

KazTransOil JSC

Interim condensed consolidated financial statements

For the nine months ended 30 September 2024



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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 condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statements of comprehensive income for the three- and nine-month periods then ended, interim condensed consolidated statements of 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.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed 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. МФ - 0000172 dated 23 December 2013

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

8 November 2024



Rustamzhan Sattarov

Rustamzhan Sattarov
General Director
Ernst & Young LLP

State audit license for audit activities on the
territory of the Republic of Kazakhstan: series
МФЮ-2 No. 0000003 issued by the Ministry
of finance of the Republic of Kazakhstan
on 15 July 2005

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of Tenge</i>	Notes	As at 30 September 2024 (unaudited)	As at 31 December 2023 (audited)
Assets			
Non-current assets			
Property, plant and equipment	4	1,067,046,042	1,084,145,524
Right-of-use assets		4,532,045	6,731,336
Intangible assets		7,859,267	7,991,075
Investments in joint ventures	5	111,146,786	106,754,214
Advances to suppliers for property, plant and equipment		1,741,836	1,507,687
VAT recoverable		11,257,755	15,198,605
Other long-term accounts receivable		851,060	721,048
Deferred tax assets	23	720,497	-
Bank deposits		496,083	718,088
Other non-current assets		122,223	275,336
		1,205,773,594	1,224,042,913
Current assets			
Inventories		9,456,218	8,932,013
Trade and other accounts receivable	6	9,641,301	8,447,028
Advances to suppliers		496,302	727,872
Prepayment for income tax		359,701	750,449
VAT recoverable and other prepaid taxes	7	3,782,427	10,955,879
Other current assets	8	30,469,034	27,853,344
Cash and cash equivalents	9	86,080,204	76,672,612
		140,285,187	134,339,197
Total assets		1,346,058,781	1,358,382,110

*The explanatory notes on pages 8 through 38 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	Notes	As at 30 September 2024 (unaudited)	As at 31 December 2023 (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	10	360,975,225	380,639,671
Foreign currency translation reserve		49,134,944	46,118,253
Other capital reserves		(979,210)	1,244,710
Retained earnings		495,221,353	466,939,672
Total equity		966,280,330	956,870,324
Non-current liabilities			
Loans received	11	48,949,916	47,390,786
Issued debt securities	12	41,829,980	41,302,077
Employee benefit obligations	13	21,331,734	18,045,542
Deferred tax liabilities	23	95,415,733	99,367,910
Provision for asset retirement and land recultivation obligation	16	51,430,325	45,648,971
Contract liabilities to customers	14	30,923,577	31,908,136
Lease liabilities		3,514,541	5,102,611
		293,395,806	288,766,033
Current liabilities			
Loans received	11	2,388,902	-
Issued debt securities	12	2,956,939	72,778
Current part of employee benefit obligations	13	1,242,682	1,185,285
Income tax payable		1,828,423	1,467,774
Trade and other accounts payable	15	15,386,573	34,937,605
Lease liabilities		2,127,946	2,420,628
Contract liabilities to customers	14	28,433,057	31,246,778
Other taxes payable	7	2,316,958	7,869,753
Provisions		1,364,671	1,303,694
Other current liabilities	17	28,336,494	32,241,458
		86,382,645	112,745,753
Total liabilities		379,778,451	401,511,786
Total equity and liabilities		1,346,058,781	1,358,382,110
Book value per ordinary share (in Tenge)	10	2,492	2,467

Signed and approved for issue on 8 November 2024.

General Director (Chairman of the Management Board)



Kassenov A.G.

Chief Accountant

Akhmedina A.S.

