Accounting and Finance Centre for the Support of Renewable Energy Resources LLP

Forms of financial statements prepared
in accordance with the Order of the Minister of Finance
Republic of Kazakhstan No. 404 dated 28 June 2017
with amendments and additions, approved by
Order of the Ministry of Finance of the Republic of Kazakhstan
of the Republic of Kazakhstan No. 665 dated 1 July 2019

For the year ended 31 December 2022
with independent Auditor's report

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Participant and Management of Accounting and Finance Center for the Support of Renewable Energy Resources LLP

Opinion

We have audited the forms of financial statements of Accounting and Finance Center for the Support of Renewable Energy Resources LLP (hereinafter the "Company"), which comprise the balance sheet as at 31 December 2022, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended and explanatory notes, including a summary of significant accounting policies.

In our opinion, the attached forms of the Company's financial statements for the year ended 31 December 2022 have been prepared, in all material respects, in accordance with Order No. 404 of the Minister of Finance of the Republic of Kazakhstan dated 28 June 2017 "On approval of the list and forms of annual financial statements for publication organizations of public interest (except for financial organizations).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit the forms of financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the forms of financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant Circumstances - Accounting Principles and Restrictions on Distribution or Use

We draw attention to the fact that the attached forms of financial statements were prepared in accordance with the requirements of Order No. 404 of the Minister of Finance of the Republic of Kazakhstan dated June 28, 2017 "On approval of the list and forms of annual financial statements for publication by public interest organizations (except for financial organizations)" solely for the purpose of complying with the requirements of the above order regarding the preparation of financial statements. As a result, these forms of financial statements may not be suitable for another purpose. Our report is for the sole information and use of the Company and the Ministry of Finance of the Republic of Kazakhstan and shall not be distributed or used by other parties (other than the Company and the Ministry of Finance of the Republic of Kazakhstan). We express no modified opinion on this matter.

Responsibilities of management and those charged with governance for the forms of financial statements

Management is responsible for the preparation of these forms of financial statements in accordance with the Order of the Minister of Finance of the Republic of Kazakhstan dated June 28, 2017 No. 404 "On approval of the list and forms of annual financial statements for publication by public interest organizations (except for financial organizations)", and for the system of internal control, as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the forms of financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing information relating to going concern, as appropriate, and for reporting on a going concern basis, unless management intends to liquidate the Company, terminate its activities or when management has no real alternative to such actions.

Those charged with governance are responsible for overseeing the preparation of the Company's forms of financial statements.

Auditor's responsibilities for the audit of the forms of financial statements

Our objectives are to obtain reasonable assurance about whether the forms of financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these forms of financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following:

- identify and assess the risks of material misstatement the forms of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Qazaqstan LLP

Aisulu Narbayeva
Auditor / General Director
RSM Qazaqstan LLP

Auditor qualification certificate # 0000137 dated 21 October 1994

State audit license for audit activities on the territory of the Republic of Kazakhstan #19024411 issued by the Ministry of Finance of the Republic of Kazakhstan on 24 December 2019

43, Dostyk Avenue, office 302
Almaty, 050010, Republic of Kazakhstan

22 June 2023

Accounting and Finance Centre for the Support of Renewable Energy LLP

Forms of financial statements

Form No.1

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Index:	**№ 1 - B (balance)**
Periodicity:	Annual
As at	**31 December 2022**

thousand tenge

Assets	**Line Code**	**At the end of reporting period**	At the beginning of reporting period
I. Short-term assets:			
Cash and cash equivalents	010	**58.564.899**	38.847.799
Short-term financial assets measured at amortized cost	011	**-**	5.113.235
Short-term financial assets at fair value through other comprehensive income	012	**-**	-
Financial assets at fair value through profit or loss	013	**-**	-
Short term derivative financial instruments	014	**-**	-
Other short-term financial assets	015	**-**	38.272
Short-term trade and other receivables	016	**28.012.532**	25.777.422
Short-term lease receivables	017	**-**	-
Short-term assets on contracts with customers	018	**-**	-
Current corporate income tax	019	**-**	-
Inventories	020	**10.545**	155.465
Biological assets	021	**-**	-
Other current assets	022	**823.476**	16.858
Total current assets (sum of lines 010 to 022)	**100**	**87.411.452**	69.949.051
Assets (or disposal groups) held for sale	101	**-**	-
II. Long-term assets		**-**	-
Long term financial assets at amortized cost	110	**-**	-
Long-term financial assets at fair value through other comprehensive income	111	**-**	-
Long-term financial assets at fair value through profit or loss	112	**-**	-
Long-term derivative financial instruments	113	**-**	-
Investments accounted for at cost	114	**-**	-
Investments accounted for using the equity method	115		
Other non-current financial assets	116		
Long-term trade and other receivables	117	**-**	-
Long-term lease receivables	118	**-**	-
Long-term contractual assets with customers	119		
Investment property	120	**-**	-
Property. plant and equipment	121	**30.367**	27.567
Right-of-use asset	122	**-**	-
Biological assets	123		
Exploration and evaluation assets	124	**-**	-
Intangible assets	125	**14.275**	14.836
Deferred tax assets	126	**358.831**	234.733
Other noncurrent assets	127	**122.146**	-
Total long-lived assets (sum of lines 110 to 127)	**200**	**525.619**	277.136
BALANCE (line 100 + line 101 + line 200)		**87.937.071**	70.226.187

Accounting and Finance Centre for the Support of Renewable Energy LLP

Forms of financial statements

Form No.1

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2022

Liabilities and Equity	Line Code	At the end of reporting period	At the beginning of reporting period
III. Short-term liabilities			
Short-term financial liabilities measured at amortized cost	210	–	–
Short-term financial liabilities measured at fair value through profit or loss	211	–	–
Short-term derivative financial instruments	212	–	–
Other current financial liabilities	213		
Short-term trade and other payables	214	**39.481.574**	32.749.625
Short-term estimated liabilities	215	**74.560**	55.711
Current corporate income tax liabilities	216	**112.633**	261.182
Employee benefits	217	**81**	–
Short-term lease payables	218	–	–
Short-term liabilities under contracts with customers	219	–	–
Government grants	220	**2.942**	2.942
Dividends Payable	221	–	–
Other current liabilities	222	**1.601**	27.091
Total current liabilities (sum of lines 210 to 222)	**300**	**39.673.391**	33.096.551
Liabilities of disposal groups held for sale	301	–	–
IV. Long-term liabilities			
Long-term financial liabilities measured at amortized cost	310	–	–
Long-term financial liabilities at fair value through profit or loss	311	–	–
Long-term derivative financial instruments	312		
Other non-current financial liabilities	313	–	–
Long-term trade and other payables	314	–	–
Long-term estimated liabilities	315	–	–
Deferred tax liabilities	316	–	–
Employee benefits	317	–	–
Long-term rental liabilities	318	–	–
Long-term contractual liabilities with customers	319	–	–
Government grants	320	**107.778**	7.846
Other non-current liabilities	321	–	–
Total non-current liabilities (sum of lines 310 through 321)	**400**	**107.778**	7.846
V. Equity			
Charter capital	410	**100.000**	100.000
Share premium	411	–	–
Treasury equity instruments	412	–	–
Components of other comprehensive income	413	–	–
Retained earnings (uncovered loss)	414	**48.055.902**	37.021.790
Other equity	**415**		
Total equity attributable to owners of the parent company (sum of lines 410 through 415)	**420**	**48.155.902**	37.121.790
Noncontrolling interest	421	–	–
Total equity (line 420 +/- line 421)	**500**	**48.155.902**	37.121.790
BALANCE (line 300 + line 301 + line 400 + line 500)		**87.937.071**	70.226.187

The accompanying explanatory note on pages 1 to 32 is an integral part of of these financial statements

