

Zhaikmunai LLP

Interim condensed financial statements (unaudited)

For the six months ended 30 June 2021

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Interim condensed statement of financial position

<i>In thousands of US Dollars</i>	Notes	30 June 2021 (unaudited)	31 December 2020 (audited)
Assets			
Non-current assets			
Property, plant and equipment, net	4	302,059	339,406
Right of use assets		1,335	2,755
Advances for non-current assets		585	590
Restricted cash	8	7,708	7,713
		311,687	350,464
Current assets			
Inventories	5	32,676	28,805
Prepayments and other current assets	6	9,287	9,180
Income tax prepayment		346	–
Trade receivables	7	18,863	13,540
Cash and cash equivalents	8	32,310	12,511
		93,482	64,036
TOTAL ASSETS		405,169	414,500
Equity and liabilities			
Capital and reserves			
Partnership capital	9	4,112	4,112
Other reserves		32,586	32,586
Accumulated losses and reserves		(880,190)	(845,518)
		(843,492)	(808,820)
Non-current liabilities			
Long-term borrowings	9	1,155,392	1,134,979
Long-term finance guarantee	9	864	1,559
Long-term lease liability		–	35
Abandonment and site restoration provision		29,132	28,936
Due to Government of Kazakhstan		4,698	4,832
Deferred tax liability	19	10,290	4,712
		1,200,376	1,175,053
Current liabilities			
Current portion of long-term borrowings	9	15,970	11,125
Current portion of finance guarantee	9	1,594	1,594
Current portion of lease liability		1,382	2,790
Trade payables	10	7,117	8,100
Advances received		20	186
Current portion of due to Government of Kazakhstan		1,031	1,031
Other current liabilities	11	21,171	23,441
		48,285	48,267
TOTAL EQUITY AND LIABILITIES		405,169	414,500

General Director of Zhaikmunai LLP

Chief Accountant of Zhaikmunai LLP



Zhanart Darkeev

Olga Shoshinova

The accounting policies and explanatory notes on pages 6 through 15 are an integral part of these interim condensed financial statements

Interim condensed statement of comprehensive income

In thousands of US Dollars	Notes	Three months ended 30 June		Six months ended 30 June	
		2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Revenue					
Revenue from export sales		39,942	23,928	79,137	66,218
Revenue from domestic sales		6,179	8,332	13,174	26,418
	12	46,121	32,260	92,311	92,636
Cost of sales	13	(24,136)	(30,834)	(49,583)	(64,598)
Gross profit		21,985	1,426	42,728	28,038
General and administrative expenses	14	(1,441)	(1,095)	(2,673)	(3,558)
Selling and transportation expenses	15	(5,884)	(7,957)	(12,146)	(18,027)
Taxes other than income tax	16	(4,043)	(2,324)	(7,760)	(6,828)
Finance costs	17	(25,367)	(25,931)	(51,744)	(51,555)
Foreign exchange loss		(152)	1,315	(234)	(364)
Interest income		58	141	112	171
Other income	18	1,605	528	4,177	1,966
Other expenses	18	(272)	(298)	(970)	(1,138)
Loss before income tax		(13,511)	(34,195)	(28,510)	(51,295)
Current income tax expense		(584)	354	(584)	354
Deferred income tax benefit		(2,227)	5,017	(5,578)	(3,293)
Income tax expense	19	(2,811)	5,371	(6,162)	(2,939)
Loss for the year		(16,322)	(28,824)	(34,672)	(54,234)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		(16,322)	(28,824)	(34,672)	(54,234)

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Interim condensed statement of cash flows

In thousands of US Dollars	Notes	Six months ended 30 June	
		2021 (unaudited)	2020 (unaudited)
Cash flow from operating activities:			
Loss before income tax		(28,510)	(51,295)
Adjustments for:			
Depreciation, depletion and amortisation	13,14,15	35,618	42,859
Finance costs	17	51,744	51,555
Interest income		(112)	(171)
Foreign exchange loss/(gain) on investing and financing activities		80	(773)
(Gain) / loss on disposal of property, plant and equipment		(44)	17
Finance guarantee gain	9	(695)	(647)
Provision for doubtful debts		22	-
Reversed liabilities		(1,549)	-
Operating profit before working capital changes		56,554	41,545
Changes in working capital:			
Change in inventories		1,136	4,823
Change in trade receivables		(5,323)	16,807
Change in prepayments and other current assets		697	4,161
Change in trade payables		985	(11,281)
Change in advances received		(166)	(105)
Change in due to Government of Kazakhstan		(515)	(516)
Change in other current liabilities		(1,667)	(3,328)
Cash generated from operations		51,701	52,106
Income tax paid		(2,073)	(1,024)
Net cash flows from operating activities		49,628	51,082
Cash flow from investing activities:			
Interest received		112	171
Purchase of property, plant and equipment		(3,078)	(17,351)
Exploration and evaluation works		-	(185)
Advances for non-current assets		5	-
Net cash used in investing activities		(2,961)	(17,365)
Cash flow from financing activities:			
Finance costs paid		(45,600)	(49,356)
Payment of finance lease liabilities		(1,319)	(3,148)
Finance charges on lease liabilities		(174)	-
Transfer to restricted cash		(3)	(7)
Proceeds from borrowings		20,300	16,700
Net cash used in financing activities		(26,796)	(35,811)
Effects of exchange rate changes on cash and cash equivalents		(72)	494
Net increase in cash and cash equivalents		19,799	(1,600)
Cash and cash equivalents at the beginning of the period		12,511	13,716
Cash and cash equivalents at the end of the period		32,310	12,116

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Interim condensed statement of changes in equity

<i>In thousands of US Dollars</i>	Partnership capital	Other reserves	Accumulated losses	Total
As at 1 January 2020	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)
As at 31 December 2020 (audited)	4,112	32,586	(845,518)	(808,820)
Loss for the period	–	–	(34,672)	(34,672)
Total comprehensive loss for the period	–	–	(34,672)	(34,672)
As at 30 June 2021 (unaudited)	4,112	32,586	(880,190)	(843,492)

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