Zhaikmunai LLP

INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

For the six months ended 30 June 2020

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

In thousands of US Dollars	Notes	**30 June 2020 (unaudited)**	31 December 2019 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	**634,834**	661,185
Right-of-use assets	5	**2,286**	6,875
Exploration and evaluation assets		**182**	–
Advances for non-current assets	6	**2,764**	1,368
Restricted cash	10	**7,581**	7,620
		647,647	677,048
Current assets			
Inventories	7	**31,026**	35,849
Prepayments and other current assets	8	**6,448**	10,609
Trade receivables	9	**14,432**	31,239
Income tax prepayment		**651**	–
Cash and cash equivalents	10	**12,116**	13,716
		64,673	91,413
TOTAL ASSETS		**712,320**	**768,461**
EQUITY AND LIABILITIES			
Partnership capital and reserves			
Partnership capital		**4,112**	4,112
Other reserves		**32,586**	32,586
Retained deficit		**(571,025)**	(516,791)
		(534,327)	(480,093)
Non-current liabilities			
Long-term borrowings	11	**1,117,376**	1,100,573
Long term finance guarantee	11	**2,240**	2,887
Long-term lease liability		**84**	641
Abandonment and site restoration provision		**30,434**	27,502
Due to Government of Kazakhstan		**4,832**	5,070
Deferred tax liability		**44,216**	40,924
		1,199,182	1,177,597
Current liabilities			
Current portion of long-term borrowings	11	**5,684**	4,013
Current portion of finance guarantee	11	**1,594**	1,594
Current portion of long-term lease liability		**2,553**	6,735
Trade payables	12	**12,587**	29,395
Advances received		**230**	335
Income tax payable		**–**	216
Current portion of due to Government of Kazakhstan		**1,031**	1,031
Other current liabilities	13	**23,786**	27,638
		47,465	70,957
TOTAL EQUITY AND LIABILITIES		**712,320**	**768,461**

General Director of Zhaikmunai LLP

Zhaman Darkeev

Chief Accountant of Zhaikmunai LLP

Olga Shoshinova

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

		Three months ended 30 June		Six months ended 30 June	
In thousands of US Dollars	**Notes**	**2020 (unaudited)**	2019 (unaudited)	**2020 (unaudited)**	2019 (unaudited)
Revenue					
Revenue from export sales		**23,928**	53,512	**66,218**	121,957
Revenue from domestic sales		**8,332**	25,228	**26,418**	52,230
	14	**32,260**	78,740	**92,636**	174,187
Cost of sales	**15**	**(30,834)**	(38,664)	**(64,598)**	(80,264)
Gross profit		**1,426**	40,076	**28,038**	93,923
General and administrative expenses	**16**	**(1,095)**	(3,267)	**(3,558)**	(5,970)
Selling and transportation expenses	**17**	**(7,957)**	(10,373)	**(18,027)**	(24,135)
Finance costs	**18**	**(25,931)**	(11,369)	**(51,555)**	(23,601)
Taxes other than income tax	**19**	**(2,324)**	(5,806)	**(6,828)**	(11,987)
Foreign exchange income/(loss), net		**1,315**	(168)	**(364)**	385
Interest income		**141**	19	**171**	39
Other income		**528**	1,552	**1,966**	2,704
Other expenses		**(298)**	(982)	**(1,138)**	(1,295)
(Loss)/profit before income tax		**(34,195)**	9,682	**(51,295)**	30,063
Current income tax (expense)/benefit		**354**	(48)	**354**	(48)
Deferred income tax expense	**20**	**5,017**	(9,208)	**(3,293)**	(21,617)
Income tax expense	**20**	**5,371**	(9,256)	**(2,939)**	(21,665)
(Loss)/profit for the period		**(28,824)**	426	**(54,234)**	8,398
Other comprehensive income for the period		**–**	–	**–**	–
Total comprehensive (loss)/ income for the period		**(28,824)**	426	**(54,234)**	8,398

General Director of Zhaikmunai LLP — *Zhomart Darkeev*

Chief Accountant of Zhaikmunai LLP — *Olga Shoshinova*

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INTERIM CONDENSED STATEMENT OF CASH FLOWS

In thousands of US Dollars	Notes	Six months ended 30 June 2020 (unaudited)	2019 (unaudited)
Cash flow from operating activities:			
(Loss)/profit before income tax		**(51,295)**	30,063
Adjustments for:			
Depreciation, depletion and amortisation	16, 17, 18	**42,859**	65,129
Finance costs		**51,555**	23,601
Interest income		**(171)**	(39)
Foreign exchange (gain)/loss on investing and financing activities		**(773)**	403
Loss on disposal of property, plant and equipment		**17**	–
Finance guarantee gain		**(647)**	(594)
Operating profit before working capital changes		**41,545**	118,563
Changes in working capital:			
Change in inventories		**4,823**	(862)
Change in trade receivables		**16,807**	5,975
Change in prepayments and other current assets		**4,161**	8,512
Change in trade payables		**(11,281)**	(3,686)
Change in advances received		**(105)**	(274)
Change in due to Government of Kazakhstan		**(516)**	(515)
Change in other current liabilities		**(3,328)**	541
Cash generated from operations		**52,106**	128,254
Income tax paid		**(1,024)**	(3,293)
Net cash flows from operating activities		**51,082**	124,961
Cash flow from investing activities:			
Interest received		**171**	39
Purchase of property, plant and equipment		**(17,351)**	(64,780)
Exploration and evaluation works		**(185)**	(674)
Net cash used in investing activities		**(17,365)**	(65,415)
Cash flow from financing activities:			
Finance costs paid		**(49,356)**	(50,570)
Proceed form borrowings		**16,700**	5,000
Payment of lease liabilities		**(3,148)**	(9,601)
Transfer to restricted cash	10	**(7)**	(120)
Net cash used in financing activities		**(35,811)**	(55,291)
Effects of exchange rate changes on cash and cash equivalents		**494**	(208)
Net (decrease)/increase in cash and cash equivalents		**(1,600)**	4,047
Cash and cash equivalents at the beginning of the period	10	**13,716**	7,034
Cash and cash equivalents at the end of the period	10	**12,116**	11,081

General Director of Zhaikmunai LLP _____ *Zhomart Darkeev*

Chief Accountant of Zhaikmunai LLP _____ *Olga Shoshinova*

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

In thousands of US Dollars	Capital	Other reserves	Retained earnings / (deficit)	Total
As at 1 January 2019 (audited)	**4,112**	**32,586**	**468,579**	**505,277**
Profit for the period	–	–	8,398	8,398
Total comprehensive income for the period	**–**	**–**	**8,398**	**8,398**
As at 30 June 2019 (unaudited)	**4,112**	**32,586**	**476,977**	**513,675**
As at 31 December 2019 (audited)	**4,112**	**32,586**	**(516,791)**	**(480,093)**
Loss for the period	–	–	(54,234)	(54,234)
Total comprehensive loss for the period	**–**	**–**	**(54,234)**	**(54,234)**
As at 30 June 2020 (unaudited)	**4,112**	**32,586**	**(571,025)**	**(534,327)**

General Director of Zhaikmunai LLP *Zhomart Darkeev*

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