

KazTransOil JSC

Interim condensed consolidated financial statements

For the nine months ended 30 September 2022



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Report on review of interim condensed consolidated financial information

Interim condensed consolidated financial statements

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Report on review of interim condensed consolidated financial statements

To the management and shareholders of KazTransOil JSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of KazTransOil JSC and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 September 2022 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of KazTransOil JSC and its subsidiaries is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young LLP



Adil Syzdykov
Auditor



Auditor Qualification Certificate
No. MO - 0000172 dated 23 December 2013

050660, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

10 November 2022



Rustamzhan Sattarov
General Director
Ernst and Young LLP



State Audit License for audit activities on
the territory of the Republic of Kazakhstan:
series MOYU-2 No. 0000003 issued by the
Ministry of Finance of the Republic of
Kazakhstan on 15 July 2005

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of Tenge</i>	Notes	As at 30 September 2022 (unaudited)	As at 31 December 2021 (audited)
Assets			
Non-current assets			
Property, plant and equipment	3	830,928,730	803,073,178
Right-of-use assets		588,781	1,111,472
Intangible assets		8,390,941	7,352,234
Investments in joint ventures	4	81,868,138	74,096,113
Advances to suppliers for property, plant and equipment	5	3,491,345	6,443,725
VAT recoverable		4,573,125	4,356,465
Other long-term accounts receivable		1,076,386	913,384
Bank deposits	9	1,031,179	1,424,328
Deferred tax assets	21	3,169,363	2,254,677
Other non-current assets		162,577	93,701
		935,280,565	901,119,277
Current assets			
Inventories		8,862,100	8,141,938
Trade and other accounts receivable	6	14,101,498	7,143,184
Advances to suppliers		1,664,197	414,279
Prepayment for income tax		4,021,030	1,777,447
VAT recoverable and other prepaid taxes	7	8,205,776	8,149,910
Other current assets	8	6,862,673	5,896,254
Bank deposits	9	-	8,665,145
Investments in bonds		791,889	753,707
Cash and cash equivalents	10	61,999,144	40,498,972
		106,508,307	81,440,836
Non-current assets held for sale		54,511	602,408
		106,562,818	82,043,244
Total assets		1,041,843,383	983,162,521

*Explanatory notes on pages 8 through 35 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	Notes	As at 30 September 2022 (unaudited)	As at 31 December 2021 (audited)
Equity and liabilities			
Equity			
Share capital		61,937,567	61,937,567
Treasury shares repurchased from shareholders		(9,549)	(9,549)
Asset revaluation reserve	11	300,409,064	285,685,165
Foreign currency translation reserve		47,208,346	40,632,765
Other capital reserves		(4,069,945)	(4,310,257)
Retained earnings		381,267,159	353,172,325
Total equity		786,742,642	737,108,016
Non-current liabilities			
Employee benefit obligations		22,159,555	21,433,483
Deferred tax liabilities	21	86,163,282	81,019,373
Provision for asset retirement and land recultivation obligation	14	41,231,445	34,547,151
Trade and other accounts payable		72,670	-
Contract liabilities to customers	12	29,306,379	30,179,505
Lease liabilities		162,386	267,714
		179,095,717	167,447,226
Current liabilities			
Current part of employee benefit obligations		927,001	722,893
Income tax payable		1,361,960	1,129,157
Trade and other accounts payable	13	11,091,620	20,020,122
Contract liabilities to customers	12	25,799,915	21,850,025
Lease liabilities		628,715	1,393,200
Other taxes payable	7	8,405,150	6,191,424
Provisions	14	1,586,984	1,441,364
Other current liabilities	15	26,203,679	25,859,094
		76,005,024	78,607,279
Total liabilities		255,100,741	246,054,505
Total equity and liabilities		1,041,843,383	983,162,521
Book value per ordinary share (in Tenge)	11	2,024	1,897

Signed and approved for issue on 10 November 2022.

Acting General Director (Chairman of the Management Board)



Ospanov A.K.

Chief Accountant

Akhmedina A.S.

*Explanatory notes on pages 8 through 35 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	Notes	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
		2022	2021	2022	2021
Revenue	16	63,194,086	60,323,211	179,650,738	177,126,983
Cost of sales	17	(52,082,125)	(43,025,674)	(153,726,529)	(119,387,306)
Gross profit		11,111,961	17,297,537	25,924,209	57,739,677
General and administrative expenses	18	(3,459,403)	(2,734,735)	(9,968,163)	(9,412,033)
Other operating income	19	156,628	606,356	778,330	2,404,826
Other operating expenses	19	(383,620)	(89,882)	(531,616)	(385,690)
Operating profit		7,425,566	15,079,276	16,202,760	50,346,780
Net foreign exchange gain/(loss)		(23,536)	(125,209)	1,924,023	49,261
Finance income	20	981,483	709,034	2,125,977	2,809,209
Finance expenses	20	(1,153,763)	(908,942)	(3,543,262)	(2,896,667)
Share in income of joint ventures	4	3,959,091	4,000,445	13,082,352	10,408,127
Profit before income tax		11,188,841	18,754,604	29,791,850	60,716,710
Income tax expense	21	(1,862,527)	(3,300,620)	(4,638,567)	(11,409,298)
Net profit for the period		9,326,314	15,453,984	25,153,283	49,307,412
Basic and diluted earnings per share (in Tenge)	11	24	40	65	128
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange difference from translation of foreign operations of the Group		1,559,663	54,929	6,575,581	1,486,771
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, net		1,559,663	54,929	6,575,581	1,486,771

*Explanatory notes on pages 8 through 35 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	Notes	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
		2022	2021	2022	2021
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Revaluation and impairment of property, plant and equipment of the Group, net		14,348,840	20,646,900	25,156,447	88,956,362
Income tax effect	21	(2,869,768)	(4,129,380)	(5,031,289)	(17,791,272)
		11,479,072	16,517,520	20,125,158	71,165,090
Reversal/(charge) of provision for asset retirement and land reclamation obligation of the Group					
	14	(677,551)	(1,069,374)	6,517,620	451,641
Income tax effect	21	135,510	213,875	(1,303,525)	(90,328)
		(542,041)	(855,499)	5,214,095	361,313
Reversal of provision on asset retirement and land reclamation obligation of the joint ventures					
		525,081	405	2,908,158	486,551
Income tax effect		(105,014)	(81)	(581,630)	(97,310)
	4	420,067	324	2,326,528	389,241
Actuarial income from employee benefit obligations of the Group					
		-	-	247,104	-
Income tax effect	21	-	-	(6,792)	-
		-	-	240,312	-
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods, net		11,357,098	15,662,345	27,906,093	71,915,644
Total other comprehensive income for the period, net of tax		12,916,761	15,717,274	34,481,674	73,402,415
Total comprehensive income for the period, net of tax		22,243,075	31,171,258	59,634,957	122,709,827

Signed and approved for issue on 10 November 2022.

Acting General Director (Chairman of the Management Board)



Ospanov A.K.

Chief Accountant

Akhmedina A.S.

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2022	2021
Cash flows from operating activities			
Profit before income tax		29,791,850	60,716,710
Non-cash adjustment to reconcile profit before income tax to net cash flows			
Depreciation and amortization	17, 18	40,450,414	40,211,960
Share in income of joint ventures	4	(13,082,352)	(10,408,127)
Finance expenses	20	3,543,262	2,896,667
Finance income	20	(2,125,977)	(2,809,209)
Foreign exchange gain		(1,924,025)	(49,261)
Amortisation of deferred income		(1,785,003)	(1,076,878)
Employee benefits expenses, current service costs	17, 18	724,455	768,136
Charge/(reversal) of allowance for expected credit losses, net	18	275,860	(25,662)
Loss on disposal of property, plant and equipment and intangible assets, net	19	211,234	73,031
Write-off of VAT recoverable	18	65,603	45,620
Charge/(reversal), revision of estimates and charge of asset retirement and land reclamation obligation, net	19	62,343	(1,426,573)
Charge of short-term provisions	18, 19	56,408	510,489
Actuarial losses	19	45,500	-
Income on disposal of non-current assets held for sale, net		(2,320)	(40,253)
Others		39,715	(45,179)
Operating cash flows before working capital changes		56,346,967	89,341,471
(Increase)/decrease in operating assets			
Trade and other accounts receivable		(7,193,702)	(1,672,358)
Advances to suppliers		(1,184,779)	87,171
Other current assets		(934,750)	4,406,285
VAT recoverable and other prepaid taxes		(1,102,773)	1,129,256
Inventories		390,719	(570,702)
Increase/(decrease) in operating liabilities			
Trade and other accounts payable		(1,488,272)	(3,359,274)
Other current and non-current liabilities and employee benefit obligations		(1,471,428)	(7,514,158)
Contract liabilities to customers		3,929,108	(1,840,726)
Other taxes payable		3,491,453	357,438
Cash generated from operating activities		50,782,543	80,364,403
Income taxes paid		(8,726,123)	(12,419,630)
Interest received		1,655,746	1,959,686
Net cash flows from operating activities		43,712,166	69,904,459