General director _______________ *Nalibayeva G.K.*

Chief Accountant _______________ *Siraeva G.V.*

Accounting and Finance Centre for the Support of Renewable Energy LLP

Forms of financial statements

Form No.2

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

Index:	**№ 2 - ОПУ**
Periodicity:	Annual
As at	**31 December 2022**

thousand tenge

Name	Line Code	At the end of reporting period	At the beginning of reporting period
Revenue	010	**234.397.104**	215.913.384
Cost of goods and services sold	011	**(222.735.476)**	(195.940.438)
Gross profit (line 010 - line 011)	**012**	**11.661.628**	19.972.946
Selling expenses	013	–	–
Administrative expenses	014	**(1.177.252)**	(813.863)
Total operating profit (loss) (+/- lines 012 to 016)	**020**	**10.484.376**	19.159.083
Finance income	021	**5.297.504**	2.194.275
Finance expenses	022	**(6.519)**	(11.236)
Share of the organization in profit (loss) of associates and joint ventures accounted by the equity method	023	–	–
Other income	024	**237.497**	81.625
Other expenses	025	**(11.433)**	(1.297)
Profit (loss) before taxes (+/- lines 020 to 025)	**100**	**16.001.425**	21.422.450
Corporate income tax expense (-) Income (+)	101	**(3.117.165)**	(4.035.022)
Profit (loss) after tax from continuing operations (line 100 + line 101)	**200**	**12.884.260**	17.387.428
Profit (loss) after tax from discontinued operations	201	–	–
Profit for the year (line 200 + line 201) attributable to	**300**	**12.884.260**	17.387.428
Owners of the parent company	301	**12.884.260**	17.387.428
Noncontrolling interest	302	–	–
Other comprehensive income, total (sum of line 420 and line 440)	**400**	–	–
Including		–	–
Revaluation of debt financial instruments measured at fair value through other comprehensive income	410	–	–
Share in other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	411	–	–
Effect of change in income tax rate on deferred tax of subsidiaries	412	–	–
Cash flow hedges	413	–	–
Exchange rate differences on investments in foreign organizations	414	–	–
Hedges of net investment in foreign operations	415	–	–
Other components of other comprehensive income	416	–	–
Adjustments for reclassifications to profit (loss)	417	–	–
Tax effect of components of other comprehensive income	418	–	–

Total other comprehensive income to be reclassified to profit or loss in subsequent periods (net of income tax) (sum of lines 410 to 418)	420	–	–
Revaluation of fixed and intangible assets	431	–	–
Share in other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	432	–	–
Actuarial gains (losses) on pension obligations	433	–	–
Tax effect of components of other comprehensive income	434	–	–
Revaluation of equity financial instruments measured at fair value through other comprehensive income	435	–	–
Total other comprehensive income not subject to reclassification to income or expense in subsequent periods (net of income tax) (sum of lines from 431 to 435)	440	–	–
Total comprehensive income (line 300 + line 400)	**500**	**12.884.260**	17.387.428
Total comprehensive income attributable to:		–	–
owners of the parent company		**12.884.260**	17.387.428
non-controlling interest		–	–
Earnings per share:	600	–	–
Including:		–	–
Basic earnings per share:		–	–
from continuing operations		–	–
from discontinued operations		–	–
Diluted earnings per share:		–	–
from continuing operations		–	–
from discontinued operations		–	–

The accompanying explanatory note on pages 11 to 32 is an integral part of of these financial statements

General director ____________ Nalibayeva G.K..

Chief Accountant ____________ Sirayeva G.V.

Accounting and Finance Centre for the Support of Renewable Energy LLP

Forms of financial statements

Form No.3

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

Index: **№ 3 - ДДС-П**
Periodicity: Annual
As at **31 December 2022**

thousand tenge

Name	Line Code	At the end of reporting period	At the beginning of reporting period
I. MOVEMENT OF MONEY FROM OPERATING ACTIVITIES			
1. Cash receipts, total (sum of lines 011 to 016), including	**010**	**260.797.012**	220.554.672
Sale of goods and services	011	**256.516.791**	219.703.217
Other revenues	012	**1.786**	2.367
Advances received from buyers. customers	013	**144.188**	63.901
Receipts under insurance agreements	014	–	–
Interest received	015	**4.126.974**	774.259
Other receipts	016	**7.273**	10.928
2. Cash withdrawals, total (sum of lines 021 to 027), including	**020**	**244.845.923**	205.218.568
Payments to suppliers for goods and services	021	**238.308.944**	199.357.916
Advances paid to suppliers of goods and services	022	**79.974**	1.206.791
Labor remuneration	023	**290.659**	232.167
Remuneration payments	024	–	–
Payments under insurance agreements	025	–	–
Corporate income tax and other payments to the budget	026	**6.328.092**	4.553.027
Other payments	027	**(161.746)**	(131.333)
3. Net cash flows from operating activities (line 010 - line 020)	**030**	**15.951.089**	15.336.104
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Proceeds of cash, total (sum of lines 041 to 052), including	**040**	**33.029.809**	52.982.731
Sale of fixed assets	041	–	6.407
Sale of intangible assets	042	–	–
Sale of other long term assets	043	–	–
Realization of equity instruments of other organizations (except subsidiaries) and shares in joint ventures	044	–	–
Realization of debt instruments of other organizations	045	**33.029.809**	47.628.554
Compensation upon loss of control over subsidiaries	046	–	–
Withdrawal of cash deposits	047	–	–
Sales of other financial assets	048	–	–
Futures and forward contracts, options, and swaps	049	–	–
Dividends received	050	–	–
Interest received	051	–	–
Other income	052	–	5.347.770
2. Cash disposals, total (sum of lines 061 to 073), including	**060**	**27.402.217**	43.772.843
Acquisition of fixed assets	061	**11.780**	3.364
Acquisition of intangible assets	062	**3.810**	1.634
Acquisition of other long-lived assets	063	–	–
Acquisition of equity instruments of other organizations (except subsidiaries) and shares in joint ventures	064	–	–
Acquisition of debt instruments of other organizations	065	**27.386.627**	42.420.075
Acquisition of control over subsidiaries	066	–	–
Placement of monetary contributions	067	–	–
Remuneration	068		
Acquisition of other financial assets	069	–	–
Loan issuance	070	–	–
Futures and forward contracts. options and swaps	071	–	–
Investments in associates and subsidiaries	072	–	
Other payments	073	–	1.347.770

Accounting and Finance Centre for the Support of Renewable Energy LLP

Forms of financial statements

Form No.3

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

thousand tenge

Name	Line Code	At the end of reporting period	At the beginning of reporting period
3. Net cash flows from investing activities (line 040 - line 060)	**080**	**5.627.592**	9.209.888
III. MOVEMENT OF MONEY FROM FINANCIAL ACTIVITIES			
1. Total cash receipts (sum of lines 091-094), including	**090**	-	-
issuance of shares and other financial instruments	091	-	-
receipt of loans	092	-	-
interest received	093	-	-
other receipts	094	-	-
2. Cash withdrawals, total (sum of lines 101 to 105), including	**100**	**1.850.148**	-
repayment of loans	101	-	-
interest payment	102	-	-
dividend payout	103	**1.850.148**	-
payments to owners on the company's shares	104	-	-
other withdrawals	105	-	-
3. Net cash flows from financing activities (line 090 - line 100)	**110**	**(1.850.148)**	-
4. Influence of exchange rates of currencies to tenge	120	-	-
5. Effect of changes in the carrying amount of cash and cash equivalents	130	**(11.433)**	(22.214)
6. Increase +/- decrease of cash (line 030 +/- line 080 +/- line 110 +/- line 120 +/- line 130)	140	**19.717.100**	24.523.778
7. Cash and cash equivalents at the beginning of the reporting period	150	**38.847.799**	14.324.021
8. Cash and cash equivalents at the end of the reporting period	160	**58.564.899**	38.847.799

The accompanying explanatory note on pages 11 to 32 is an integral part of of these financial statements

General director ______ Nalibayeva G.K..

Chief Accountant ______ Sirayeva G.V.