*The explanatory notes on pages 8 through 38 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONDENSED CONSOLIDATED STATEMENTS 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)	
		2024	2023	2024	2023
Revenue	18	79,051,295	72,527,922	230,060,511	209,442,415
Cost of sales	19	(64,123,938)	(60,093,247)	(192,212,510)	(178,763,673)
Gross profit		14,927,357	12,434,675	37,848,001	30,678,742
General and administrative expenses	20	(3,645,465)	(3,609,209)	(11,589,294)	(10,386,736)
Other operating income	21	527,229	1,572,299	1,779,462	3,100,207
Other operating expenses	21	(1,200,578)	(778,618)	(353,572)	(887,468)
Operating profit		10,608,543	9,619,147	27,684,597	22,504,745
Net foreign exchange gain/(loss)		(52,000)	662,428	147,548	743,876
Finance income	22	2,653,881	2,420,599	8,650,418	7,276,382
Finance costs	22	(4,097,798)	(1,545,131)	(13,308,367)	(4,844,042)
Share in income of joint ventures	5	5,066,838	4,042,801	13,856,231	13,477,397
Profit before income tax		14,179,464	15,199,844	37,030,427	39,158,358
Income tax expense	23	(2,048,828)	(2,247,618)	(5,376,859)	(5,883,860)
Net profit for the period		12,130,636	12,952,226	31,653,568	33,274,498
Other comprehensive income/(loss)					
<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		2,014,843	2,123,057	3,016,691	1,831,568
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, net		2,014,843	2,123,057	3,016,691	1,831,568

The explanatory notes on pages 8 through 38 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS 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)	
		2024	2023	2024	2023
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods					
Revaluation of property, plant and equipment of the Group, net	3	(3,631,122)	17,561,143	5,222,324	13,671,042
Income tax effect	23	726,224	(3,512,229)	(1,044,465)	(2,734,208)
		(2,904,898)	14,048,914	4,177,859	10,936,834
(Charge)/reversal of provision for asset retirement and land reclamation obligation of the Group					
	16	(3,638,070)	78,157	(2,892,848)	(102,149)
Income tax effect	23	727,614	(15,631)	578,570	20,430
		(2,910,456)	62,526	(2,314,278)	(81,719)
Reversal/(charge) of provision for asset retirement and land reclamation obligation of the joint ventures					
		(378,329)	1,300,687	126,140	769,038
Income tax effect		75,666	(260,138)	(25,228)	(153,808)
	5	(302,663)	1,040,549	100,912	615,230
Actuarial loss from employee benefit obligations of the Group					
	13	-	-	(2,286,771)	-
Income tax effect	23	-	-	62,851	-
		-	-	(2,223,920)	-
Total other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods, net		(6,118,017)	15,151,989	(259,427)	11,470,345
Total other comprehensive income/(loss) for the period, net of tax		(4,103,174)	17,275,046	2,757,264	13,301,913
Total comprehensive income for the period, net of tax		8,027,462	30,227,272	34,410,832	46,576,411
Basic and diluted earnings per share (in Tenge)					
	10	32	34	82	87

Signed and approved for issue on 8 November 2024.

General Director (Chairman of the Management Board)



Kassenov A.G.

Chief Accountant



Akhmedina A.S.

The explanatory notes on pages 8 through 38 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2024	2023
Cash flows from operating activities			
Profit before income tax		37,030,427	39,158,358
Adjustment to reconcile profit before income tax to net cash flows			
Depreciation and amortization	19, 20	49,637,340	54,844,509
Share in income of joint ventures	5	(13,856,231)	(13,477,397)
Finance expenses	22	13,308,367	4,844,042
Finance income	22	(8,650,418)	(7,276,382)
Amortization of deferred income		(2,323,172)	(2,320,352)
Employee benefits expenses, current service costs	19, 20	606,969	537,198
Reversal and revision of estimates on provision for asset retirement and land recultivation obligation, net	21	(287,524)	(2,248,842)
Foreign exchange gain, net		(147,548)	(743,876)
Actuarial gain	21	(110,265)	-
VAT not included in the offset	20	137,619	130,943
Income from modification and disposal of lease agreements	21	(89,667)	-
Charge of allowance for expected credit losses, net	20	40,456	221,646
Loss on disposal of property, plant and equipment and intangible assets, net	21	34,744	12,996
Write-off of inventory to net realizable value	21	-	661,271
Others		(64,263)	99,723
Operating cash flows before working capital changes		75,266,834	74,443,837
(Increase)/decrease in operating assets			
Inventories		(355,362)	(433,019)
Trade and other accounts receivable		(1,266,693)	(1,350,085)
Advances to suppliers		215,105	3,137,936
VAT recoverable and other prepaid taxes		7,237,091	(9,646,542)
Other current assets		277,366	2,513,914
Increase/(decrease) in operating liabilities			
Trade and other accounts payable		(3,857,841)	(2,053,435)
Contract liabilities to customers		(2,849,909)	3,700,730
Other taxes payable		(3,319,962)	624,507
Other current and non-current liabilities and employee benefit obligations		(5,931,617)	(7,026,726)
Cash generated from operating activities		65,415,012	63,911,117
Income taxes paid		(7,469,089)	(6,556,362)
Interest received		6,967,520	5,641,185
Interest paid	12	(160,278)	-
Net cash flows from operating activities		64,753,165	62,995,940