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2022	2021
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(29,225,553)	(36,949,064)
Withdrawal of bank deposits		9,118,126	42,674,947
Dividends received from joint ventures	4	7,636,855	1,800,000
Proceeds from sale of non-current assets held for sale and property, plant and equipment		41,463	51,357
Proceeds from bonds redemption		22,785	172,394
Placement of bank deposits		-	(21,401,154)
Net cash flows used in investing activities		(12,406,324)	(13,651,520)
Cash flows from financing activities			
Dividends paid	11	(10,000,331)	(50,770,909)
Payment of lease liabilities		(1,674,626)	(1,769,175)
Net cash flows used in financing activities		(11,674,957)	(52,540,084)
Net change in cash and cash equivalents		19,630,885	3,712,855
Effects of changes in exchange rates on cash and cash equivalents		1,878,347	169,167
Change in allowance for expected credit losses		(9,060)	(513)
Cash and cash equivalents at the beginning of the period		40,498,972	52,014,612
Cash and cash equivalents at the end of the period		61,999,144	55,896,121

Signed and approved for issue on 10 November 2022.

Acting General Director (Chairman of the Management Board)



Ospanov A.K.

Chief Accountant

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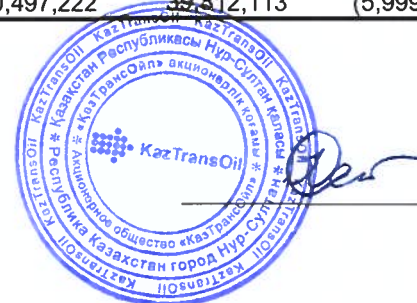
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of Tenge</i>	Share capital	Treasury shares repurchased from shareholders	Asset revaluation reserve	Foreign currency translation reserve	Other capital reserves	Retained earnings	Total
As at 31 December 2021 (audited)	61,937,567	(9,549)	285,685,165	40,632,765	(4,310,257)	353,172,325	737,108,016
Net profit for the period	-	-	-	-	-	25,153,283	25,153,283
Other comprehensive income	-	-	27,665,781	6,575,581	240,312	-	34,481,674
Total comprehensive income for the period	-	-	27,665,781	6,575,581	240,312	25,153,283	59,634,957
Amortization of revaluation reserve for property, plant and equipment	-	-	(12,941,882)	-	-	12,941,882	-
Dividends (Note 11)	-	-	-	-	-	(10,000,331)	(10,000,331)
As at 30 September 2022 (unaudited)	61,937,567	(9,549)	300,409,064	47,208,346	(4,069,945)	381,267,159	786,742,642
As at 31 December 2020 (audited)	61,937,567	(9,549)	221,632,815	38,325,342	(5,999,468)	336,631,554	652,518,261
Net profit for the period	-	-	-	-	-	49,307,412	49,307,412
Other comprehensive income	-	-	71,915,644	1,486,771	-	-	73,402,415
Total comprehensive income for the period	-	-	71,915,644	1,486,771	-	49,307,412	122,709,827
Amortization of revaluation reserve for property, plant and equipment	-	-	(13,051,237)	-	-	13,051,237	-
Dividends (Note 11)	-	-	-	-	-	(50,770,909)	(50,770,909)
As at 30 September 2021 (unaudited)	61,937,567	(9,549)	280,497,222	39,812,113	(5,999,468)	348,219,294	724,457,179

Signed and approved for issue on 10 November 2022.

Acting General Director (Chairman of the Management Board)

Chief Accountant



Ospanov A.K.

Akhmedina A.S.

Explanatory notes on pages 8 through 35 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the nine months ended 30 September 2022****1. GENERAL INFORMATION**

On 2 May 2001, the Government of the Republic of Kazakhstan issued a resolution to create a new closed joint stock company National Company “Transportation of Oil and Gas” (hereinafter – “TNG”) owned by the Government. Based on that resolution, the Committee for State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan transferred the “KazTransOil” CJSC NOTC shares to TNG, and, as a result, “KazTransOil” CJSC NOTC was re-registered and renamed as “KazTransOil” CJSC.

Under Decree of the President of the Republic of Kazakhstan dated on 20 February 2002, on the basis of closed joint-stock companies, National Oil and Gas Company “Kazakhoil” and National Company “Transport of Oil and Gas”, reorganized by merger, the National Company “KazMunayGas” Closed Joint-Stock Company was created and became the sole shareholder of “KazTransOil” CJSC.

On 31 May 2004, in accordance with the requirements of Kazakhstani legislation, “KazTransOil” CJSC was re-registered as “KazTransOil” JSC (hereinafter – “Company”).

As at 30 September 2022 10% of shares of the Company are owned by minority shareholders who acquired them within the “People’s IPO” program. The major shareholder of the Company, who owns the controlling interest of the Company (90%) is National Company “KazMunayGas” JSC (hereinafter “KMG” or “Parent Company”). 90% of KMG shares are owned by Sovereign Wealth Fund “Samruk-Kazyna” JSC (hereinafter – “Samruk-Kazyna”), controlled by the Government of the Republic of Kazakhstan. 10% of KMG shares are owned by the National Bank of the Republic of Kazakhstan.

As at 30 September 2022 and 31 December 2021 the Company had interest ownership in the following companies:

	Place of incorporation	Principal activities	Ownership	
			30 September 2022	31 December 2021
“MunaiTas” LLP (hereinafter – “MunaiTas”)	Kazakhstan	Oil transportation	51%	51%
“Kazakhstan-China Pipeline” LLP (hereinafter – “KCP”)	Kazakhstan	Oil transportation	50%	50%
“Batumi Oil Terminal” (hereinafter – “BOT”)*	Georgia	Forwarding, transshipment and storage of oil and oil products and operating of Batumi Sea Port	100%	100%
“Petrotrans Limited” (hereinafter – “PTL”)	United Arab Emirates	Forwarding of oil and oil products	100%	100%
“Main Waterline” LLP (hereinafter – “Main Waterline”)	Kazakhstan	Water transportation	100%	100%

* BOT has the exclusive right to manage 100% of the shares of “Batumi Sea Port” LLC (hereinafter – “BSP”).

The Company and its subsidiaries are hereinafter referred to as the “Group”.

The Company’s head office is located in Astana, Kazakhstan, at 20 Turan Avenue.

The Company has production facilities, which are located in Mangystau, Atyrau, Western-Kazakhstan, Aktubinsk, Karaganda, Pavlodar, Turkestan, North-Kazakhstan regions of the Republic of Kazakhstan and in Shymkent, also the Company has branches, which are located in Almaty (Research and Development Centre) and in Astana (Oil Transportation Control Centre) and representative offices in Russian Federation (Moscow, Omsk and Samara).

The Company is the national operator of the Republic of Kazakhstan on the main oil pipeline. The Group operates network of main oil pipelines of 5,373 km and water pipelines of 2,105 km.

The Company provides services on oil transportation via main pipelines, a transport expedition of Kazakhstani oil via pipeline networks of other states, services for the operation and maintenance of oil pipelines of other companies, including joint ventures of the Group.

Group’s joint ventures MunaiTas and KCP own Kenkiyak – Atyrau, Kenkiyak – Kumkol, and Atasu – Alashankou pipelines mainly used for transportation of Kazakhstani crude oil, and also for transit of Russian oil to China.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

1. GENERAL INFORMATION (continued)

The Company is a natural monopolist and, respectively, is subject to regulation of the Committee on Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan (hereinafter – “CRNM”). CRNM is responsible for approving the methodology for calculating the tariff and tariff rates for oil transportation in domestic market of the Republic of Kazakhstan.

According to the Law of the Republic of Kazakhstan *On Natural Monopolies* transit of crude oil through the pipelines on the territory of the Republic of Kazakhstan and export from the Republic of Kazakhstan are excluded from the regulation of natural monopolies.

Starting from 1 January 2022 to 31 August 2022, the approved temporary compensating tariff for pumping oil to the domestic market is 3,728.82 Tenge per ton for 1,000 kilometers without VAT, from 1 September 2022 to 30 November 2022 will amount 4,328.04 Tenge per ton for 1,000 kilometers without VAT (from 1 January 2021 to 30 November 2021: 4,355.57 Tenge per ton for 1,000 kilometers without VAT; from 1 December 2021 to 31 December 2021: 4,328.04 Tenge per ton for 1,000 kilometers without VAT). Starting from 1 December 2022 tariff for specified service will amount 4,355.57 Tenge per ton for 1,000 kilometers without VAT.