Accounting and Finance Centre for the Support of Renewable Energy LLP

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Index: № - 5-CE
Period Annual
As at **31 December 2022**

In thousand tenge

Name	Line Code	Equity of the mother organization					Share of non-controlling owners	Total equity
		Charter (shareholder's) capital	Share premium	Treasury equity instruments	Components of other comprehensive income	Retained earnings		
Balance on 1 January of the previous year	010	100.000	–	–	–	19.634.362	–	19.734.362
Change in accounting policy	011	–	–	–	–	–	–	–
Recalculated balance (line 010 +/- line 011)	**100**	100.000	–	–	–	19.634.362	–	19.734.362
Total comprehensive income, total (line 210 + line 220):	**200**	–	–	–	–	17.387.428	–	17.387.428
Profit (loss) for the year	210	–	–	–	–	17.387.428	–	17.387.428
Other comprehensive income. total (sum of lines from 221 to 229)	**220**	–	–	–	–	–	–	–
Revaluation of debt financial instruments measured at fair value through other comprehensive income (net of tax effect)	221	–	–	–	–	–	–	–
Revaluation of equity financial instruments measured at fair value through other comprehensive income (net of tax effect)	222	–	–	–	–	–	–	–
Revaluation of fixed and intangible assets (net of tax effect)	223	–	–	–	–	–	–	–
Share in other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	224	–	–	–	–	–	–	–

Accounting and Finance Centre for the Support of Renewable Energy LLP

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2022

Actuarial gains (losses) on pension obligations	225	–	–	–	–	–	–	–
Effect of a change in the income tax rate on the deferred tax of subsidiaries	226	–	–	–	–	–	–	–
Cash flow hedging (net of tax effect)	227	–	–	–	–	–	–	–
Hedging of net investments in foreign operations	228	–	–	–	–	–	–	–
The currency exchange difference on investments in foreign organizations	229	–	–	–	–	–	–	–
Transactions with owners, total (sum of lines 310 to 318)	**300**	–	–	–	–	–	–	–
Remuneration of employees with shares. including	310	–	–	–	–	–	–	–
cost of employee services		–	–	–	–	–	–	–
issuance of shares under the employee stock option plan		–	–	–	–	–	–	–
tax benefit related to the employee stock option plan		–	–	–	–	–	–	–
Contributions by owners	311	–	–	–	–	–	–	–
Issue of own equity instruments (shares)	312	–	–	–	–	–	–	–
Issue of equity instruments associated with business combinations	313	–	–	–	–	–	–	–
Equity component of convertible instruments (net of tax effect)	314	–	–	–	–	–	–	–
Payment of dividends	315	–	–	–	–	–	–	–
Other distributions to owners	316	–	–	–	–	–	–	–
Other transactions with owners	317	–	–	–	–	–	–	–
Changes in ownership interest in subsidiaries that do not result in loss of control	318	–	–	–	–	–	–	–
Other transactions	319	–	–	–	–	–	–	–
Balance at the end of the previous period (line 100 + line 200 + line 300)	**400**	100.000	–	–	–	37.021.790	–	37.121.790
Balance at the beginning of the reporting period	401	**100.000**	–	–	–	**37.021.790**	–	**37.121.790**
Change in accounting policy	402		–	–	–	-	–	-

Accounting and Finance Centre for the Support of Renewable Energy LLP

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2022

Recalculated balance (line 401 +/- line 402)	**500**	**100.000**	–	–	–	**37.021.790**	–	**37.121.790**
Total comprehensive income, total (line 610 + line 620)	**600**	–	–	–	–	**12.884.260**	–	**12.884.260**
Profit (loss) for the year	610	–	–	–	–	12.884.260	–	12.884.260
Other comprehensive income, total (sum of lines 621 through 629)	**620**	–	–	–	–	–	–	–
Revaluation of debt financial instruments measured at fair value through other comprehensive income (net of tax effect)	621	–	–	–	–	–	–	–
Revaluation of equity financial instruments measured at fair value through other comprehensive income (net of tax effect)	622	–	–	–	–	–	–	–
Revaluation of fixed assets and intangible assets (net of tax effect)	623	–	–	–	–	–	–	–
Share in other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	624	–	–	–	–	–	–	–
Actuarial gains (losses) on pension obligations	625	–	–	–	–	–	–	–
Effect of change in income tax rate on deferred tax of subsidiaries	626	–	–	–	–	–	–	–
Cash flow hedges (net of tax effect)	627	–	–	–	–	–	–	–
Hedging of net investments in foreign operations	628	–	–	–	–	–	–	–
Currency translation difference on investments in foreign operations	629	–	–	–	–	–	–	–
Transactions with owners (sum of lines 710 through 718)	700	–	–	–	–	**(1.850.148)**	–	**(1.850.148)**

Forms of financial statements

Form No.4

Accounting and Finance Centre for the Support of Renewable Energy LLP

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2022

Compensation of employees in shares, including:	710	–	–	–	–	–	–	–
Cost of employee services		–	–	–	–	–	–	–
Issuance of shares under the employee stock compensation scheme		–	–	–	–	–	–	–
Tax benefit related to the employees share remuneration scheme		–	–	–	–	–	–	–
Contributions of owners	711	–	–	–	–	–	–	–
Issue of own equity instruments (shares)	712	–	–	–	–	–	–	–
Issue of equity instruments associated with business combinations		–	–	–	–	–	–	–
Issue of own equity instruments (shares)	712	–	–	–	–	–	–	–
Issue of equity instruments associated with business combinations	713	–	–	–	–	–	–	–
Equity component of convertible instruments (net of tax effect)	714	–	–	–	–	(1.850.148)	–	(1.850.148)
Payment of dividends	715	–	–	–	–	–	–	–
Other distributions to owners	716	–	–	–	–	–	–	–
Other transactions with owners	717	–	–	–	–	–	–	–
Changes in ownership interest in subsidiaries that do not result in loss of control	718	–	–	–	–	–	–	–
Other transactions	719	–	–	–	–	–	–	–
Balance as at 31 December of the reporting year (line 500+ line 600 + line 700)	**800**	**100.000**	**–**	**–**	**–**	**48.055.902**	**–**	**48.155.902**

The accompanying explanatory note on pages 11 to 32 is an integral part of of these financial statements

General director _______________ Nalibayeva G.K..

Chief Accountant _______________ Sirayeva G.V.

"Расчетно-финансовый центр по поддержке возобновляемых источников энергии"

1. GENERAL INFORMATION

"Accounting and Finance Centre for the support of Renewable Energy Sources" LLP (hereinafter - the "Company" or "RFC") was established on 27 August 2013 in accordance with the *Law of the Republic of Kazakhstan of 4 July 2013 No 128-V "On Amendments and Addenda to Certain Legislative Acts of the Republic of Kazakhstan on Support for Renewable Energy Sources" (hereinafter - "Renewable Energy Law")*. and in accordance with a decision of the Board of Directors of Kazakhstan Electricity Grid Operating Company JSC (hereinafter –"KEGOC") dated 12 August 2013.

In accordance with the Resolution of the Government of the Republic of Kazakhstan dated 30 November 2021 No. 858 "On certain issues of the Limited Liability Partnership "Accounting and Finance Center for the Support of Renewable Energy Resources", and the corresponding act of acceptance and transfer (dated February 22, 2022), the right ownership and use of 100% state stake in the authorized capital of the Company transferred to the Ministry of Energy of the Republic of Kazakhstan.

On June 14, 2022, the Company re-registered with the Office of Justice of the Almaty District of the Department of Justice of Astana, due to the change of the participant.

Main activities:

- Sale of electric power to consumers (centralized purchase and sale of electric power produced by RES facilities and supplied to electric networks of the unified electric power system of the Republic of Kazakhstan);
- Ensuring electric capacity readiness to bear the power of the load.

The Company's head office is located at: Republic of Kazakhstan. 010000. Astana, Tauelsyzdyk Avenue 59.

The accompanying forms of financial statements of the Company for the period ended 31 December 2022 were authorized for issue by the General Director and Chief Accountant of the Company on 22 June 2023.