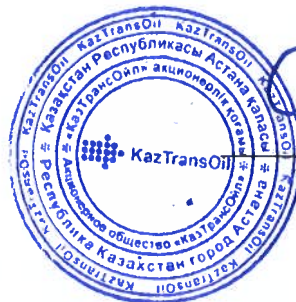
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2024	2023
Cash flows from investing activities			
Proceeds from redemption of notes of the National Bank	25	161,685,032	39,693,969
Purchase of notes of the National Bank	25	(165,148,964)	(60,632,026)
Purchase of property, plant and equipment and intangible assets		(36,974,927)	(98,101,968)
Dividends received from joint ventures	25	9,564,571	3,960,351
Proceeds from bonds redemption	8	1,393,477	100,510
Withdrawal of bank deposits		214,295	170,204
Proceeds from sale of non-current assets held for sale and property, plant and equipment		10,562	570,739
Net cash flows used in investing activities		(29,255,954)	(114,238,221)
Cash flows from financing activities			
Dividends paid	10	(25,000,826)	(15,000,496)
Proceeds from loans received	11	21,000,000	11,800,000
Repayment of loans received	11	(21,000,000)	-
Payment of lease liabilities		(1,955,149)	(1,798,193)
Proceeds from issued debt securities	12	-	50,000,000
Net cash flows (used in)/received from financing activities		(26,955,975)	45,001,311
Net change in cash and cash equivalents		8,541,236	(6,240,970)
Net foreign exchange difference		867,204	104,441
Change in allowance for expected credit losses		(848)	6,533
Cash and cash equivalents at the beginning of the period		76,672,612	85,157,538
Cash and cash equivalents at the end of the period		86,080,204	79,027,542

Signed and approved for issue on 8 November 2024.

General Director (Chairman of the Management Board)



Kassenov A.G.

Chief Accountant

Akhmedina A.S.

The explanatory notes on pages 8 through 38 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED 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 2022 (audited)	61,937,567	(9,549)	423,217,162	46,952,044	(188,145)	380,544,246	912,453,325
Net profit for the period	-	-	-	-	-	33,274,498	33,274,498
Other comprehensive income	-	-	11,470,345	1,831,568	-	-	13,301,913
Total comprehensive income for the period	-	-	11,470,345	1,831,568	-	33,274,498	46,576,411
Amortization of revaluation reserve for property, plant and equipment	-	-	(28,321,148)	-	-	28,321,148	-
Dividends (Note 10)	-	-	-	-	-	(15,000,496)	(15,000,496)
Other operations with shareholder (Note 10)	-	-	-	-	-	22,145,133	22,145,133
As at 30 September 2023 (unaudited)	61,937,567	(9,549)	406,366,359	48,783,612	(188,145)	449,284,529	966,174,373
As at 31 December 2023 (audited)	61,937,567	(9,549)	380,639,671	46,118,253	1,244,710	466,939,672	956,870,324
Net profit for the period	-	-	-	-	-	31,653,568	31,653,568
Other comprehensive income	-	-	1,964,493	3,016,691	(2,223,920)	-	2,757,264
Total comprehensive income for the period	-	-	1,964,493	3,016,691	(2,223,920)	31,653,568	34,410,832
Amortization of revaluation reserve for property, plant and equipment	-	-	(21,628,939)	-	-	21,628,939	-
Dividends (Note 10)	-	-	-	-	-	(25,000,826)	(25,000,826)
As at 30 September 2024 (unaudited)	61,937,567	(9,549)	360,975,225	49,134,944	(979,210)	495,221,353	966,280,330

Signed and approved for issue on 8 November 2024.

General Director (Chairman of the Management Board)

Chief Accountant



Kassenov A.G.

Akhmedina A.S.