Tariff for pumping oil on export from the Republic of Kazakhstan starting from 1 March 2020 was 7,358.76 Tenge per ton for 1,000 kilometers without VAT. Starting from 1 June 2022, tariff for the specified service was put into effect in the amount of 8,830.51 Tenge per ton for 1,000 kilometers without VAT.

Tariff for pumping oil for transit through Kazakhstani part of main oil pipeline “Tuymazy – Omsk – Novosibirsk-2” starting from 1 April 2018 is 4,292.40 Tenge per ton for 1,000 kilometers.

Starting from 1 January 2019 tariff for transportation of Russian oil through the territory of Kazakhstan to the People’s Republic of China on the route border of Russian Federation-border of Republic of Kazakhstan (Priirtyshsk) – Atasu (Republic of Kazakhstan) – Alashankou (People’s Republic of China) is 4.23 US Dollars per ton (in Priirtyshsk – Atasu sector).

In general, tariff rates are based on the cost of capital return on operating assets. In accordance with the legislation of the Republic of Kazakhstan on regulation of natural monopolies, tariff rates cannot be lower than the expenditures required to provide services, and should provide for entity’s profitability at the level ensuring effective functioning of a natural monopoly.

These interim condensed consolidated financial statements for the nine months ended 30 September 2022 were approved for issue by Internal Audit Committee of the Company’s Board of Directors and signed by the General Director (Chairman of the Management Board) and the Chief Accountant on 10 November 2022.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND CHANGES IN ACCOUNTING POLICIES**Basis of preparation**

These interim condensed consolidated financial statements for the nine months ended 30 September 2022 have been prepared in accordance with International Financial Reporting Standards (hereafter – “IFRS”) IAS 34 *Interim Financial Reporting*.

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for property, plant and equipment which are stated at revalued amounts and other items described in the accounting policies and the notes to these interim condensed consolidated financial statements.

These interim condensed consolidated financial statements do not include all information and disclosures required for annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

These interim condensed consolidated financial statements are presented in Tenge and all amounts are rounded to the nearest thousands, except for the book value of ordinary shares, earnings per share and when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency of the Company, Main Waterline and the joint ventures MunaiTas and KCP is Tenge. Functional currency of PTL and BOT is US Dollar, functional currency of BSP is Georgian Lari.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND CHANGES IN ACCOUNTING POLICIES (continued)**New and amended standards and interpretations applied by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective as of 1 January 2022.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Some amendments are applied for the first time in 2022. The nature and the impact of each new standard and amendment are described below.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

This amendment had no impact on the interim condensed consolidated financial statements of the Group, as there are no onerous contracts in the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's *Conceptual Framework* with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of 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 recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND CHANGES IN ACCOUNTING POLICIES (continued)

New and amended standards and interpretations applied by the Group (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

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

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those 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. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to apply practical simplifications in future periods, if necessary.

Seasonality of operations

The Group's operating costs are subject to seasonal fluctuations, with higher expenses for materials and repair, maintenance and other services usually expected in the second half of the year. These fluctuations are mainly due to the pipeline repairs that are performed mainly during the second half of the year. Purchase of inventory is mainly implemented in the first half of the year.

Foreign currency translation

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (hereinafter "KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

Weighted average currency exchange rates for the nine months ended 30 September 2022 and 2021 are as follows:

<i>Tenge</i>	For the nine months ended	
	30 September	
	2022	2021
US Dollars	458.60	424.70
Russian Rubles	6.73	5.74
Euro	487.97	508.08
Georgian Lari	156.36	131.60

As at 30 September 2022 and 31 December 2021 the currency exchange rates of KASE are as follows:

<i>Tenge</i>	30 September	31 December
	2022	2021
US Dollars	476.71	431.80
Russian Rubles	8.36	5.76
Euro	467.03	489.10
Georgian Lari	169.95	140.74

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**3. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	Land	Pipelines	Transportation assets	Buildings and constructions	Machinery and equipment	Technological oil	Other	Construction in progress	Total
Gross carrying amount as at 31 December 2021 (audited)	26,148,404	276,731,868	25,016,533	100,840,287	233,496,005	201,418,200	11,402,731	50,045,315	925,099,343
Foreign currency translation	2,088,584	-	858,474	1,839,791	1,111,566	-	55,036	99,578	6,053,029
Additions	-	-	570,154	44,621	428,301	-	164,337	24,766,615	25,974,028
Additions of asset retirement and land reclamation obligation (Note 14)	-	114,980	-	13,612,706	-	-	-	-	13,727,686
Disposals	(19,889)	(1,386,520)	(97,173)	(184,632)	(1,029,836)	(282,330)	(454,498)	(44,959)	(3,499,837)
Revaluation (through revaluation reserve)	-	-	-	-	-	25,372,690	-	-	25,372,690
Transfers from construction in progress	412	5,910,362	787,856	3,223,880	26,344,348	-	101,878	(36,368,736)	-
Changes due to the revision of estimates on asset retirement and land reclamation obligation (Note 14)	-	-	-	(2,906,010)	-	-	-	-	(2,906,010)
Transfers from non-current assets held for sale	73,519	-	-	441,757	26,158	-	-	-	541,434
Transfers	-	230,913	(550)	-	(249,562)	-	19,199	-	-
Gross carrying amount as at 30 September 2022 (unaudited)	28,291,030	281,601,603	27,135,294	116,912,400	260,126,980	226,508,560	11,288,683	38,497,813	990,362,363
Accumulated depreciation and impairment as at 31 December 2021 (audited)	-	(32,702,622)	(6,979,408)	(16,093,165)	(59,529,448)	-	(6,311,026)	(410,496)	(122,026,165)
Foreign currency translation	-	-	(267,474)	(169,586)	(296,379)	-	(11,538)	-	(744,977)
Depreciation charge	-	(11,943,922)	(2,246,958)	(6,016,018)	(17,203,429)	-	(1,266,029)	-	(38,676,356)
Disposals	-	404,253	92,767	93,945	959,750	226,758	432,972	43,060	2,253,505
Impairment (through expenses)	-	(12,882)	-	-	-	(10,515)	-	-	(23,397)
Impairment (through revaluation reserve)	-	-	-	-	-	(216,243)	-	-	(216,243)
Transfers	-	(6,658)	5	-	6,654	-	(1)	-	-
Accumulated depreciation and impairment as at 30 September 2022 (unaudited)	-	(44,261,831)	(9,401,068)	(22,184,824)	(76,062,852)	-	(7,155,622)	(367,436)	(159,433,633)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
3. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In thousands of Tenge</i>	Land	Pipelines	Transportation assets	Buildings and constructions	Machinery and equipment	Technological oil	Other	Construction in progress	Total
As at 30 September 2022 (unaudited)									
Gross carrying amount	28,291,030	281,601,603	27,135,294	116,912,400	260,126,980	226,508,560	11,288,683	38,497,813	990,362,363
Accumulated depreciation and impairment	–	(44,261,831)	(9,401,068)	(22,184,824)	(76,062,852)	–	(7,155,622)	(367,436)	(159,433,633)
Net book value	28,291,030	237,339,772	17,734,226	94,727,576	184,064,128	226,508,560	4,133,061	38,130,377	830,928,730
As at 31 December 2021 (audited)									
Gross carrying amount	26,148,404	276,731,868	25,016,533	100,840,287	233,496,005	201,418,200	11,402,731	50,045,315	925,099,343
Accumulated depreciation and impairment	–	(32,702,622)	(6,979,408)	(16,093,165)	(59,529,448)	–	(6,311,026)	(410,496)	(122,026,165)
Net book value	26,148,404	244,029,246	18,037,125	84,747,122	173,966,557	201,418,200	5,091,705	49,634,819	803,073,178

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 30 September 2022 construction in progress mainly includes the following production facilities:

- Replacement of pipeline sections of main oil pipelines;
- Replacement, reconstruction and construction of the objects of main oil pipeline and main waterline (pumping stations, roads along the highways, communication lines, power supply, automation system and others).

As at 30 September 2022:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated property, plant and equipment still in use was 3,741,362 thousand Tenge (as at 31 December 2021: 3,540,654 thousand Tenge);
- Construction in progress included materials and spare parts in the amount of 2,544,336 thousand Tenge (as at 31 December 2021: 4,187,311 thousand Tenge), which were acquired for construction works.

Depreciation of property, plant, and equipment for nine months ended 30 September 2022, included in the cost of construction in progress amounted to 17,243 thousand Tenge (for nine months ended 30 September 2021: 14,001 thousand Tenge).