2. BASIS FOR THE PREPARATION FORMS OF FINANCIAL STATEMENTS

The forms of financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These forms of financial statements have been prepared under the historical cost convention, except for debt financial assets that are measured at fair value. The financial statements are presented in Tenge and all values are rounded to the nearest thousands, except when otherwise indicate

The Company prepared its forms of financial statements under the going concern assumption.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted to the existing standards and interpretations adopted by the Company for the first time

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as at 1 January 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company during the year adopted the following new and revised standards effective from 1 January 2022:

- Amendments to IFRS 3: References to the Conceptual Framework;
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Use for the Purpose of Use ;
- Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract:;
- Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards - subsidiary adopts International Financial Reporting Standards for the first time;
- Amendments to IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments adopted to the existing standards and interpretations adopted by the Company for the first time

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Use for the Purpose of Use

In May 2021, the IASB issued a document "Property, Plant and Equipment: Receipts before Intended Use", which prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

These amendments are effective for annual periods beginning on or after 1 January 2022 and must be applied retrospectively to those items of property, plant and equipment that became available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. These amendments did not have any impact on the Company's financial statements.

Amendments to IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities

The IASB issued an amendment to IFRS 9 Financial Instruments as part of Annual Improvements to IFRS Standards 2018–2020. The amendment to IFRS 9 clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. Such amounts include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity shall apply this amendment to financial liabilities that have been modified or replaced on or after the start date of the annual reporting period in which the entity first applies this amendment.

This amendment did not have any impact on the financial statements. The management believes that amendments to IFRS 3, IAS 37 and IFRS 1 – are not applicable to the financial statements.

New and revised IFRS – issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IAS 8: Definition of Accounting Estimates;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.
- Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right;
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on the current classification of liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New and revised IFRS – issued but not yet effective (continued)

Amendments to IAS 8: Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 for application of IFRS "Making Materiality Judgements" in which it provides guidance and examples to help entities to apply materiality judgements in disclosure of information about accounting policy. The amendments aim to help entities to provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of materiality to accounting policy information, declare of an effective date for these amendments is not necessary.

Amendments to IAS 12: - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 that narrow the scope of the initial recognition of exemption of deferred taxes on initial recognition of assets and liabilities in accordance with IAS 12, so that it no longer applies to transactions that result in give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. The Company is currently analyzing the possible impact of these amendments.

The management believes that IFRS 17 Insurance Contracts are not applicable to the financial statements.

Current versus non-current classification

In statement of financial position, the Company presents assets and liabilities based on their classification as current/short-term and non-current/long-term. An asset is current if:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 (twelve) months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 (twelve) months after the reporting period.

All other assets are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 (twelve) months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 (twelve) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

The Company measures financial instruments, such as financial assets measured at fair value at each reporting date. Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Transactions in foreign currencies

The Company's financial statements are presented in KZT. Tenge is also the parent company's functional currency. Transactions in foreign currencies are initially recorded by the Company in its functional currency at the spot rate at the date the transaction qualifies for recognition. During the years 2022 and 2021 all transactions of the Company were conducted in KZT.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments - initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

The Company's financial assets include cash and cash equivalents, short-term deposits, notes of the National Bank and trade accounts receivable.

Financial assets are classifie,. at initial recognition. as financial assets at amortized cost, financial assets at fair value through profit or loss, or financial assets at fair value through other comprehensive income.

A financial asset is carried at amortized cost if two criteria are met:

1) the objective of the business model is to hold the financial asset to collect all contractual cash flows; and
2) the contractual cash flows represent only payments of interest and principal. Interest is a payment for the time value of money and the credit risk associated with the principal debt to be repaid in a certain period of time.

If at least one of the above criteria is not met, the financial asset is measured at fair value.

The Company's financial assets that are not carried at amortized cost are measured at fair value.

A financial asset is carried at fair value through other comprehensive income if the two criteria are met:

1) the purpose of the business model is to hold the financial asset both to receive all contractual cash flows and by selling the financial asset; and
2) the contractual cash flows are represented only by payments of interest and principal. Interest represents the payment for the time value of money and the credit risk associated with the principal debt to be repaid over a specified period of time.

The Company accounts for financial assets at fair value through profit or loss unless they are carried at amortized cost or at fair value through other comprehensive income.

Subsequent measurement

Financial assets are subsequently measured at amortized cost or at fair value through other comprehensive income or through profit or loss based on the Company's business model for managing financial assets. The business model is determined by the Company's management.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized on the balance sheet when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company has transferred all of its rights to receive cash flows from the asset or has entered into a pass-through arrangement, it evaluates whether and to what extent it has retained the risks and rewards of ownership. If the Company has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In this case, the Company also recognizes a corresponding liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company retains.

Continuing involvement that takes the form of a guarantee over the transferred asset is recognized at the lower of the original carrying amount of the asset or the maximum amount that the Company could be required to repay.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

Financial assets (continued)

Estimation of Expected Credit Losses

The Company recognizes an allowance for expected credit losses on financial assets measured at amortized cost and at fair value through other comprehensive income in an amount equal to the expected credit losses over the entire term if the credit loss has increased significantly since initial recognition. The Company does not reduce the carrying amount of the financial asset measured at fair value through other comprehensive income but recognizes a valuation allowance in other comprehensive income.

In determining whether there has been a significant increase in credit risk of a financial asset since its initial recognition, the Company focuses on the changes in the risk of default over the life of the credit instrument, rather than changes in the amount of anticipated credit losses.

If the contractual terms of the financial asset's cash flows have been renegotiated or modified and the financial asset is not derecognized, the Company assesses whether the credit risk of the financial instrument has changed significantly by comparing:

1) an estimate of the risk of default at the reporting date (based on the modified contractual terms);
2) an assessment of the risk of default at initial recognition (based on the original unmodified contractual terms).

If there is no significant increase in credit risk, the Company recognizes a valuation allowance for losses on the financial asset in an amount equal to the 12-month expected credit losses, except for:

1) credit-impaired financial assets acquired or originated;
2) trade receivables or contract assets arising from transactions within the scope of IFRS 15 Revenue from Contracts with Customers; and
3) Lease receivables.

For financial assets described in (1)-(3), the Company measures the allowance for losses at the amount of expected credit losses over the entire period.

If the Company estimated the allowance for losses on a financial instrument in a prior reporting period equal to the expected credit losses for the entire term, but determines as at the current reporting date that there is no significant increase in credit risk, the Company must estimate the allowance for losses at the current reporting date equal to the 12-month expected credit losses.

The Company recognizes as an impairment gain or loss the amount necessary to adjust the valuation allowance for losses to the amount of expected credit losses at the reporting date.

For acquired or originated credit-impaired financial assets, the Company recognizes favorable changes in expected lifetime credit losses as a reversal of the impairment loss, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows at initial recognition.

Estimate of expected credit losses

The Company estimates expected credit losses on a financial instrument in a manner that reflects:

1) an unbiased and probability-weighted amount determined by estimating a range of possible outcomes;
2) the time value of money;
3) reasonable and verifiable information on past events, current conditions and projected future economic conditions, available at the reporting date.

The maximum period considered in estimating expected credit losses is the maximum contractual period (including renewal options) over which the Company is exposed to credit risk.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

Financial assets (continued)

Estimate of expected credit losses (continued)

For financial instruments that include both the loan and the undrawn component of the loan commitment. the contractual ability of the Company to call the loan and to cancel the undrawn component of the loan commitment does not limit the Company's exposure to credit loss to the contractual notice period. For such financial instruments, the Company estimates credit losses for the entire period of credit risk exposure and expected credit losses will not be reduced by the Company's credit risk management activities even if such period exceeds the maximum contractual period.

To achieve the objective of recognizing expected lifetime credit losses due to a significant increase in credit risk since initial recognition, it may be necessary to assess a significant increase in credit risk on a group basis, for example, through analysis of information indicating a significant increase in credit risk for a group or sub-group of financial instruments. This ensures that the Company achieves the objective of recognizing lifetime expected credit losses in the event of a significant increase in credit risk, even if confirmation of such a significant increase in credit risk at the individual instrument level is not yet available.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are recognized initially at fair value, net of directly attributable transaction costs in the case of loans and borrowings and payables.

The Company's financial liabilities include trade payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash as defined above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The Company evaluates its revenue arrangements in accordance with certain criteria to determine whether it is acting as a principal or an agent. The Company has concluded that it is acting as a principal on all such contracts.

Implementation of services to ensure the readiness of electrical capacity to bear the power of the load.