The explanatory notes on pages 8 through 38 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 2024****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 NOTC “KazTransOil” CJSC shares to TNG, and, as a result, NOTC “KazTransOil” CJSC 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 2024 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). As at 30 September 2024 67.42% of KMG shares belong to the Government of the Republic of Kazakhstan represented by Sovereign Wealth Fund “Samruk-Kazyna” JSC (hereinafter – Samruk-Kazyna), 20% of KMG shares belong to the Ministry of Finance of the Republic of Kazakhstan, 9.58% of KMG shares belong to the National Bank of the Republic of Kazakhstan and 3% of shares are in free circulation of the Astana International Exchange (AIX) and Kazakhstan Stock Exchange (hereinafter – KASE). The Government of the Republic of Kazakhstan is the sole shareholder of Samruk-Kazyna.

As at 30 September 2024 and 31 December 2023 the Company had ownership interest in the following companies:

	Place of incorporation	Principal activities	Ownership	
			30 September 2024	31 December 2023
“MunaiTas” NWPC 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, Ulytau, Pavlodar, Turkestan, North-Kazakhstan regions of the Republic of Kazakhstan and in Shymkent, also the Company has branches, which are located in Astana (Research and Development Centre and 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 5,338 km and water pipelines of 2,307 km.

The Company provides services for the transportation of oil through main oil pipelines, a transport expedition of Kazakhstani oil through pipelines of other states, services for the operation and maintenance of oil pipelines of other organizations, including joint venture of the Company.

The Company’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.

The approved tariff for pumping oil to the domestic market starting from 1 January to 30 June 2023 was 4,355.57 Tenge per ton for 1,000 kilometers without VAT, from 1 July 2023 to 30 June 2024 – 4,849.39 Tenge per ton for 1,000 kilometers without VAT, from 1 July 2024 to 31 August 2024 – is 4,851.87 Tenge per ton for 1,000 kilometers without VAT, from 1 September 2024 to 30 November 2024 – is 4,396.23 Tenge per ton for 1,000 kilometers without VAT.

Tariff for pumping oil on export from the Republic of Kazakhstan Starting from 1 June 2022 to 30 June 2023 was of 8,830.51 Tenge per ton for 1,000 km without VAT. Starting from 1 July 2023 – 10,150.00 Tenge per ton for 1,000 km without VAT.

Tariff for pumping oil for transit through Kazakhstani part of main oil pipeline “Tuymazy – Omsk – Novosibirsk-2” starting from 1 April 2018 was 4,292.40 Tenge per ton for 1,000 kilometers without VAT. From 27 June 2023, the tariff for the specified service was put into effect in the amount of 11.28 US Dollars per ton for 1,000 km without VAT.

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 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 by the Chief Accountant on 8 November 2024.

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 2024 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 2023.

These interim condensed consolidated financial statements are presented in Tenge and all values are rounded to the nearest thousand, 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 2023, except for the adoption of new standards and interpretations effective as at 1 January 2024. 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 2024. The nature and the impact of each new standard and amendment are described below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's interim condensed consolidated financial statements due to the absence of supplier financing agreements entered into by the Group.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements due to the absence of sales and leaseback transactions.

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

In January 2020 and October 2022, 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.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

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 KASE are used as official currency exchange rates in the Republic of Kazakhstan.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Foreign currency translation (continued)

Weighted average currency exchange rates for the nine months ended 30 September 2024 and 2023 are as follows:

<i>Tenge</i>	For the nine months ended 30 September	
	2024	2023
US Dollars	458.79	452.97
Russian Rubles	5.09	5.54
Euro	498.79	490.57
Georgian Lari	171.24	176.13

As at 30 September 2024 and 31 December 2023 the currency exchange rates of KASE are as follows:

<i>Tenge</i>	30 September 2024	31 December 2023
US Dollars	481.19	454.56
Russian Rubles	5.18	5.06
Euro	538.45	502.24
Georgian Lari	177.89	170.69

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Basic estimates and assumptions

Fair value measurement of the Group's property, plant and equipment

At each reporting date the Group assesses if there is any difference between the carrying amount of property, plant and equipment and the amount which was determined using the fair value at the reporting date. As at 30 September 2024, the Group's management revised its estimates in relation to the fair value of property, plant and equipment. To assess possible fluctuations in the fair value of the Group's specialized assets, excluding Main Waterline and BOT, the Group's management calculated the present value of expected future cash flows from the use of property, plant and equipment. To assess possible fluctuations in the fair value of the specialized assets of Main Waterline, the Group's management calculated the replacement cost of the assets. To assess possible fluctuations in the fair value of BOT's assets and the Group's non specialized assets, the Group's management determined the market prices for similar assets.