Due to significant changes in the oil price on domestic market, the fair value of the Group's technological oil for the nine months period ended 30 September 2022 was increased for the amount of 25,372,690 thousand Tenge through other comprehensive income (for the nine months period ended 30 September 2021: 88,975,241 thousand Tenge). As at 30 September 2022 the average oil price at domestic market was 86,317 Tenge per ton (as at 31 December 2021: 76,648 Tenge per ton), the volume of oil in pipelines, included in property, plant, and equipment, amounted to 2,624 thousand tons (as at 31 December 2021: 2,628 thousand tons).

4. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Investments in KCP	54,883,427	46,411,191
Investments in MunaiTas	26,984,711	27,684,922
Total	81,868,138	74,096,113

Changes in investments in joint ventures for the reporting period are presented as follows:

<i>In thousands of Tenge</i>	Total
As at 31 December 2021 (audited)	74,096,113
Share in income of joint ventures	13,082,352
Share in other comprehensive income of joint ventures	2,326,528
Dividends	(7,636,855)
As at 30 September 2022 (unaudited)	81,868,138

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. INVESTMENTS IN JOINT VENTURES (continued)

The Company's share in comprehensive income of joint ventures for the three- and nine-months periods ended 30 September 2022 and 2021 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Share in income of joint ventures				
KCP	3,439,195	3,691,551	11,432,707	9,323,130
MunaiTas	519,896	308,894	1,649,645	1,084,997
Total share in income of joint ventures	3,959,091	4,000,445	13,082,352	10,408,127
Share in other comprehensive income of joint ventures				
KCP	344,560	–	2,039,529	360,336
MunaiTas	75,507	324	286,999	28,905
Total share in other comprehensive income of joint ventures	420,067	324	2,326,528	389,241
Total share in comprehensive income of joint ventures	4,379,158	4,000,769	15,408,880	10,797,368

On 22 July 2022, by the decision of General meeting of members, KCP paid dividends to the Company in the amount of 5,000,000 thousand Tenge based on the 2021 results.

On 3 August 2022, KCP early repaid 80 million US Dollars (equivalent to 38,063,200 thousand Tenge as at the payment date) of the principal debt under a loan agreement with the Industrial and Commercial Bank of China Limited jointly with Industrial and Commercial Bank of China in Almaty JSC, acting as an agent. The residual amount of the principal debt as at 30 September 2022 is 140 million US Dollars (equivalent to 67 billion Tenge).

On 4 August 2022, by the decision of General meeting of members dated 13 July 2022, MunaiTas paid dividends to the Company in the amount of 2,636,855 thousand Tenge based on the 2021 results.

5. ADVANCES TO SUPPLIERS FOR PROPERTY, PLANT AND EQUIPMENT

Advances to suppliers for property, plant and equipment as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Advances to third parties for property, plant and equipment and construction services	4,402,681	7,274,223
Less: allowance for impairment	(911,336)	(830,498)
Total	3,491,345	6,443,725

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

Short-term trade and other accounts receivable as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Trade accounts receivable from related parties (Note 23)	11,216,252	3,034,307
Trade accounts receivable from third parties	8,461,886	8,841,213
Other accounts receivable from third parties	667,413	710,537
Other accounts receivable from related parties (Note 23)	509	509
Less: allowance for expected credit losses	(6,244,562)	(5,443,382)
Total	14,101,498	7,143,184

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. TRADE AND OTHER ACCOUNTS RECEIVABLE (continued)

Trade and other accounts receivable of the Group as at 30 September 2022 and 31 December 2021 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Tenge	12,566,443	5,121,063
US Dollars	1,512,123	2,013,051
Russian Rubles	3,387	2,161
Other currency	19,545	6,909
Total	14,101,498	7,143,184

7. VAT AND OTHER TAXES

VAT recoverable and other prepaid taxes as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Current VAT recoverable	7,806,812	7,647,401
Other taxes prepaid	398,964	502,509
Total	8,205,776	8,149,910

Other taxes payable as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Personal income tax	4,029,421	3,581,447
VAT payable	1,579,720	18,651
Withholding tax at the source of payment to non-residents	1,369,111	1,131,316
Social tax	487,162	680,913
Property tax	257,423	328,083
Other taxes	682,313	451,014
Total	8,405,150	6,191,424

8. OTHER CURRENT ASSETS

Other current assets as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Due for oil transportation coordination services	5,882,652	5,378,118
Prepaid insurance	527,478	171,623
Deferred expenses	366,053	309,530
Due from employees	67,011	19,266
Other	19,479	17,717
Total	6,862,673	5,896,254

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. BANK DEPOSITS

Bank deposits as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Long-term bank deposits – Tenge	1,032,958	1,426,867
Short-term bank deposits – US Dollar	–	8,636,000
Accrued interest on deposits – Tenge	–	31,380
Accrued interest on deposits – US Dollar	–	1,583
Less: allowance for expected credit losses	(1,779)	(6,357)
Total	1,031,179	10,089,473

The decrease in bank deposits is due to the expiration of the contracts and their allocation to the payment of dividends (Note 11).

In accordance with the maturity, bank deposits as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Long-term bank deposits with maturity over 1 year	1,031,179	1,424,328
Short-term bank deposits with maturity under 1 year	–	8,665,145
Total	1,031,179	10,089,473

As at 30 September 2022 and 31 December 2021 long-term bank deposits comprised of restricted bank deposits with interest from 2% to 3.5% per annum maturing in 2028 and in 2030, arranged for the purpose of preferential lending rates for the Company's employees for the purchase of residential property.

As at 31 December 2021 US Dollar denominated short-term deposits with maturity from 3 to 12 months were placed with interest 0.6% per annum, maturing in June 2022.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Time deposits with banks – Tenge	43,560,917	20,630,285
Time deposits with banks – other currency	1,430	–
Current accounts with banks – US Dollars	15,766,324	17,073,471
Current accounts with banks – Georgian Lari	1,169,846	339,827
Current accounts with banks – Tenge	1,151,957	2,425,219
Current accounts with banks – Russian Ruble	120,174	29,900
Current accounts with banks – other currency	9,534	–
Other current accounts with banks	9,954	24,923
Cash in transit	242,645	–
Cash on hand	305	229
Less: allowance for expected credit losses	(33,942)	(24,882)
Total	61,999,144	40,498,972

As at 30 September 2022:

- Current accounts and time deposits with maturity less than 3 months in Tenge placed with Kazakhstani banks carried interest ranging from 6.75% to 13.8% per annum (as at 31 December 2021: from 6.75% to 9.05% per annum);
- Interest for current accounts and time deposits placed in US Dollars ranged from 0.25% to 3% per annum (as at 31 December 2021: from 0.25% to 3% per annum).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. EQUITY

Asset revaluation reserve

As at 30 September 2022 asset revaluation reserve of the Group was equal to 300,409,064 thousand Tenge (as at 31 December 2021: 285.685.165 thousand Tenge). The change in revaluation reserve is mainly due to impairment of the technological oil (*Note 3*) and revision of estimates of provision for asset retirement and land recultivation obligation (*Note 14*) with the corresponding effect of income tax expense (*Note 21*), as well as amortization of this reserve for the period.

Dividends

During the nine months period ended 30 September 2022 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 19 May 2022 in the amount of 10,000,331 thousand Tenge based on the results of 2021 (calculated as 26 Tenge per 1 share), from which 9,000,473 thousand Tenge will be paid to KMG (*Note 23*) and 999,858 thousand Tenge to minority shareholders.

During the nine months period ended 30 September 2021 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 26 May 2021 in the amount of 50,770,909 thousand Tenge based on the results of 2020 (calculated as 132 Tenge per 1 share), from which 45,694,709 thousand Tenge will be paid to KMG (*Note 23*) and 5,076,200 thousand Tenge to minority shareholders.

Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the Parent of the Group by the weighted average number of ordinary shares outstanding during the period.

Since the Company, as the Parent of the Group, does not issue convertible financial instruments, basic earnings per share of the Group are equal to diluted earnings per share.