The Company renders services on electric capacity preparedness to bear the power of the load. Revenue from the provision of electric capacity availability services is recognized over a period of time on a monthly basis based on the volume of services rendered. The actually rendered volume of services to ensure the readiness of electric capacity to bear the power of the load for each specific customer, for the corresponding month, is calculated on the basis of the actual maximum value of electric capacity consumption, specified in the act on the actual maximum value of electric capacity consumption for the corresponding month.

Revenue from the sale of purchased renewable energy

The Company sells purchased renewable electricity and recognizes revenue at a point in time because all obligations under the contract are satisfied at a point in time.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recognized using the effective interest method. which exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability Interest income is included in the statement of comprehensive income.

Lease

At inception of an arrangement, the Company assesses whether the arrangement is or contains a lease. That is the Company determines whether the arrangement conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

Company as a lessee

The Company recognizes right-of-use assets at the lease commencement date (i.e. the date the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for lease liability remeasurements. The cost of the right-of-use asset includes the amount of the lease liability recognized, initial direct costs incurred and lease payments made on or before the commencement date. less lease incentives received. If the Company is not reasonably certain that it will obtain ownership of a leased asset at the end of the lease term, the right-of-use asset recognized is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Right-of-use assets are tested for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease (continued)

At the commencement date, the Company recognizes a lease liability, which is measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including. in substance. fixed payments) less any lease incentive payments receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option and payments of termination penalties if the lease term reflects the Company's potential exercise of the termination option. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition triggering such payments occurs.

To calculate the present value of the lease payments. the Company uses the incremental borrowing rate at the commencement date. if the interest rate implicit in the lease cannot be readily determined. After the lease commencement date, the lease liability is increased to reflect interest accrued and decreased to reflect lease payments made. In addition, if there is a modification, a change in the lease term, a change in the substance of the fixed lease payments, or a change in the valuation of an option to purchase the underlying asset, the Company reassesses the carrying amount of the lease liability.

Short term rental

The Company applies the recognition exemption for short-term leases (i.e.. leases with a lease term of 12 months or less at the inception date that do not contain a purchase option).

The Company also applies the recognition exemption for leases of low-value assets to leases that are considered low-value. Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

The Company as lessor

Leases under which the Company retains substantially all the risks and rewards of ownership of an asset are classified as operating leases. The lease income arising is recognized on a straight-line basis over the lease term and included in revenue in the statement of comprehensive income because of its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Pension obligations

In accordance with Kazakhstan legislation. the Company makes payments of 10% of salaries of employees, but not more than 300.000 tenge per month (2021: 212.500 tenge) as contributions to pension funds. Payments to pension funds are withheld from employees' salaries and included in total payroll costs together with other contributions related to labor remuneration in the statement of comprehensive income when they occur. The Company has no other retirement benefit obligations.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted. at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax (continued)

Deferred tax liabilities are recognized for all taxable temporary differences, unless a deferred tax liability arises from the initial recognition of an asset or liability that, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will exist against which the deductible temporary differences, unused tax credits and unused tax losses can be offset, unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is also not recognized in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset against each other if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Contingencies and contingent assets

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of any outflow in settlement is remote.

Contingent assets are not recognized in the financial statements, but they are disclosed in the financial statements when an inflow of economic benefits is probable.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets. However, Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions about the future and other key sources of estimation uncertainty at the balance sheet date that could cause material adjustments to the carrying amounts of assets and liabilities during the next fiscal year are discussed below. The Company's assumptions and estimates are based on the underlying information available to the Company at the time the financial statements are prepared. However, current circumstances and assumptions about the future may change due to market changes or circumstances beyond the Company's control. Such changes are reflected in the assumptions as they occur.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide variety of the Company's international operations and the long-term nature and complexity of existing contractual relationships, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to reported expenses or income tax benefits already recorded. The Company establishes provisions, based on reasonable assumptions, for possible consequences of tax audits. The amount of such provisions is based on various factors, such as the results of previous audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile.

As the Company assesses the probability of litigation arising from tax legislation and subsequent cash outflows as remote. no contingent liability has been recognized.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable income will be available against which the tax losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized in the financial statements, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Role of the Company in contracts for purchase and sale of electricity generated by RES facilities

In order to create conditions for the development of the renewable energy sources sector (hereinafter - "RES"), the Government of the Republic of Kazakhstan adopted a mechanism of state support based on the introduction of a centralized purchase of electricity produced by RES facilities by a single buyer - RFC. The RFC activity is regulated by the *Law of the Republic of Kazakhstan "On Supporting the Use of Renewable Energy Sources.*

Having analyzed purchase and sale agreements for electricity produced by RES facilities, the Company's management exercised significant judgment that the Company takes control over the electricity produced by RES facilities at one time and transfers it to customers. The Company's management believes that customers view the Company as the party primarily responsible for the performance of the contract for the sale of electricity produced by RES.

Moreover, the Company enters into agreements for purchase of electricity produced by RES facilities for 15 -20 years, while the agreements for sale of electricity are concluded with the customers for one year.

As such, the Company's management determined that the Company is a principal in the agreements for the sale of electricity produced by the renewable energy facilities and the Company recognizes revenue in the gross amount of consideration it expects to receive.

Estimated allowance for expected credit losses on accounts receivable and contract assets

The Company uses a valuation allowance matrix to calculate the allowance for credit losses on accounts receivable and contract assets. Estimated allowance rates are established based on the number of days past due for groups of different customer segments with similar loss characteristics (i.e.. by geographic area, product type, customer type and rating, collateral through letters of credit and other forms of credit risk insurance).

Initially, the valuation allowance matrix is based on observable historical default data. The Company will update the matrix to adjust past credit loss experience for projected information. At each reporting date, observable historical default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the relationship between historical observable default rates, projected economic conditions and the ECL is a significant estimation. The value of the ECL is sensitive to changes in circumstances and projected economic conditions. The Company's past experience with credit losses and projected economic conditions also may not be indicative of actual future customer defaults.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Definitions of lease component in RES purchase agreements

The Company has entered into long-term purchase agreements for electricity produced at renewable energy power stations ("RES power stations"). Under these contracts, the Company is entitled to receive substantially all of the economic benefits of the RES power plants over the period of use, defined as the 15-20 year term of the purchase agreements. The Company purchases the entire volume of electricity generated by these RES power plants. The RES power purchase agreements provide for fixed tariffs in KZT for each kWh of electricity produced at the RES power plant.

As such, the Company's management determined that the RES power purchase agreements contain a lease component in accordance with IFRS 16. However, the Company's management could not reliably estimate the amount of electricity due to the high fluctuations in the amount of production that will be generated at each particular power plant, as the nature of the RES business is highly dependent on external factors, such as weather conditions. Accordingly, the Company's management could not reliably and reliably estimate the lease obligation (and accordingly, the right-of-use asset).

5. BALANCE SHEET

010. Cash and cash equivalents

In thousands Tenge	**31 December 2022**	31 December 2021
Current accounts with banks in tenge	**11.215.247**	35.382.953
Short-term tenge denominated deposits up to three months	**47.109.205**	3.493.086
Accrued interest on bank deposits	**280.139**	-
Less: allowance for expected credit losses	**(39.692)**	(28.240)
	58.564.899	38.847.799

During 2022, the Company's current accounts accrued interest in the amount of 8 to 11,5% per annum, for the period ended December 31, 2022. the Company accrued interest income in the amount of 615.649 thousand tenge (2021: 271.532 thousand tenge). During 2022, temporarily free cash was placed on short-term deposit accounts for up to three months with an interest rate of 8,5% to 15,3% per annum, for the period ended December 31, 2022. the Company accrued interest on temporarily free cash funds on short-term deposits in the amount of 4.151.908 thousand tenge (2021: 647.385 thousand tenge).