Based on the results of the analysis, the Group's management determined that as at 30 September 2024 there were no significant differences between the carrying amount of the Group's property, plant and equipment and their fair value, except as indicated below.

Revaluation of technological oil

As at 30 September 2024 and 31 December 2023 the volume of oil in pipelines, included in property, plant, and equipment, amounted 2,710 thousand tons. Due to 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 2024 was increased for the amount of 5,240,308 thousand Tenge through other comprehensive income (*Notes 4*) (for the nine months period ended 30 September 2023: increase for the amount of 13,941,042 thousand Tenge through other comprehensive income). Oil price as at 30 September 2024 was 86,458 Tenge per ton (as at 31 December 2023: 84,524 Tenge per ton).

In addition, during the nine months period ended 30 September 2024, the Group recognized an impairment of individual property, plant and equipment in the amount of 22,567 thousand Tenge, including through other comprehensive loss - by 17,984 thousand Tenge (*Note 4*), as the carrying amount of these fixed assets exceeded their recoverable amount (during the nine months period ended 30 September 2023 recognized impairment in the amount 270,000 Tenge through other comprehensive loss).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Basic estimates and assumptions (continued)

Asset retirement and land reclamation obligation

The reserve was determined at the end of each reporting period using the projected inflation rate for the expected period of fulfillment of obligations, and the discount rate at the end of each reporting period which are presented below:

<i>As a percentage</i>	30 June 2024	30 September 2024	31 December 2023
Discount rate	9,21%	8,58%	8,77%
Inflation rate	5,13%	4,97%	4,75%
Period of fulfillment of obligations	10,5 years	10,25 years	11 years

<i>As a percentage</i>	30 June 2023	30 September 2023	31 December 2022
Discount rate	9,09%	9,31%	10,46%
Inflation rate	5,02%	4,67%	6,23%
Period of fulfillment of obligations	11,5 years	11,25 years	12 years

Sensitivity analysis of asset retirement and land reclamation obligation for the change in significant assumptions as at 30 September 2024 is as follows:

<i>In thousands of Tenge</i>	(Decrease)/ increase in rate	(Decrease)/ increase in liability
Discount rate	-0.5%	2,426,048
	+0.5%	(2,301,300)
Inflation rate	-0.5%	(2,391,896)
	+0.5%	2,502,329

During the nine months periods ended 30 September 2024 and 2023, the provision for asset retirement and land reclamation obligation was reversed in the amount of 661,357 thousand Tenge and 1,224,352 thousand Tenge, respectively (*Note 16*), in connection with the liquidation of decommissioned sections of oil pipelines and the performance of land reclamation works at the relevant sites in accordance with the requirements established by law.

Employee benefits

As at 30 June 2024 and 31 December 2023, the measurement of the post-employment benefit obligations and other long-term employee benefits was carried out by an independent actuary.

Principal actuarial assumptions used for the measurement of employee benefit obligations as at 30 June 2024 and 31 December 2023 were as follows:

	30 June 2024	31 December 2023
Discount rate	9.91%	10.93%
Future financial aid increase	7.15%	7.15%
Future salary increase	5.63%	5.63%
Mortality rate	5.44%	5.44%

As at 30 June 2024 the average period of post-retirement benefit obligations were 17.47 years (as at 31 December 2023: 17.98 years).

As at 30 September 2024, the basic actuarial assumptions used to estimate employee benefit obligations have not changed.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Basic estimates and assumptions (continued)

Employee benefits (continued)

Sensitivity analysis of employee benefit obligations for the change in significant estimates as at 30 June 2024 is as follows:

<i>In thousands of Tenge</i>	(Decrease)/ increase in rate	(Decrease)/ increase in obligation
Discount rate	-0.5% +0.5%	1,371,358 (1,254,095)
Future financial aid increase	-1,0% +1,0%	(2,530,622) 2,753,697
Future salary increase	-1,0% +1,0%	(236,161) 274,712
Life duration	-1 year +1 year	(228,155) 227,184