The following reflects the net profit and share data used in the basic earnings per share computations:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Net profit attributable to ordinary equity holders of the Parent of the Group	9,326,314	15,453,984	25,153,283	49,307,412
Weighted average number of ordinary shares for basic earnings per share	384,628,099	384,628,099	384,628,099	384,628,099
Basic and diluted earnings per share, in relation to profit for the period attributable to ordinary equity holders of the Company, as a Parent company of the Group (in Tenge)	24	40	65	128

Book value per ordinary share

Book value per the ordinary share of the Company, calculated in accordance with requirements of KASE for the Parent of the Group is as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Total assets	1,041,843,383	983,162,521
Less: intangible assets	(8,390,941)	(7,352,234)
Less: total liabilities	(255,100,741)	(246,054,505)
Net assets for calculation of book value per ordinary share	778,351,701	729,755,782
Number of ordinary shares	384,628,099	384,628,099
Book value per ordinary share (in Tenge)	2,024	1,897

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. CONTRACT LIABILITIES TO CUSTOMERS

Long-term contract liabilities to customers as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Deferred income from related parties (Note 23)	19,955,040	21,516,739
Deferred income from third parties	9,351,339	8,662,766
Total	29,306,379	30,179,505

Short-term contract liabilities to customers as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Advances received from related parties (Note 23)	14,644,679	11,118,754
Advances received from third parties	8,333,126	7,977,802
Current part of deferred income from related parties (Note 23)	2,082,265	2,082,265
Current part of deferred income from third parties	739,845	671,204
Total	25,799,915	21,850,025

Deferred income from related parties relates to the free of charge receipt of the new waterline for technical water Kulsary- Tengiz (first stage) that was built on the funds of customer of water transportation services under the agreement on cooperation on the construction of a waterline for the amount 24,987,181 thousand Tenge. As the Group has to provide the appropriate volume and rate of water supply to the facilities of the customer via the waterline of technical water Kulsary-Tengiz for the entire period of operations of given customer of water transportation services, the received waterline was recognized as a non-cash consideration from the customer for the services provided. The Group recognized the contract liability and property, plant and equipment for the indicated amount. The amortization of contract liability for the period is recognized by the Group as revenue from the provision of water transportation services in the amount of 1,561,699 thousand Tenge (for the nine months ended 30 September 2021: 867,610 thousand Tenge).

Revenue recognized in respect of contracts with customers

During the current reporting period, the revenue in the amount of 19,416,452 thousand Tenge was recognized in respect of contract liabilities to customers as at the beginning of the reporting period (for the nine months ended 30 September 2021: 19,959,690 thousand Tenge).

13. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Trade accounts payable to third parties for goods and services	8,444,601	17,784,506
Trade accounts payable to related parties for goods and services (Note 23)	1,379,766	1,059,611
Other accounts payable to third parties	1,267,253	1,176,005
Total	11,091,620	20,020,122

As at 30 September 2022 trade and other accounts payable included payables to related and third parties for property, plant and equipment and works and services related to the construction-in-progress in the amount of 2,148,636 thousand Tenge (as at 31 December 2021: 9,542,331 thousand Tenge). The decrease of accounts payable is associated with their repayment during the reporting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. TRADE AND OTHER ACCOUNTS PAYABLE (continued)

Trade and other accounts payable as at 30 September 2022 and 31 December 2021 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Tenge	9,767,687	18,176,135
US Dollars	823,284	1,423,305
Russian Rubles	12,973	7,880
Euro	953	1,295
Other currency	486,723	411,507
Total	11,091,620	20,020,122

14. PROVISIONS

Short-term provisions

As at 30 September 2022, short-term provisions amounted to 1,586,984 thousand Tenge, including tax provisions (BOT) in the amount of 1,586,968 thousand Tenge (as at 31 December 2021: 1,441,364 thousand Tenge and 1,409,395 thousand Tenge, respectively).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**14. PROVISIONS (continued)****Long-term provisions**

The movement of provision for asset retirement and land recultivation obligation for the three and nine months ended 30 September 2022 and 2021 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September					
	2022			2021		
	Provision for oil pipelines and landfills	Provision for OPS	Total	Provision for oil pipelines and landfills	Provision for OPS	Total
At the beginning of the period (audited)	27,470,935	11,727,352	39,198,287	32,283,735	–	32,283,735
Charge for the period through asset	71,302	–	71,302	46,373	–	46,373
Revision of estimates through other comprehensive loss	677,551	–	677,551	1,069,374	–	1,069,374
Revision of estimates through profit and loss (Note 19)	173,508	27,712	201,220	157,464	–	157,464
Revision of estimates through asset	–	332,157	332,157	–	–	–
Reversed through profit and loss (Note 19)	–	–	–	(510,859)	–	(510,859)
Unwinding of discount (Note 20)	526,265	224,663	750,928	548,512	–	548,512
At the end of the period (unaudited)	28,919,561	12,311,884	41,231,445	33,594,599	–	33,594,599

<i>In thousands of Tenge</i>	For the nine months ended 30 September					
	2022			2021		
	Provision for oil pipelines and landfills	Provision for OPS	Total	Provision for oil pipelines and landfills	Provision for OPS	Total
At the beginning of the period (audited)	34,547,151	–	34,547,151	33,688,837	–	33,688,837
Charge for the period through asset	114,980	13,612,706	13,727,686	123,330	–	123,330
Charge for the period through profit and loss (Note 19)	–	1,135,708	1,135,708	–	–	–
Revision of estimates through other comprehensive loss	(6,517,620)	–	(6,517,620)	(451,641)	–	(451,641)
Revision of estimates through profit and loss (Note 19)	(769,880)	(242,448)	(1,012,328)	(243,299)	–	(243,299)
Revision of estimates through asset	–	(2,906,010)	(2,906,010)	–	–	–
Reversed through profit and loss (Note 19)	(61,037)	–	(61,037)	(1,183,274)	–	(1,183,274)
Unwinding of discount (Note 20)	1,605,967	711,928	2,317,895	1,660,646	–	1,660,646
At the end of the period (unaudited)	28,919,561	12,311,884	41,231,445	33,594,599	–	33,594,599

In accordance with the amendments in the Environmental Code of the Republic of Kazakhstan, the Group recognized an obligation to decommission oil pumping stations (OPS) in the amount of 14,748,414 thousand Tenge.

As at 30 September 2022 the Group revised the long-term provisions considering current best estimate, which was based on the discount rate of 8.66% (as at 31 December 2021: 6.72%), on the inflation rate of 4.74% (as at 31 December 2021: 5.49%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. OTHER CURRENT LIABILITIES

Other current liabilities as at 30 September 2022 and 31 December 2021 are as follows:

<i>In thousands of Tenge</i>	30 September 2022 (unaudited)	31 December 2021 (audited)
Accounts payable for oil transportation coordination services to related parties (Note 23)	11,030,160	8,873,343
Accounts payable for oil transportation coordination services to third parties	7,479,185	4,163,649
Salaries and other compensations	6,592,749	11,625,437
Accounts payable to pension fund	793,095	912,044
Other accruals	308,490	284,621
Total	26,203,679	25,859,094

Salaries and other compensations include current salary payable and vacation payments payable. The decrease in these liabilities in the reporting period is due to the payment of remuneration on the year results.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**16. REVENUE**

Revenue for the three and nine months ended 30 September 2022 and 2021 are as follows:

<i>In thousands of Tenge</i>	For three months ended 30 September 2022 (unaudited)					For nine months ended 30 September 2022 (unaudited)				
	Oil transportation and related services	Oil transshipment	Water transportation	Others	Total for segments	Oil transportation and related services	Oil transshipment	Water transportation	Others	Total for segments
Crude oil transportation	46,948,733	-	-	-	46,948,733	131,715,512	-	-	-	131,715,512
Oil, oil products and gas transshipment and railway shipment	-	6,055,466	-	-	6,055,466	-	17,106,239	-	-	17,106,239
Pipeline operation and maintenance services	4,684,645	-	-	-	4,684,645	14,146,092	-	-	-	14,146,092
Water transportation	-	-	2,390,142	-	2,390,142	-	-	7,353,359	-	7,353,359
Seaport services	-	-	-	2,283,403	2,283,403	-	-	-	6,152,119	6,152,119
Fees for undelivered oil volumes	477,818	-	-	-	477,818	1,434,563	-	-	-	1,434,563
Oil transportation coordination services	125,144	-	-	-	125,144	342,278	-	-	-	342,278
Others	14,953	-	176	213,606	228,735	55,677	-	742	1,344,157	1,400,576
Total for segments	52,251,293	6,055,466	2,390,318	2,497,009	63,194,086	147,694,122	17,106,239	7,354,101	7,496,276	179,650,738
Geographic regions of customers										
Kazakhstan	45,224,009	3,781,322	2,390,318	-	51,395,649	127,606,181	11,717,230	7,354,101	-	146,677,512
Russia	7,027,284	-	-	-	7,027,284	20,087,941	-	-	-	20,087,941
Georgia	-	1,677,531	-	2,229,603	3,907,134	-	3,512,876	-	7,154,160	10,667,036
Others	-	596,613	-	267,406	864,019	-	1,876,133	-	342,116	2,218,249
Total revenue under contracts with customers	52,251,293	6,055,466	2,390,318	2,497,009	63,194,086	147,694,122	17,106,239	7,354,101	7,496,276	179,650,738
Timing of revenue recognition										
At a point in time	47,566,648	6,055,466	2,390,318	2,497,009	58,509,441	133,548,030	17,106,239	7,354,101	7,496,276	165,504,646
Over time	4,684,645	-	-	-	4,684,645	14,146,092	-	-	-	14,146,092
Total revenue under contracts with customers	52,251,293	6,055,466	2,390,318	2,497,009	63,194,086	147,694,122	17,106,239	7,354,101	7,496,276	179,650,738