The movements in the allowance for expected credit losses were as follows:

In thousands Tenge	**2022**	2021
As at 1 January	**28.240**	6.027
Reserve accrual	**95.821**	23.020
Recovery	**(84.369)**	(807)
As at 31 December	**39.692**	28.240

011-015 Other short-term financial assets

In thousands Tenge	**31 December 2022**	31 December 2021
Notes of the National Bank of Kazakhstan	**-**	5.113.235
Bank deposits in tenge	**-**	-
Accrued interest on bank deposits	**-**	38.291
Less: allowance for expected credit losses	**-**	(19)
	-	5.151.507

5. BALANCE SHEET (continued)

Notes of the National Bank of Kazakhstan

In order to comply with the basic principles of cash management – profitability, safety and liquidity, the Company invested temporarily free cash in the notes of the National Bank of Kazakhstan.

On September 28, 2021, the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 4.993.760 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. The maturity of the notes is March 25, 2022.

On May 12, 2022. the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 6.786.633 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. The circulation period for the notes of the National Bank of the Republic of Kazakhstan is until August 2022.

On August 12, 2022. the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 6.999.994 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. Term of circulation of notes of the National Bank of the Republic of Kazakhstan until September 2022.

In September 2022, the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 2.000.000 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. Term of circulation of notes of the National Bank of the Republic of Kazakhstan until October 2022.

On September 16, 2022, the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 3.700.000 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. The circulation period for notes of the National Bank of the Republic of Kazakhstan is until October 12, 2022.

In October 2022, the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 1.600.000 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. Term of circulation of notes of the National Bank of the Republic of Kazakhstan until November 2022.

On October 21, 2022. the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 2.300.000 thousand tenge at an auction of the National Bank of the Republic of Kazakhstan. The circulation period for notes of the National Bank of the Republic of Kazakhstan is until November 16, 2022.

On November 18, 2022, the Company purchased discount notes of the National Bank of the Republic of Kazakhstan in the amount of 4.000.000 thousand tenge at the Auction of the National Bank of the Republic of Kazakhstan. The circulation period for the notes of the National Bank of the Republic of Kazakhstan is until December 14, 2022.

As a result of investing in notes of the National Bank of the Republic of Kazakhstan, the total amount of financial income for the year ended 31 December 2022 amounted to 529.947 thousand tenge (2021: 1.275.358 thousand tenge).

016. Short-term trade and other receivables

In thousands of tenge	**31 December 2022**	31 December 2021
Trade accounts receivables	**29.726.028**	26.903.583
Less: allowance for expected credit losses	**(1.713.496)**	(1.126.161)
	28.012.532	25.777.422

The movements in the allowance for expected credit losses were as follows

In thousands of tenge	**2022**	2021
As at 1 January	**1.126.161**	713.217
Provision accrual	**1.570.351**	2.142.553
Reversal of allowance	**(983.016)**	(1.729.609)
As at 31 December	**1.713.496**	1.126.161

5. BALANCE SHEET (continued)

016. Short-term trade and other receivables (continued)

As at December 31, 2022 and December 31, 2021, the Company's trade receivables included receivables for the sale of electricity produced by renewable energy facilities and receivables for the provision of services to ensure the readiness of electric capacity to bear the load, and were denominated in tenge.

The aging analysis of trade receivables is as follows:

		Trade receivables			
			Overdue payments		
In thousands of tenge	**Total**	**Current**	**31-60 days**	**61-90 days**	**Over 90 days**
31 December 2022					
Percentage of expected credit losses		**0.42%**	**5.75%**	**16.03%**	**60.80%**
Estimated total gross book value in default	**29.726.028**	**25.760.476**	**1.144.662**	**389.945**	**2.430.945**
Less: allowance for expected credit losses	**(1.713.496)**	**(107.209)**	**(65.857)**	**(62.507)**	**(1.477.923)**
Total	**28.012.532**	**25.653.267**	**1.078.805**	**327.438**	**953.022**
31 December 2021					
Percentage of expected credit losses		0.22%	2.91%	8.15%	73.08%
Estimated total gross book value in default	26.903.583	23.341.305	2.078.016	106.833	1.377.429
Less: allowance for expected credit losses	(1.126.161)	(50.290)	(60.558)	(8.705)	(1.006.608)
Total	25.777.422	23.291.015	2.017.458	98.128	370.821

121. Fixed assets and other non-current assets

Property, plant and equipment as at 31 December 2022 amounted to 30.367 thousand tenge and includes vehicles, computers and peripheral equipment, and other property, plant and equipment. Intangible assets as at December 31. 2022 amounted to 14.275 thousand tenge. Depreciation of property, plant and equipment and intangible assets for 2022 amounted to 13.351 thousand tenge (for 2021: 12.812 thousand tenge).

214. Short-term trade and other payables

In thousands of tenge	**31 December 2022**	31 December 2021
Accounts payable for purchased electricity from RES	**24.319.395**	20.172.356
Accounts payable for work and services rendered	**15.115.999**	11.429.697
Other accounts payable, including taxes other than corporate income tax	**46.180**	1.147.572
Total	**39.481.574**	32.749.625

As at December 31, 2022 and 2021 trade payables are non-interest bearing and are generally repaid in accordance with the terms of the contract over a short-term period.

As at 31 December 2022 and 2021 trade payables were denominated in tenge.

410. Charter capital

As at 31 December 2022 the charted capital of the Company amounted to 100.000 thousand tenge (2021: 100.000 thousand tenge).

6. STATEMENT OF PROFIT AND LOSS

10. Revenue

In thousands of tenge	**2022**	2021
Income from the sale of purchased electricity for renewable energy sources	**150.149.397**	137.249.952
Income from the sale of a service to ensure the availability of electric power to bear the power of the load	**83.921.599**	78.612.660
Income from the implementation of pre-project technical documentation for the construction of power plants with a flexible generation mode (RM)	**279.908**	–
Income from the sale of pre-project technical documentation for the pilot SES project for the auction of RES with documentation	**46.200**	50.772
Total	**234.397.104**	215.913.384

For the year ended 31 December 2022 revenue for electricity sales from one major customer of the Company (Ekibastuz GRES-1 LLP named after B. Nurzhanov) was 36.500.891 thousand tenge (2021: 31.555.138 thousand tenge) representing 15,6% of the Company's total revenue (2021: 14,6%).

During 2022 and 2021 the Company sold all goods and services in the territory of the Republic of Kazakhstan.

The timing of revenue recognition is as follows:

In thousands of tenge	**2022**	2021
Timing of revenue recognition		
At a certain point in time	**150.475.505**	137.300.724
Over a period of time	**83.921.599**	78.612.660
Total revenue from contracts with customers	**234.397.104**	215.913.384

11. Cost of sales

In thousands of tenge	**2022**	2021
Cost of purchased electricity from renewable energy sources and pre-project technical documentation	**141.824.169**	121.467.694
Expenses for maintaining the readiness of electric power to carry the load and pre-project technical documentation	**80.458.040**	74.129.866
Expenses for organizing balancing of production and consumption of electricity	**451.267**	341.738
Expenses for organizing and conducting centralized tenders for electric power	**2.000**	1.140
Total	**222.735.476**	195.940.438

6. STATEMENT OF PROFIT AND LOSS (continued)

14. Administrative expenses

In thousands of tenge	2022	2021
Accrual/recovery of allowance for expected credit losses	**598.925**	406.663
Payroll expenses and other deductions related to payroll	**306.126**	215.644
Accrual of reserves for unused vacations and bonuses	**107.952**	58.099
Rental expenses	**84.605**	61.239
Depreciation and amortization	**13.351**	12.812
Communication services	**12.938**	10.967
Maintenance costs for office equipment	**8.014**	4.879
Consulting services	**7.544**	6.060
Travel expenses	**2.981**	4.663
Insurance costs	**1.195**	947
Materials	**935**	2.220
Procurement costs	**910**	1.627
Bank services	**812**	1.143
Training costs	**473**	1.183
Vehicle maintenance costs	**123**	1.050
Other	**30.368**	24.667
Total	**1.177.252**	813.863

101. Corporate income tax expenses

In thousands of tenge	2022	2021
Current corporate income tax expense		
Current corporate income tax expense	**3.241.263**	4.106.285
Adjustment of prior years' corporate income tax	**–**	3.818
Deferred tax		
Deferred corporate income tax expense	**(124.098)**	(75.081)
Total corporate income tax expense recognized in profit and loss	**3.117.165**	4.035.022