The remaining key estimates and assumptions adopted in the preparation of the interim condensed consolidated financial statements correspond to the main estimates and assumptions used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machines, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
Gross carrying amount as at 31 December 2023 (audited)	35,250,815	289,911,833	170,808,816	28,867,999	122,675,955	202,813,812	229,023,588	12,909,297	76,057,379	1,168,319,494
Foreign currency translation	1,421,430	-	-	270,813	503,043	350,350	-	22,021	294,276	2,861,933
Additions	-	-	-	1,628,526	55,873	2,278,932	-	432,622	18,390,018	22,785,971
Disposals	-	(24,942)	-	(1,499)	(72,492)	(468,038)	(3)	(365,509)	(8,359)	(940,842)
Additions on asset retirement and land reclamation obligation (Note 16)	-	4,210	-	-	139,627	-	-	-	-	143,837
Revaluation (through revaluation reserve)	-	-	-	-	-	-	5,240,308	-	-	5,240,308
Transfers from construction in progress	-	-	-	567,199	728,088	7,075,282	-	155,216	(8,525,785)	-
Transfers from non-current assets held for sale	16,231	-	-	-	6,037	-	-	-	-	22,268
Transfers to inventory	-	(157,283)	-	(212,826)	(23,217)	(467,176)	-	(11,727)	(8,262)	(880,491)
Transfers and reclassifications	-	(24,173)	-	(2,515)	-	34,514	-	(20,576)	12,750	-
Gross carrying amount as at 30 September 2024 (unaudited)	36,688,476	289,709,645	170,808,816	31,117,697	124,012,914	211,617,676	234,263,893	13,121,344	86,212,017	1,197,552,478
Accumulated depreciation and impairment as at 31 December 2023 (audited)	-	(26,908,834)	(5,033,835)	(5,520,337)	(9,706,602)	(31,530,584)	-	(3,923,012)	(1,550,766)	(84,173,970)
Foreign currency translation	-	-	-	(61,724)	(49,817)	(76,966)	-	(5,946)	-	(194,453)
Depreciation charge	-	(15,147,590)	(4,964,256)	(3,171,170)	(5,488,073)	(16,908,633)	-	(2,104,537)	-	(47,784,259)
Disposals	-	24,942	-	703	72,454	437,365	-	359,745	8,359	903,568
Impairment (through profit and loss)	(3,413)	-	-	-	(1,170)	-	-	-	-	(4,583)
Impairment (through revaluation reserve)	(12,818)	-	-	-	(5,166)	-	-	-	-	(17,984)
Transfers to inventory	-	120,181	-	181,875	19,383	433,016	-	10,728	62	765,245
Transfers from construction in progress	-	-	-	-	(8,809)	(24,797)	-	(446)	34,052	-
Transfers and reclassifications	-	-	-	1,679	-	(1,552)	-	(127)	-	-
Accumulated depreciation and impairment as at 30 September 2024 (unaudited)	(16,231)	(41,911,301)	(9,998,091)	(8,568,974)	(15,167,800)	(47,672,151)	-	(5,663,595)	(1,508,293)	(130,506,436)
As at 30 September 2024 (unaudited)										
Gross carrying amount	36,688,476	289,709,645	170,808,816	31,117,697	124,012,914	211,617,676	234,263,893	13,121,344	86,212,017	1,197,552,478
Accumulated depreciation and impairment	(16,231)	(41,911,301)	(9,998,091)	(8,568,974)	(15,167,800)	(47,672,151)	-	(5,663,595)	(1,508,293)	(130,506,436)
Net book value	36,672,245	247,798,344	160,810,725	22,548,723	108,845,114	163,945,525	234,263,893	7,457,749	84,703,724	1,067,046,042
As at 31 December 2023 (audited)										
Gross carrying amount	35,250,815	289,911,833	170,808,816	28,867,999	122,675,955	202,813,812	229,023,588	12,909,297	76,057,379	1,168,319,494
Accumulated depreciation and impairment	-	(26,908,834)	(5,033,835)	(5,520,337)	(9,706,602)	(31,530,584)	-	(3,923,012)	(1,550,766)	(84,173,970)
Net book value	35,250,815	263,002,999	165,774,981	23,347,662	112,969,353	171,283,228	229,023,588	8,986,285	74,506,613	1,084,145,524

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 30 September 2024 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, communication lines, power supply, oil reservoirs and others);

As at 30 September 2024:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated property, plant and equipment still in use was 681,578 thousand Tenge (as at 31 December 2023: 8,712 thousand Tenge);
- Construction in progress included materials and spare parts in the amount of 4,968,313 thousand Tenge (as at 31 December 2023: 4,206,770 thousand Tenge), which were acquired for construction works.