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**16. REVENUE (continued)**

<i>In thousands of Tenge</i>	For three months ended 30 September 2021 (unaudited)					For nine months ended 30 September 2021 (unaudited)				
	Oil transportation and related services	Oil transportation	Water transportation	Others	Total for segments	Oil transportation and related services	Oil transportation	Water transportation	Others	Total for segments
Crude oil transportation	48,056,981	-	-	-	48,056,981	143,334,044	-	-	-	143,334,044
Oil, oil products and gas transshipment and railway shipment	-	1,920,036	-	-	1,920,036	-	5,270,102	-	-	5,270,102
Pipeline operation and maintenance services	4,474,046	-	-	-	4,474,046	13,160,060	-	-	-	13,160,060
Water transportation	-	-	2,780,477	-	2,780,477	-	-	6,629,094	-	6,629,094
Seaport services	-	-	-	1,664,609	1,664,609	-	-	-	4,853,047	4,853,047
Fees for undelivered oil volumes	855,214	-	-	-	855,214	2,350,550	-	-	-	2,350,550
Oil transportation coordination services	139,303	-	-	-	139,303	439,178	-	-	-	439,178
Others	17,270	-	1,790	413,485	432,545	78,870	-	2,525	1,009,513	1,090,908
Total for segments	53,542,814	1,920,036	2,782,267	2,078,094	60,323,211	159,362,702	5,270,102	6,631,619	5,862,560	177,126,983
Geographic regions of customers										
Kazakhstan	46,869,034	1,262,933	2,782,267	-	50,914,234	139,907,141	2,654,375	6,631,619	-	149,193,135
Russia	6,673,780	-	-	-	6,673,780	19,455,561	-	-	-	19,455,561
Georgia	-	431,081	-	1,968,521	2,399,602	-	2,317,163	-	5,752,987	8,070,150
Others	-	226,022	-	109,573	335,595	-	298,564	-	109,573	408,137
Total revenue under contracts with customers	53,542,814	1,920,036	2,782,267	2,078,094	60,323,211	159,362,702	5,270,102	6,631,619	5,862,560	177,126,983
Timing of revenue recognition										
At a point in time	49,068,768	1,920,036	2,782,267	2,078,094	55,849,165	146,202,642	5,270,102	6,631,619	5,862,560	163,966,923
Over time	4,474,046	-	-	-	4,474,046	13,160,060	-	-	-	13,160,060
Total revenue under contracts with customers	53,542,814	1,920,036	2,782,267	2,078,094	60,323,211	159,362,702	5,270,102	6,631,619	5,862,560	177,126,983

For the nine months ended 30 September 2022 the revenue from the four major customers amounted to 34,256,868 thousand Tenge, 20,580,618 thousand Tenge, 14,142,684 thousand Tenge and 9,141,848 thousand Tenge, respectively (for the nine months ended 30 September 2021 the revenue from the four major customers amounted to 36,633,335 thousand Tenge, 23,026,245 thousand Tenge, 13,453,500 thousand Tenge and 9,323,214 thousand Tenge, respectively).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COST OF SALES

Cost of sales for the three and nine months ended 30 September 2022 and 2021 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Personnel costs	19,566,093	14,456,866	60,634,210	39,403,595
Depreciation and amortization	13,025,459	13,264,583	39,369,484	39,111,819
Railway services	2,703,749	556,043	9,680,129	1,404,907
Taxes other than income tax	2,765,798	2,469,735	7,947,879	6,836,301
Electric energy	2,479,445	2,257,708	7,218,454	6,330,781
Security services	3,206,502	1,511,551	6,588,694	4,462,837
Repair and maintenance	2,441,303	2,197,358	5,937,034	5,480,607
Materials and fuel	2,607,689	2,936,584	5,855,075	6,329,352
Gas expenses	425,808	401,796	2,413,455	2,165,538
Food and accomodation	549,988	533,880	1,598,765	1,579,700
Insurance	291,048	224,614	782,557	578,959
Business trip expenses	257,493	240,561	689,095	591,514
Post-employment benefits	228,469	243,320	685,406	729,959
Environmental protection	156,585	455,765	668,841	1,376,400
Labor protection, safety	213,748	241,147	565,931	696,928
Air services	195,417	231,021	521,054	302,175
Social sphere expenses	143,781	49,571	378,811	143,135
Outstaffing services	134,530	91,766	345,158	326,913
Communication services	86,129	94,596	255,796	287,713
Diagnostics of production facilities	54,423	104,462	114,563	120,714
Transportation services	35,104	36,468	102,776	109,406
Other	513,564	426,279	1,373,362	1,018,053
Total	52,082,125	43,025,674	153,726,529	119,387,306

The increase in personnel costs in the reporting period is due to the salary increase, as well as changes in the wage system for employees of the Company's production divisions.

The increase in railway services costs is mainly associated with an increase in volumes and tariffs for the transportation of products (PTL).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three and nine months ended 30 September 2022 and 2021 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Personnel costs	1,934,689	1,794,143	6,005,604	5,382,500
Depreciation and amortization	363,690	348,195	1,080,930	1,100,141
Office maintenance	123,014	142,854	356,917	429,291
Charge/(reversal) of allowance for expected credit losses on trade receivables, net	143,598	(175,425)	275,860	(25,662)
Repair and maintenance	81,535	59,966	240,763	195,982
Business trip expenses	93,067	59,386	206,301	129,004
Auditing and consulting services	73,810	52,945	204,522	190,385
Taxes other than income tax	49,494	71,036	192,711	232,592
Outstaffing services	69,707	61,916	189,187	174,547
Information services	36,770	34,513	105,317	101,775
Communication services	25,853	30,167	81,174	86,678
Write-off of VAT recoverable	14,929	9,370	65,603	45,620
Charge of short-term provisions	1,051	1,296	56,408	771,680
Bank costs	13,505	16,779	54,123	50,553
Materials and fuel	16,331	24,778	48,309	47,565
Insurance and security	14,724	10,984	43,622	34,261
Post-employment benefits	13,017	12,726	39,049	38,177
Other	390,619	179,106	721,763	426,944
Total	3,459,403	2,734,735	9,968,163	9,412,033

19. OTHER OPERATING INCOME AND EXPENSES

Other operating income/expenses for the three and nine months ended 30 September 2022 and 2021 are as follows:

Other operating income

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Income from fines and penalties	72,055	33,522	456,475	169,182
Amortization of deferred income	77,194	69,115	223,304	209,268
Income from disposal of inventories, net	8,159	81,144	8,269	117,887
Income from reversal and revision of provision on asset retirement and land recultivation obligation (Note 14)	–	353,395	–	1,426,573
Income from reversal of short-term provisions	–	296	–	261,191
Other income	(780)	68,884	90,282	220,725
Total	156,628	606,356	778,330	2,404,826

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. OTHER OPERATING INCOME AND EXPENSES (continued)

Other operating expenses

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Loss on disposal of property, plant and equipment and intangible assets, net	74,187	13,229	211,234	73,031
Revision of estimates and charge of provision for asset retirement and land recultivation obligation, net (<i>Note 14</i>)	201,220	–	62,343	–
Expenses for liquidation of idle production facilities	48,895	40,009	51,525	65,248
Actuarial losses	–	–	45,500	–
Other expenses	59,318	36,644	161,014	247,411
Total	383,620	89,882	531,616	385,690

20. FINANCE INCOME AND EXPENSES

Finance income/expenses for the three and nine months ended 30 September 2022 and 2021 are as follows:

Finance income

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Interest income on bank deposits and current accounts	912,024	619,716	1,906,691	2,255,753
Unwinding of discount on long-term receivables	46,360	49,435	139,089	148,386
Income from revision of bond's fair value	18,275	30,800	60,967	300,564
Reversal of allowance for expected credit losses on cash and cash equivalents and bank deposits, net	76	6,948	5,931	92,614
Other finance income	4,748	2,135	13,299	11,892
Total	981,483	709,034	2,125,977	2,809,209

Finance expenses

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Unwinding of discount on asset retirement and land recultivation obligation reserve (<i>Note 14</i>)	750,928	548,512	2,317,895	1,660,646
Interest cost on employee benefit obligations	368,434	291,703	1,105,319	875,124
Unwinding of discount on lease liabilities	30,294	67,210	107,202	212,932
Other finance expenses	4,107	1,517	12,846	147,965
Total	1,153,763	908,942	3,543,262	2,896,667

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INCOME TAX EXPENSE

Income tax expenses for the three and nine months ended 30 September 2022 and 2021 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Current income tax expense	2,783,653	3,392,147	6,611,856	13,612,805
Adjustments of the past periods	–	–	139,049	212,405
Deferred income tax benefit	(921,126)	(91,527)	(2,112,338)	(2,415,912)
Income tax expense	1,862,527	3,300,620	4,638,567	11,409,298

Movement in net deferred tax liabilities for the three and nine months ended 30 September 2022 and 2021 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
At the beginning of the period (unaudited)	81,180,794	73,863,655	78,764,696	62,221,923
Charged to other comprehensive loss	2,734,258	3,915,505	6,341,606	17,881,600
Charged to profit and loss	(921,126)	(91,527)	(2,112,338)	(2,415,912)
Currency translation	(7)	(8)	(45)	14
At the end of the period (unaudited)	82,993,919	77,687,625	82,993,919	77,687,625

22. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its services and has four reportable segments, as follows:

- Oil transportation and related services;
- Oil transshipment;
- Water transportation;
- Other segments.