In the Republic of Kazakhstan in 2022 and 2021, the corporate income tax rate was 20%

The following is a reconciliation of the 20% corporate income tax rate to the actual amount of corporate income tax recorded in the statement of comprehensive income:

In thousands of tenge	2022	2021
Profit before corporate income tax expense	**16.001.425**	21.422.450
Tax calculated at the official rate of 20%	**3.200.285**	4.284.490
Non-taxable Gains on financial income from securities	**(105.989)**	(255.072)
Non-deductible expenses	**22.869**	5.604
Corporate income tax expense reported in profit and loss	**3.117.165**	4.035.022

The following reflects the tax effect on the major temporary differences that give rise to deferred tax assets and liabilities as at 31 December 2022 and 2021:

	Financial statement		**Statement of comprehensive income**	
In thousands of tenge	**31 December 2022**	31 December 2021	**2022**	2021
Accrued liabilities	**14.912**	11.142	**3.770**	(4.831)
Deferred income	**1.569**	2.158	**(589)**	(589)
Trade accounts receivable	**345.762**	225.977	**119.785**	81.312
Taxes	**1.247**	486	**761**	(63)
Property. plant and equipment	**(4.659)**	(5.030)	**371**	(748)
Net deferred tax assets	**358.831**	234.733	**–**	–
Deferred tax benefit	**-**	–	**124.098**	75.081

6. STATEMENT OF PROFIT AND LOSS (continued)

101. Corporate income tax expenses (continued)

Reconciliation of deferred tax assets are presented as follows:

In thousands of tenge	**2022**	2021
As at 1 January	**234.733**	159.652
Corporate income tax benefit	**124.098**	75.081
As at 31 December	**358.831**	234.733

The Company offsets tax assets and tax liabilities only if it has a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to corporate income taxes levied by the same taxation authority.

7. TRANSACTIONS WITH RELATED PARTIES

In 2022 key management personnel is represented by 2 employees (2021: 2 people). For the years ended 31 December 2022 and 2021, the key management personnel compensation included in administrative expenses in the accompanying statement of comprehensive income amounted to 42.771 thousand tenge and 41.551 thousand tenge, respectively. The remuneration of the key management personnel consists of contractual salaries, performance-based bonuses and financial assistance in accordance with internal regulations.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's main financial liabilities include trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade receivables, short-term deposits and cash that arise directly from its operations.

The Company is exposed to credit risk and liquidity risk.

Credit risk

Credit risk is the risk that the Company will incur a financial loss because counterparties fail to discharge their obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its operating activities, primarily from trade receivables, and from its financing activities, including short-term deposits, cash and cash equivalents (*Notes 010, 011-015, 016*). The Company's exposure and the creditworthiness of its counterparties are continuously monitored. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The carrying amount of financial assets recognized in the Company's financial statements net of allowances for expected credit losses reflects the Company's maximum exposure to credit risk.

The Company does not have approved policies, procedures and controls related to credit risk management, but nevertheless the outstanding balance of accounts receivable from customers is regularly monitored by the Company's management.

The impairment analysis is performed by the Company's management at each reporting date on an individual basis based on the number of days overdue. The calculations are based on actual historical loss experience. The maximum exposure to credit risk at the reporting date is represented by the carrying amount of each class of financial assets (*Notes 5, 6, 7*). The Company has no assets pledged as collateral.

Cash credit risk is limited because the Company's counterparties are banks with high credit ratings assigned by international rating agencies.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its financial commitments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The following tables detail the contractual maturities of the Company's financial liabilities based on contractual undiscounted cash flows.

In thousands of tenge	On demand	From 1 to 3 month.	From 3 month to 1 year	From 1 to 5 years	Above 5 years	Total
As at 31 December 2022						
Short-term trade payables	**–**	**39.435.394**	**–**	**–**	**–**	**39.435.394**
	–	**39.435.394**	**–**	**–**	**–**	**39.435.394**
As at 31 December 2021						
Short-term trade payables	–	31.602.053	–	–	–	31.602.053
	–	31.602.053	–	–	–	31.602.053

Equity management

The primary objective of the Company's equity management is to ensure that the Company will be able to continue as a going concern.

The Company manages its equity considering changes in economic conditions.

Based on the Decree of the Government of the Republic of Kazakhstan dated November 30, 2021 No. 858 "On Certain Issues of the Limited Liability Partnership "Settlement and Financial Center for the Support of Renewable Energy Sources" and the corresponding act of acceptance and transfer (dated February 22, 2022), the right ownership and use of 100% state stake in the authorized capital of the Company is carried out by the Ministry of Energy of the Republic of Kazakhstan.

Fair value of financial instruments

As at 31 December, 2022 the carrying amounts of financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

As at December 31, 2022 and 2021. the Company did not have any financial instruments classified as Tier 1 or Tier 3 financial instruments.

For the years ended 31 December, 2022 and 2021 there were no transfers between Levels 1, 2 and 3 of fair value of financial instruments.

Taxation

Kazakhstan's tax legislation and regulatory legal acts are subject to constant changes and various interpretations. There are frequent cases of differences of opinion between local, regional and republican tax authorities, including opinions on the approach of IFRS to revenue, expenses and other items of financial statements. The system of fines and penalties currently applied for detected offenses on the basis of the laws in force in Kazakhstan is very severe. Penalties include fines, as a rule, in the amount of 50-80% of the amount of additionally accrued taxes and penalties accrued at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 2.5. As a result, the amount of fines and penalties may be several times higher than the amount of additional taxes to be assessed.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Taxation (continued)

Financial periods remain open for review by the tax authorities for five calendar years preceding the year in which the audit is conducted. Under certain circumstances, tax audits may cover longer periods. In view of the above, the final amount of taxes, fines and penalties, if any, may exceed the amount currently expensed and accrued as at 31 December 2022.

As at 31 December 2022 the Company's management believes that the interpretation of the applicable legislation is correct and there is a possibility that the Company's position on taxes will be confirmed, except as provided for or disclosed in these financial statements.

9. COMMITMENTS AND CONTINGENCIES

Contractual Obligations

As at 31 December 2022, the Company has concluded contracts with electric energy producers using renewable energy sources (solar, wind and water energy), and with electric energy producers using energy waste disposal by electric energy producers producing and releasing flood electric energy to the grid. The validity of contracts is up to 15-20 years.

In the electric power market, as at December 31, 2022, the Company also has agreements with traditional power generating organizations for the purchase of services to maintain the readiness of electric power and consumers (entities of the wholesale electricity market) services to ensure the readiness of electric power to bear the load.

Activity regulation

Ensuring the readiness of electric power to bear the load (Centralized purchase of the service for maintaining the readiness of electric power and centralized provision of the service for ensuring the readiness of electric power to bear the load in the electric power market).

In accordance with subparagraph 8), paragraph 2, article 10-3 of the Law of the Republic of Kazakhstan dated July 9. 2004 No. 588-II "On Electric Power Industry" (hereinafter referred to as the Law on Electric Power Industry). "RFSC LLP for RES" directs funds generated as a result of a positive financial result as part of activities in the electric power market, in the year preceding the year in which the price is calculated, to reduce the price of the service to ensure the readiness of electric power to bear the load for the coming calendar year.

At the same time, in accordance with paragraph 8 of Article 15-3 of the Electricity Law, the Company, when calculating the price for the service of ensuring the readiness of electric power to carry the load (hereinafter referred to as the readiness service) for the coming calendar year, takes into account the positive financial result from the activities of a single purchaser in the electric power market for the year preceding the year in which the price is calculated. At the same time. the financial result is formed on the basis of the gross result from the activities of the LLP RFC for RES on the purchase of a service to maintain the readiness of electric power and the provision of a service to ensure the readiness of electric power minus:

- actual operating costs incurred by LLP RFC for RES, but not higher than the costs taken into account when approving the price for the corresponding year;
- uncovered costs for the development of a preliminary feasibility study commissioned by the authorized body;
- estimated corporate income tax.

When calculating the tariff for the preparedness service for 2022, the Company applied the requirements of the Law on Electric Power Industry to adjust for a positive financial result obtained in 2020 equal to 6.610.266 thousand tenge.

