,320
Non-controlling interest	24	(89,282)	(71,641)
Total equity		8,158,681	8,636,679

In millions of tenge	As at December 31		
	Note	2021	2020
Non-current liabilities			
Borrowings	25	3,261,347	3,716,892
Provisions	26	222,936	303,154
Deferred income tax liabilities	29	545,763	555,894
Lease liabilities		36,106	45,499
Other non-current financial liabilities		15,915	32,963
Other non-current non-financial liabilities		39,229	28,831
		4,121,296	4,683,233
Current liabilities			
Borrowings	25	484,980	361,556
Provisions	26	22,309	63,235
Income tax payable	29	6,882	8,967
Trade accounts payable	27	519,201	536,922
Other taxes payable	28	126,424	130,263
Lease liabilities		8,988	16,971
Other current financial liabilities	27	69,231	86,440
Other current non-financial liabilities	27	134,269	129,021
		1,372,284	1,333,375
Total liabilities		5,493,580	6,016,608
Total equity and liabilities		13,652,261	14,653,287
Book value per ordinary share - tenge thousands	24	13,074	13,880



Deputy Chairman of the Management Board for Economy and Finance

D.S. Karabayev


Chief accountant

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CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of tenge	For the years ended December 31		
	Note	2021	2020 (restated) ¹
Cash flows from operating activities			
Profit/(loss) before income tax from continuing operations		1,066,255	(4,155)
Profit before income tax from discontinued operations		407,993	282,355
Profit before income tax		1,474,248	278,200
Adjustments:			
Depreciation, depletion and amortization	33	322,068	317,427
Depreciation, depletion and amortization from discontinued operations	5	63,502	42,856
Impairment of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale	13	20,724	243,694
Exploration expenses	13	79,083	19,807
Impairment of investments in joint venture and associate	19	64	30,654
Unrealized losses from derivatives on petroleum products		-	626
Realized losses/(gains) from derivatives on petroleum products		14,954	(22,946)
Finance income	14	(84,599)	(87,987)
Finance income from discontinued operations		(19,750)	(21,766)
Finance costs	14	249,265	265,372
Finance costs from discontinued operations		36,330	32,179
Gain on sale of joint venture		(19,835)	-
Share in profit of joint ventures and associates, net	7	(768,733)	(280,815)
Share in profit of joint ventures and associates from discontinued operations, net		(275,100)	(230,380)
Movements in provisions		(140,318)	(43,174)
Net foreign exchange (gain)/loss		(6,565)	45,388
Allowance for obsolete inventories		4,091	357
(Gain)/loss on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net		(2,259)	6,508
(Reversal)/accrual of impairment of VAT receivable		(5,144)	6,435
Change in financial guarantees		3,527	6,288
VAT that could not be offset		2,599	4,528
Allowance of expected credit loss for trade receivables and other financial assets		3,453	4,225
Other adjustments		427	(267)
Operating profit before working capital changes		952,032	617,209
Change in VAT receivable		73,253	(3,993)
Change in inventory		(90,603)	82,337
Change in trade accounts receivable and other current assets		(124,957)	121,837
Change in trade and other payables and contract liabilities		227,645	(305,380)
Change in other taxes payable		(52,580)	34,066
Cash generated from operations		984,790	546,076

In millions of tenge	For the years ended December 31		
	Note	2021	2020 (restated) ¹
Dividends received from joint ventures and associates	19	415,359	134,772
Net payment of derivative instruments		-	(142)
Income taxes paid		(111,373)	(87,984)
Interest received		39,496	90,798
Interest paid		(249,775)	(236,987)
Net cash flow from operating activities		1,078,497	446,533
Cash flows from investing activities			
Placement of bank deposits		(819,226)	(581,666)
Withdrawal of bank deposits		585,614	685,773
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		(409,660)	(396,406)
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale		71,084	50,738
Proceeds from disposal of subsidiaries, net of cash disposed		(375,910)	8,710
Additional contributions to joint ventures without changes in ownership		(1,926)	(6,586)
Proceeds from disposal of joint ventures		17,169	5,966
Loans given to related parties	30	(73,274)	(57,485)
Repayment of loans due from related parties	30	24,438	72,721
Acquisition of debt securities		(14,741)	(928)
Proceeds from sale of debt securities		10,528	636
Proceeds from Note receivable from a shareholder of a joint venture		-	11,512
Other		(2,790)	1,404
Net cash flows used in investing activities		(988,694)	(205,611)
Cash flows from financing activities			
Proceeds from borrowings	25	451,096	676,979
Repayment of borrowings	25	(339,552)	(807,355)
Reservation of cash for payment of borrowings ²		(292,258)	-
Dividends paid to Samruk-Kazyna and National Bank of RK	24	(49,999)	(81,738)
Dividends paid to non-controlling interests	24	(5,756)	(4,553)
Distributions to Samruk-Kazyna	24	(534)	(7,987)
Share buyback by subsidiary		-	(212)
Payment under financial guarantee		-	(1,383)
Payment of principal lease liabilities		(45,530)	(18,978)
Net cash flows used in financing activities		(282,533)	(245,227)
Effects of exchange rate changes on cash and cash equivalents		22,851	85,341
Change in allowance for expected credit losses		(136)	376
Net change in cash and cash equivalents		(170,015)	81,412
Cash and cash equivalents, at the beginning of the year		1,145,864	1,064,452
Cash and cash equivalents, at the end of the year		975,849	1,145,864



