

CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of tenge	Note	For the years ended December 31		
		2019	2018 (Reclassified) ¹	2017 (Reclassified) ¹
Cash flows from operating activities				
Profit before income tax from continuing operations		1,384,631	969,318	719,399
Profit/(loss) before income tax from discontinued operations		6	3,453	(3,666)
Profit before income tax		1,384,637	972,771	715,733
Adjustments:				
Depreciation, depletion and amortization	35	337,424	285,186	238,021
Impairment of property, plant and equipment, intangible assets, exploration and evaluation assets	13	207,819	165,522	24,660
Reversal of impairment of investment in joint venture	19	-	-	(14,845)
Impairment of assets classified as held for sale		24	168	68
(Reversal of) /allowance for impairment of long term advances	12	(11)	-	1,188
(Reversal of) /allowance for obsolete inventories		(2,534)	4,339	345
Accrual/(reversal) of expected credit losses for trade receivables	12	1,892	(1,489)	1,056
Accrual/(reversal) of expected credit losses other current assets	12	12,246	1,225	(120)
VAT written-off	12	6,910	3,031	7,923
Accrual/(reversal) of impairment of VAT receivable	12	15,703	4,215	(24,158)
Adjustment on the re-measurement to fair value less costs to sell		-	2,291	711
Net foreign exchange differences		4,142	(6,061)	(62,879)
Loss on disposal of property, plant and equipment, intangible assets and investment property, net		6,430	3,517	3,815
Unrealized (gains)/ losses from derivatives on petroleum products		(465)	(415)	231
Realized (gains)/ losses from derivatives on petroleum products		(8,410)	1,435	3,534
Adjustment for repayment of advances received for the supply of oil (Note 27)		(864,450)	(344,274)	(244,559)
Finance costs	14	317,433	427,655	306,355
Finance costs from discontinued operations		-	85	131
Finance income	14	(240,880)	(161,027)	(122,574)
Finance income from discontinued operations		-	(66)	(427)
Gains on sale of subsidiaries	5	(17,481)	(18,359)	-
Share in profit of joint ventures and associates, net	30	(827,979)	(697,326)	(414,950)
Change in financial guarantees		(6,956)	1,405	1,381
Movements in provisions	26	2,967	6,711	(9,896)
Operating profit before working capital changes		328,461	650,539	410,744
Change in VAT receivable		(28,070)	(12,250)	(9,466)
Change in inventory		11,710	(55,606)	(53,833)
Change in trade accounts receivable and other current assets		11,466	26,369	(17,795)
Change in trade and other payables and contract liabilities		(23,578)	(39,896)	61,908
Change in advances received for oil supply (Note 27)		-	172,322	175,133
Change in other taxes payable		(19,916)	28,022	81,303

¹ Certain numbers shown here do not correspond to the consolidated financial statements for the years ended December 31, 2018 and 2017, and reflect reclassifications made, refer to Note 3