9. COMMITMENTS AND CONTINGENCIES (continued)

Activity regulation (continued)

For the year ended December 31. 2022, the financial result for the type of activity "Ensuring the readiness of electric power to carry the load" amounted to 2.853.521 thousand tenge (3.228.829 thousand tenge in 2021).

In thousands of tenge	**2022**	2021
Revenue from contracts with customers	**84.201.507**	78.612.660
Cost of services rendered	**(80.460.040)**	(74.131.006)
Gross result	**3.741.467**	4.481.654
Other operating expenses (general and administrative expenses)	**(326.973)**	(293.211)
Uncovered costs for the development of a preliminary feasibility study	**152 407**	(152.407)
Profit before tax	**3.566.901**	4.036.036
Estimated corporate income tax (20% of profit before tax)	**(713.380)**	(807.207)
Positive financial result	**2.853.521**	3.228.829

In accordance with the Company's accounting methodology. the amount of actually incurred reasonable operating costs (including expenses for doubtful debts) for the type of activity "Ensuring the readiness of electric capacity to bear the load" in 2022 amounted to 977.313 thousand tenge and 365.295 thousand tenge in 2021.

A positive financial result for 2022 in the amount of 2.853.521 thousand tenge should be taken into account when calculating the price of the preparedness service for 2024, while the amount of 6.610.266 thousand tenge should also be taken into account, which covered the amount of the return of positive financial the 2020 result included in the 2022 readiness service price calculation.

Sale of electricity to the consumer (Centralized purchase and sale of electricity produced by facilities for the use of renewable energy sources and supplied to the electric networks of the unified electric power system of the Republic of Kazakhstan).

For the year ended December 31, 2022, the financial result by type of activity is the implementation of a centralized purchase and sale of electricity produced by renewable energy facilities and supplied to the electric grids of the unified electric power system of the Republic of Kazakhstan amounted to 6.363.858 thousand tenge (2021: 12.308. 452 thousand tenge), including the cost of forming a reserve fund of 488.684 thousand tenge (2021: 879.916 thousand tenge).

In thousands of tenge	**2022**	**2021**
Revenue from contracts with customers	**150.355.917***	137.300.724
Cost of services rendered	**(142.275.436)**	(121.809.432)
Gross result	**8.080.481**	15.491.292
Other operating expenses (general and administrative expenses)	**(125.659)**	(105.727)
Profit before tax	**7.954.822**	15.385.565
Estimated corporate income tax (20% of profit before tax)	**(1.590.964)**	(3.077.113)
Result	**6.363.858**	12.308.452
including:		
The cost of forming a reserve fund	**(488.684)**	(879.916)
Positive financial result	**5.875.174**	11.428.536

* Including income received as a result of a paid claim under a bank guarantee.

9. COMMITMENTS AND CONTINGENCIES (continued)

Activity regulation (continued)

According to paragraph 36 of the Rules for organizing and conducting auction sales, including qualification requirements for auction participants, the content and procedure for submitting an application, types of financial security for an application for participation in an auction and the conditions for their payment and return. the procedure for summing up and determining the winners, approved by the Order of the Minister Energy of the Republic of Kazakhstan dated December 21, 2017 No. 466, the money received as a result of a paid claim under a bank guarantee or a standby letter of credit is credited to a special account of the reserve fund of the settlement and financial center.

In accordance with paragraph 5 of the Rules for the formation and use of the reserve fund. approved by order of the acting. Minister of Energy of the Republic of Kazakhstan dated July 29, 2016 No. 361, the amount of the reserve fund is three percent of the annual cost of the settlement and financial center for the purchase of electricity from RES.

The disclosures provided in the Regulations section are based on the Company's internal policies and are not disclosures required by IFRS 8 Operating Segments. The distribution of general and administrative expenses of the Company between the types of activities is carried out on the basis of the internal method of accounting.

Tariff setting

Tariff for the sale of electricity produced by objects using renewable energy sources.

The tariff for the sale of electricity produced by facilities for the use of renewable energy sources to conditional consumers is calculated in accordance with the *"Rules for determining the tariff for the support of renewable energy sources"* approved by the Order of the Minister of Energy of the Republic of Kazakhstan dated February 20, 2015 No. 118 and the *"Pricing rules for socially significant markets "* approved by the Order of the Minister of National Economy of the Republic of Kazakhstan dated February 1, 2017 No.36.

The weighted average tariffs for the sale of electricity produced by renewable energy facilities for 2022 by zones of electricity consumption amounted to:

Zone 1 – 33,0154 tenge/kWh;

Zone 2 – 31,6955 tenge/kWh.

By the Decree of the Head of State of the Republic of Kazakhstan dated December 7, 2020, the Law of the Republic of Kazakhstan "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Supporting the Use of RES and the Electricity Industry" was signed, providing for the introduction of a "through" surcharge mechanism for supporting RES from July 1, 2021.

Within the framework of this mechanism, the costs of supporting RES are distributed to conditional consumers in the form of a surcharge in excess of their marginal electricity tariff. The Ministry of Energy of the Republic of Kazakhstan has amended by-laws, including the Rules for determining the tariff for supporting RES, approved by order of the Minister of Energy of the Republic of Kazakhstan dated February 20, 2015 No. 118. regulating changes in the procedure for determining the tariff for supporting the use of RES and establishing a premium for supporting the use of RES. The fundamental difference is the new approach to calculating the tariff for supporting RES, which, before the introduction of the "through" surcharge mechanism for RES, was calculated and set according to the forecast volumes of RES provided by the authorized body - the Ministry of Energy of the Republic of Kazakhstan (for new RES inputs) and energy producing organizations using RES. The new approach to calculating the tariff for RES support is based on the pass-through surcharge and the actual volumes of RES generation in the billing month.

The actual tariffs for the sale of electricity produced by renewable energy facilities for the period January - December 2022 for the zones of electricity consumption amounted to:

Zone 1 - from 20,1308 – 66,8869 tenge/kWh;

Zone 2 - from 24,2988 – 36,7426 tenge/kWh;

LLP "GRES Topar" - from 14,5310 – 90,0531 tenge / kWh.

9. COMMITMENTS AND CONTINGENCIES (continued)

Tariff setting (continued)

The management of the Company believes that during 2022 the calculation and application of tariffs for the sale of electricity produced by renewable energy facilities, as well as the calculation and application of indexation of fixed tariffs and auction prices at which the FFC purchases electricity from renewable sources was carried out properly and in accordance with applicable standards and legislative acts.

The planned tariffs for the sale of electricity produced by renewable energy facilities for the period January - December 2023 for the zones of electricity consumption amounted to:

Zone 1 - from 17,2632 – 47,2123 tenge/kWh;

Zone 2 - from 25,4820 – 34,5010 tenge / kWh;

LLP "GRES Topar" - from 11,533 – 106,1147 tenge / kWh.

Tariff for the provision of services to ensure the readiness of electric power to carry the load

The tariff for the service to ensure the readiness of electric power to carry the load is calculated in accordance with the "Rules for calculating and posting on the Internet resource by a single purchaser the price of the service to ensure the readiness of electric power to bear the load", approved by the Order of the Minister of Energy of the Republic of Kazakhstan dated December 3, 2015 No. 685.

RFC for RES LLP annually, until December 1, places on its Internet resource the price for the service to ensure the readiness of electric power to bear the load for the coming calendar year, along with supporting calculations. The price for the service to ensure the readiness of electric power to bear the load for 2022 is 711,432 tenge / MW * month (excluding VAT) (2021: 692,376 tenge / MW * month (excluding VAT).

The Company's management believes that during 2022, the calculation and application of tariffs for the service of ensuring the readiness of electric power to carry the load was carried out properly and in accordance with applicable norms and legislative acts, taking into account the amendments to the legislation of the Republic of Kazakhstan.

10. SUBSEQUENT EVENTS

In March 2023 the Company signed contracts for the purchase of a service for maintaining electric power during the construction of newly commissioned generating units with a flexible generation mode. The technical conditions and characteristics of services for maintenance electric capacity imply the purchase of volumes of electricity at set tariffs for 15 years after the commissioning of generating plants with a flexible generation mode.