Deputy Chairman of the Management Board for Economy and Finance

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Chief accountant

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¹ Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2020 and reflect adjustments made, refer to Note 5.

² In June and November 2021, the Group made reservation of cash in total amount of 292,258 million tenge for repayment of loan from The Export-Import Bank of China, including interest accrued. The loan was repaid in July 2021 for 32,799 million tenge (Note 25) and in January 2022 for 259,459 million tenge (Note 21 and 25). Repayment of the loan was treated as non-cash transaction.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of tenge	Attributable to equity holders of the Parent Company						Non-controlling interest	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings	Total		
As at December 31, 2019	916,541	40,794	83	1,731,747	5,469,236	8,158,401	38,255	8,196,656
Net profit/(loss) for the year	-	-	-	-	273,237	273,237	(101,340)	171,897
Other comprehensive income/(loss)	-	-	(25)	414,288	(9,758)	404,505	(844)	403,661
Total comprehensive income/(loss)	-	-	(25)	414,288	263,479	677,742	(102,184)	575,558
Dividends (Note 24)	-	-	-	-	(81,738)	(81,738)	(4,856)	(86,594)
Distributions to Samruk-Kazyna (Note 24)	-	-	-	-	(7,763)	(7,763)	-	(7,763)
Transactions with Samruk-Kazyna (Note 24)	-	-	-	-	(11,617)	(11,617)	-	(11,617)
Transfer of pipelines contributed by the Government due to termination of the trust management agreement (Note 24)	-	(17,323)	-	-	1,205	(16,118)	-	(16,118)
Transfer of difference between par and fair value of the loan received from Samruk-Kazyna by the Company due to settlement (Note 24)	-	(10,971)	-	-	10,971	-	-	-
Transfer of excess of fair value over nominal value of the loan receivable, contributed by Samruk-Kazyna due to settlement (Note 24)	-	(3,519)	-	-	3,519	-	-	-
Reserve for put option of non-controlling interest holder of a subsidiary	-	-	-	-	(10,750)	(10,750)	(2,481)	(13,231)
Share buyback by subsidiary	-	-	-	-	163	163	(375)	(212)
As at December 31, 2020	916,541	8,981	58	2,146,035	5,636,705	8,708,320	(71,641)	8,636,679
As at December 31, 2020	916,541	8,981	58	2,146,035	5,636,705	8,708,320	(71,641)	8,636,679
Net profit/(loss) for the year	-	-	-	-	1,215,561	1,215,561	(18,221)	1,197,340
Other comprehensive income	-	-	10,055	114,498	4,294	128,847	1,805	130,652
Total comprehensive income/(loss)	-	-	10,055	114,498	1,219,855	1,344,408	(16,416)	1,327,992
Dividends (Note 24)	-	-	-	-	(49,999)	(49,999)	(6,192)	(56,191)
Distributions to Samruk-Kazyna (Note 24)	-	-	-	-	(85)	(85)	-	(85)
Transactions with Samruk-Kazyna (Note 24)	-	-	-	-	(5,222)	(5,222)	-	(5,222)
Transfer of KazTransGas to Samruk-Kazyna (Note 5)	-	(7,839)	-	-	(1,741,620)	(1,749,459)	-	(1,749,459)
Equity contribution to subsidiary	-	-	-	-	-	-	4,967	4,967
As at December 31, 2021	916,541	1,142	10,113	2,260,533	5,059,634	8,247,963	(89,282)	8,158,681



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