Segments that are identified, but do not separately exceed quantitative limits (amount of separate segment revenue comprises less than 10% of combined revenue) are combined in “Other segments”. Such services include transshipment of dry cargo (sugar-airbrick, ammonium nitrate, cement, grain, sunflower and oil cake) in BSP with operation of dry-cargo, ferry and container terminals, and also passenger terminal services.

Oil transportation and related services provided by the Company, which do not exceed quantitative limits and are intimately connected with the Group’s main operating activities, or with main asset of the Group – pipelines, such as oil storage, expedition services, services on support and maintenance of pipelines, are included into service related to oil transportation. Separate management report is not provided to the Management of the Group on some types of these services and accordingly they cannot be identified as a separate segment.

Services on transshipment of oil, oil-products and gas through BSP with operation of BOT are included in “Oil transshipment” segment. Revenue from oil terminal is generated through storage, transshipment of oil, oil-products and gas and expedition. Expedition services rendered by PTL, represent transshipment of oil, oil-products and gas services through railway from Azerbaijanian-Georgian border to oil terminal in Batumi. This type of activity is directly related to oil transshipment, and therefore is not shown as a separate segment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**22. SEGMENT INFORMATION (continued)**

Management analyses its operating segments by segment profit. The following tables present information on revenue and profit of the Group's segments for the three months ended 30 September 2022 and 2021:

<i>In thousands of Tenge</i>	For the three months ended 30 September 2022 (unaudited)						For the three months ended 30 September 2021 (unaudited)					
	Oil transportation and related services (Kazakhstan)	Oil trans-shipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Revenue												
External customers	52,251,293	5,343,921	2,390,318	3,208,554	-	63,194,086	53,542,814	1,920,036	2,782,267	2,078,094	-	60,323,211
Intersegmental	173,921	-	16,719	-	(190,640)	-	184,780	-	18,340	-	(203,120)	-
Total revenue	52,425,214	5,343,921	2,407,037	3,208,554	(190,640)	63,194,086	53,727,594	1,920,036	2,800,607	2,078,094	(203,120)	60,323,211
Financial results												
Depreciation and amortization	(11,538,098)	(232,741)	(1,282,750)	(335,560)	-	(13,389,149)	(11,552,420)	(199,228)	(1,580,674)	(280,456)	-	(13,612,778)
Interest income	797,826	21,050	48,710	44,438	-	912,024	495,134	9,355	87,135	28,092	-	619,716
Share in income of joint ventures	3,959,091	-	-	-	-	3,959,091	4,000,445	-	-	-	-	4,000,445
Income tax (expense)/ benefits	(2,292,463)	-	426,118	246	(5,116)	(1,871,215)	(3,552,569)	-	294,158	(16,179)	(26,030)	(3,300,620)
Segment profit/(loss) for the period	7,201,817	941,746	(1,697,327)	1,205,880	1,674,198	9,326,314	14,191,607	19,817	(1,138,482)	1,336,719	1,044,323	15,453,984

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. SEGMENT INFORMATION (continued)

Information on revenue and profit of the Group's segments for the nine months ended 30 September 2022 and 2021 and on assets and liabilities of the Group's segments as at 30 September 2022 and 31 December 2021:

In thousands of Tenge	For the nine months ended 30 September 2022 (unaudited)						For the nine months ended 30 September 2021 (unaudited)					
	Oil transportation and related services (Kazakhstan)	Oil transportation (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transportation (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Revenue												
External customers	147,694,122	17,106,239	7,354,101	7,496,276	-	179,650,738	159,362,702	5,270,102	6,631,619	5,862,560	-	177,126,983
Intersegmental	571,418	-	55,750	-	(627,168)	-	604,103	-	59,870	-	(663,973)	-
Total revenue	148,265,540	17,106,239	7,409,851	7,496,276	(627,168)	179,650,738	159,966,805	5,270,102	6,691,489	5,862,560	(663,973)	177,126,983
Financial results												
Depreciation and amortization	(35,062,767)	(655,798)	(3,823,362)	(908,487)	-	(40,450,414)	(34,710,649)	(613,267)	(4,096,403)	(791,641)	-	(40,211,960)
Interest income	1,645,613	66,956	103,778	90,344	-	1,906,691	1,704,300	19,961	449,525	81,967	-	2,255,753
Share in income of joint ventures	13,082,352	-	-	-	-	13,082,352	10,408,127	-	-	-	-	10,408,127
Income tax (expense)/ benefits	(5,550,890)	-	914,641	(11,006)	8,688	(4,638,567)	(12,023,937)	-	666,028	(51,389)	-	(11,409,298)
Segment profit/(loss) for the period	20,788,169	2,017,840	(3,506,311)	2,389,536	3,464,049	25,153,283	47,530,835	(479,911)	(2,842,472)	2,441,812	2,657,148	49,307,412

Information on revenue and profit of the Group's segments for the nine months ended 30 September 2022 and 2021 and on assets and liabilities of the Group's segments as at 30 September 2022 and 31 December 2021:

In thousands of Tenge	As at 30 September 2022 (unaudited)						As at 31 December 2021 (unaudited)					
	Oil transportation and related services (Kazakhstan)	Oil transportation (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transportation (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Other disclosures												
Total assets	958,196,391	50,607,532	93,904,943	21,786,122	(82,651,605)	1,041,843,383	910,330,857	30,810,657	94,232,078	29,827,018	(82,038,089)	983,162,521
Total liabilities	209,769,919	8,411,195	24,101,802	13,195,448	(377,623)	255,100,741	200,598,316	7,611,338	26,322,626	13,222,148	(1,699,923)	246,054,505
Investments in joint ventures (Note 4)	81,868,138	-	-	-	-	81,868,138	74,096,113	-	-	-	-	74,096,113
Capital expenditures	22,507,979	447,593	2,191,631	1,288,208	(56,724)	26,378,687	38,214,943	1,125,651	20,557,347	944,574	(131,737)	60,710,778
Property, plant and equipment	22,260,738	428,332	2,176,379	1,165,303	(56,724)	25,974,028	38,206,236	1,125,651	20,557,347	930,940	(131,737)	60,688,437
Intangible assets	247,241	19,261	15,252	122,905	-	404,659	8,707	-	13,634	-	-	22,341

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY TRANSACTIONS

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related party transactions were made on terms agreed between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following tables provide the total amount of transactions, which have been entered into with related parties during the three and nine months ended 30 September 2022 and 2021 and also the related balances as at 30 September 2022 and 31 December 2021.

Trade and other accounts receivables from related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2022 (unaudited)	31 December 2021 (audited)
Trade and other accounts receivable from related parties			
Trade accounts receivable from joint ventures of the Company		9,282,210	1,169,519
Trade accounts receivable from entities under common control of Samruk-Kazyna Group		1,042,164	953,600
Trade accounts receivable from entities under common control of KMG		891,878	911,188
Total trade accounts receivable from related parties	6	11,216,252	3,034,307
Other accounts receivable from entities under common control of KMG and Samruk-Kazyna Group	6	509	509
Total other accounts receivable from related parties		509	509
Less: allowance for expected credit losses		(16,043)	(7,311)
Total trade and other accounts receivable from related parties		11,200,718	3,027,505

Trade receivables from joint ventures of the Company as at 30 September 2022 are represented by services rendered by the Company to joint ventures KCP and MunaiTas. As the 2021 contracts were terminated and the procedure of contracts negotiation for 2022 has not yet been completed, the Company recognized accounts receivable from KCP and MunaiTas on an accrual basis, based on the best estimate of the Company's management.