In millions of tenge	Note	For the years ended December 31		
		2019	2018 [Reclassified] ¹	2017 [Reclassified] ¹
Cash generated from operations		280,073	769,500	647,994
Dividends received from joint ventures and associates		126,461	160,061	271,783
Net (payment)/ receipt of derivative instruments		(7)	(225)	57
Income taxes paid		(161,979)	(186,199)	(112,605)
Interest received		118,207	134,365	104,804
Interest paid		(238,954)	(248,341)	(216,640)
Net cash flow from operating activities		123,801	629,161	695,393
Cash flows from investing activities				
Withdrawal/(placement) of bank deposits, net		28,987	1,295,272	(457,273)
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets		(444,193)	(430,305)	(464,353)
Proceeds from sale of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets		42,776	8,711	1,408
Proceeds from disposal of subsidiaries (Note 5)		56,760	18,112	9,151
Cash acquired with subsidiaries		-	-	181
Acquisition of and contribution to joint ventures		(889)	(1,467)	(3)
Proceeds from disposal of joint ventures (Note 19)		-	2,000	-
Refund of contribution to joint ventures		-	93,072	1,715
Loans given to related parties		(56,516)	(64,716)	(184,708)
Repayment of loans due from related parties (Note 31)		47,656	40,984	455
Refund/(acquisition) of debt securities		454	244	(332)
Proceeds from Note receivable from a shareholder of a joint venture (Note 31)		5,403	29,174	-
Net cash flows (used in)/ from investing activities		(319,562)	991,081	(1,093,759)
Cash flows from financing activities				
Proceeds from borrowings (Note 25)		271,772	1,249,907	1,508,170
Repayment of borrowings (Note 25)		(444,656)	(2,069,977)	(689,074)
Dividends paid to Samruk-Kazyna and National Bank of RK (Note 24)		(36,998)	(36,273)	(45,878)
Dividends paid to non-controlling interests (Note 24)		(5,693)	(6,390)	(12,416)
Share buyback by subsidiary (Note 24)		(2,318)	(642,524)	-
Distribution to Samruk-Kazyna		(36,297)	(13,553)	(22,652)
Payment of principal lease liabilities		(16,181)	(1,558)	(1,069)
Net cash flows (used in)/from financing activities		(270,371)	(1,520,368)	737,081
Effects of exchange rate changes		(14,985)	179,467	22,437
Change in allowance for expected credit losses		(279)	(98)	-
Net change in cash and cash equivalents		(481,396)	279,243	361,152
Net change in cash and cash equivalents		(481,396)	279,243	361,152
Cash and cash equivalents, at the beginning of the year		1,545,848	1,266,605	905,453
Cash and cash equivalents, at the end of the year		1,064,452	1,545,848	1,266,605

NON-CASH AND OTHER TRANSACTIONS: SUPPLEMENTAL DISCLOSURE

The following significant non-cash transactions and other transactions were excluded from the consolidated statement of cash flows:

Account payable for non-current assets

For the year ended December 31, 2019 accounts payable for purchases of property, plant and equipment increased by 97,382 million tenge (2018: 41,609 million tenge, 2017: 11,795 million tenge).

Additions to Property, Plant and Equipment (PPE)

In 2018 and 2017 the Group received PPE on deferred payment terms in the amount of 33,216 million tenge and 135,393 million tenge, respectively, which were directly capitalized within additions to PPE (Note 25).

Contribution of pipelines

In 2018 the Company issued common shares for the total amount of 207,196 million tenge in exchange for gas pipelines received from Samruk-Kazyna and earlier recognized as additional paid in capital (Note 24).

Derecognition of borrowings from subsoil use contracts' project partners

In 2019 one and in 2018 two subsoil use contracts were terminated voluntarily by the Group and its projects partners. These projects were funded on carry-financing basis, according to which the share of expenses of the Group was financed by the project partners. These amounts were recognized as borrowings and were payable upon start of the commercial production and in case of positive cash flows. As the projects were ceased, the Group derecognized related borrowings for 110,930 million tenge and 53,263 million tenge in 2019 and 2018, respectively (Note 25).

Capitalization of borrowing costs

For the year ended December 31, 2019 the Group capitalized in the carrying amount of property, plant and equipment borrowing costs of 2,525 million tenge (2018: 21,715 million tenge, 2017: 26,532 million tenge) (Note 25).

Financial guarantee

During 2019 the Group provided a financial guarantee for joint venture to secure its borrowings. At initial recognition of the fair value of the financial guarantee issued was recognized as addition to the carrying amount of investments in joint venture for the amount of 11,162 million tenge and was recognized as an increase in the carrying amount of investment in joint venture (2018 and 2017: nil) (Note 19).

Deputy Chairman of the Management Board – Chief Financial Officer

Managing director – financial controller

Chief accountant



D.S. Karabayev

A.Zh. Beknazarova

Y.Y. Orynbayev