Advances provided to related parties are as follows:

<i>In thousands of Tenge</i>		30 September 2022 (unaudited)	31 December 2021 (audited)
Advances paid to related parties			
Advances paid to entities under common control of Samruk-Kazyna Group		1,017	1,069
Total advances paid to related parties		1,017	1,069

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY TRANSACTIONS (continued)

Contract liabilities to customers to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2022 (unaudited)	31 December 2021 (audited)
Contract liabilities to customers to related parties			
Non-current part of deferred income under contracts with entities under common control of KMG		19,955,040	21,516,739
Total non-current contract liabilities to customers to related parties	12	19,955,040	21,516,739
Advances received from entities under common control of KMG		14,411,537	10,949,194
Current part of deferred income under contracts with entities under common control of KMG		2,082,265	2,082,265
Advances received from entities under common control of Samruk-Kazyna Group		233,142	169,560
Total current contract liabilities to customers to related parties	12	16,726,944	13,201,019
Total contract liabilities to customers to related parties		36,681,984	34,717,758

Trade and other accounts payable to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2022 (unaudited)	31 December 2021 (audited)
Trade accounts payable to related parties for goods and services			
Trade accounts payable to entities under common control of KMG		993,291	563,504
Trade accounts payable to entities under common control of Samruk-Kazyna Group		378,594	484,562
Trade accounts payable to joint ventures of the Company		7,881	11,545
Total trade accounts payable to related parties for goods and services	13	1,379,766	1,059,611

Other current liabilities to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2022 (unaudited)	31 December 2021 (audited)
Accounts payable for oil transportation coordination services to related parties			
Accounts payable for oil transportation coordination services to entities under common control of KMG	15	11,030,160	8,873,343
Total accounts payable for oil transportation coordination services to related parties		11,030,160	8,873,343
Employee benefits obligation of key management personnel			
Employee benefits obligation of key management personnel		44,409	26,649
Total employee benefits obligation of key management personnel		44,409	26,649
Total other current liabilities to related parties		11,074,569	8,899,992

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY TRANSACTIONS (continued)

Transactions, which have been entered into with related parties are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Sales to related parties				
Revenue from main activities with entities under common control of KMG	34,008,737	31,354,486	94,712,678	91,295,550
Revenue from main activities with joint ventures of the Company	2,776,357	2,594,227	8,291,335	7,727,586
Revenue from main activities with entities under common control of Samruk-Kazyna Group	1,938,782	1,880,460	5,739,202	5,733,803
Other income from entities under common control of KMG	2,067	997	59,954	2,432
Other income from entities under common control of Samruk-Kazyna Group	4,486	113	110,700	22,224
Total	38,730,429	35,830,283	108,913,869	104,781,595

Revenue from main activities with entities under common control of KMG is related to the services of oil and water transportation.

Purchase of services and assets from related parties is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2022	2021	2022	2021
Purchases from related parties				
Purchases of services from entities under common control of KMG	2,690,442	1,241,971	8,371,000	4,298,262
Purchases of services from entities under common control of Samruk-Kazyna Group	551,872	470,820	2,047,187	1,380,319
Purchases of services from joint ventures of the Company	–	20,919	103,924	62,758
Purchases of inventory entities under common control of KMG and Samruk-Kazyna Group	165	1,304	364	1,532
Other additions of property, plant and equipment (non-monetary reimbursement of services) from entities under common control of KMG (Note 12)	–	–	–	24,987,181
Total	3,242,479	1,735,014	10,522,475	30,730,052

Cash flows to related parties related to the payment of dividends are as follows:

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2022	2021
Cash flows to related parties			
Dividends paid to the KMG	11	(9,000,473)	(45,694,709)
Dividends received from a joint venture	9	7,636,855	1,800,000
Total		(1,363,618)	(43,894,709)

Total accrued compensation to key management personnel for the nine months ended 30 September 2022 amounts to 240,908 thousand Tenge (for the nine months ended 30 September 2021: 275,789 thousand Tenge). Payments to key personnel consist primarily of payroll costs and remuneration established by contracts and Company's internal provisions.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

24. CONTINGENT LIABILITIES AND COMMITMENTS

Information on contingent liabilities and commitments of the Group is disclosed in the consolidated financial statements for the year ended 31 December 2021. During the nine months ended 30 September 2022 there were no significant changes, except for the following:

Contractual commitments to acquire property, plant and equipment

As at 30 September 2022 the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 32,080,311 thousand Tenge (31 December 2021: 51,532,032 thousand Tenge). These contractual obligations are part of investment program.

Share of the Group as at 30 September 2022 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services amounted to 610,233 thousand Tenge (31 December 2021: 642,814 thousand Tenge).

Investment program commitments of the Company

In November 2020, by a joint order of the Ministry of Energy of the Republic of Kazakhstan and the CRNM, an investment program for the period of 2021-2025 was approved, according to which the Company has the obligation to fulfill during the period from 2021 to 2025 in the amount of 214,2 billion Tenge. As at 30 September 2022, the balance of obligation under the investment program to be fulfilled was 166 billion Tenge.

Tax liabilities of enterprises in Georgia*BOT*

In December 2021 BOT received from Georgian Revenue Service a tax audit report for the period from 1 July 2018 to 15 February 2021, according to which taxes and fines were additionally accrued in the amount of 2,605 thousand Georgian Lari (equivalent to 442,720 thousand Tenge). On 20 January 2022 BOT appealed against the tax audit report to the Revenue Service. Due to the imposed taxes and fines, by the notification of the Revenue Service dated 3 January 2022, the tax lien/mortgage right arose on all types of BOT property in the total amount of 59 million US Dollars (equivalent to 28,126 million Tenge). On 4 July 2022, BOT received the rejection of appeal. On 24 October 2022, based on the results of appeals Georgian Revenue Service reported that the tax lien/mortgage right was cancelled for all the BOT property except of a land plot with a net book value as at 30 September 2022 equal to 4,4 million US Dollars (equivalent to 2,098 million Tenge).

Legal proceedings*Claim of business counterparty to BOT*

On 21 January 2021, the court received a claim from one of the BOT business counterparties on compensation of unearned revenue for the amount 12.5 million US Dollars (equivalent to 5,959 million Tenge), as well as establishing fixed tariffs for transshipment, without the right to change them unilaterally. Earlier, in 2014 BOT and a business counterparty concluded construction agreements, according to which the business counterparty acquired the right to build tanks on the territory of BOT and for BOT services for cargo transshipment. According to the business counterparty, BOT does not comply with the terms of these agreements, in connection with which it initiated the specified claims. As per court ruling dated 27 January 2021, a ban was imposed on the alienation and mortgage encumbrance on a land plot in Batumi with a carrying amount of 3.5 million US Dollars (equivalent to 1,668 million Tenge) as a security for this claim. On 12 February 2021, BOT filed a complaint to the court against the specified above ruling and also filed a response to the business counterparty's claim.

By the decision of the court of appeal dated 16 April 2021, the BOT's complaint, related to the appeal against the court ruling dated 27 January 2021, was rejected. According to the decision dated 16 July 2021, the court fully satisfied the claims of the business counterparty. The decision of the court has not entered into force. On 20 August 2021, BOT filed an appeal against the court decision dated 16 July 2021. By the decision of the court of appeal dated 8 June 2022, the decision of the first instance is upheld. On 27 September 2022, BOT filed a cassation appeal to the Supreme Court of Georgia.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

24. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Termination of the BSP Management agreement**

In accordance with BSP Management agreement between BOT and the Georgia Government, the last one has the right for termination of this agreement, in case the BSP in the course of 2 years does not meet its obligations on minimum volume of transshipment, which is 4 million tons per year. In addition, if the transshipment volume is less than 6 million tons per year, BOT shall pay the penalties in accordance with the terms of Agreement. The actual transshipment through BSP for nine months of 2022 amounted to 5.501 million tons (for nine months of 2021: 4,465 million tons).

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has trade receivables and cash and cash equivalents that arise directly from its operations.

Fair value of financial instruments

The carrying amount of cash, bank deposits, trade and other accounts receivable, trade and other accounts payable and other current liabilities approximates their fair value due to the short-term maturity of these financial instruments.

26. EVENTS AFTER THE REPORTING PERIOD

On 5 October 2022, Main Waterline entered into an agreement with a contractor for construction within the framework of the project "Reconstruction and expansion of the main water pipeline "Astrakhan-Mangyshlak" in the amount of 109 billion Tenge. On the date of signing the consolidated financial statements, the agreement has not entered into force, as the Group has not completed the necessary corporate procedures in accordance with applicable law. It is planned by the Main Waterline to attract a loan to finance the agreement.