Depreciation of property, plant, and equipment for nine months period ended 30 September 2024, included in the cost of construction in progress amounted to 13,357 thousand Tenge (for nine months period ended 30 September 2023: 16,213 thousand Tenge).

5. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Investments in KCP	87,526,548	81,916,865
Investments in MunaiTas	23,620,238	24,837,349
Total	111,146,786	106,754,214

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 2023 (audited)	106,754,214
Share in income of joint ventures	13,856,231
Share in other comprehensive income of joint ventures	100,912
Dividends	(9,564,571)
As at 30 September 2024 (unaudited)	111,146,786

Based on the decision of General meeting of KCP members dated 31 May 2024, the Company accrued and received the dividends in the amount of 8,000,000 thousand Tenge based on the 2023 results (*Note 25*).

Based on the decision of General meeting of MunaiTas members dated 10 June 2024, the Company accrued and received the dividends in the amount of 1,564,571 thousand Tenge based on the 2023 results (*Note 25*).

The Company's share in comprehensive income of joint ventures for the three and nine months periods ended 30 September 2024 and 2023 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)	
	2024	2023	2024	2023
Share in income of joint ventures				
KCP	4,610,530	3,748,760	13,173,900	11,967,994
MunaiTas	456,308	294,041	682,331	1,509,403
Total share in income of joint ventures	5,066,838	4,042,801	13,856,231	13,477,397
Share in other comprehensive income/(loss) of joint ventures				
KCP	-	376,585	435,783	808,777
MunaiTas	(302,663)	663,964	(334,871)	(193,547)
Total share in other comprehensive income/(loss) of joint ventures	(302,663)	1,040,549	100,912	615,230
Total share in comprehensive income of joint ventures	4,764,175	5,083,350	13,957,143	14,092,627

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. INVESTMENTS IN JOINT VENTURES (continued)

Loan of KCP

On 1 February 2024, KCP repaid the loan in full ahead of schedule under the loan agreement dated 27 June 2018. The balance of the loan, including remuneration, as at 31 December 2023, amounted to 73,000 thousand US Dollars (equivalent to 32,842,896 thousand Tenge), the total amount of the loan under the loan agreement was 540 million US Dollars (equivalent to 191,756,400 thousand Tenge at the date of raising).

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

Short-term trade and other accounts receivable as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Trade accounts receivable from third parties	7,976,342	8,049,946
Trade accounts receivable from related parties (Note 25)	6,680,742	5,216,823
Other accounts receivable from third parties	612,078	506,829
Less: allowance for expected credit losses	(5,627,861)	(5,326,570)
Total	9,641,301	8,447,028

Short-term trade and other accounts receivable of the Group as at 30 September 2024 and 31 December 2023 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Tenge	7,221,768	5,449,296
US Dollars	2,397,330	1,669,503
Russian Rubles	1,512	881,851
Other currency	20,691	446,378
Total	9,641,301	8,447,028

7. VAT AND OTHER TAXES

VAT recoverable and other prepaid taxes as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Current VAT recoverable	2,837,775	1,488,075
Taxes and payments in other countries	891,164	8,996,651
Property tax	9,453	434,160
Other taxes prepaid	44,035	36,993
Total	3,782,427	10,955,879

Other taxes payable as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
VAT payable	1,334,641	6,530
Personal income tax	547,135	646,191
Social tax	417,461	513,359
Property tax	-	3,004
Taxes and payments in other countries	-	6,672,486
Other taxes	17,721	28,183
Total	2,316,958	7,869,753

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. OTHER CURRENT ASSETS

Other current assets as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Other current financial assets		
Notes of the National Bank (<i>Note 25</i>)	25,121,564	21,579,104
Investments in bonds	–	646,608
Other	69,182	33,136
	25,190,746	22,258,848
Other current non-financial assets		
Prepayment for oil transportation coordination services	4,349,945	5,224,762
Prepayment for insurance	492,824	229,031
Deferred expenses	435,038	117,518
Other	481	23,185
	5,278,288	5,594,496
Total	30,469,034	27,853,344

Investments in bonds

In December 2017, in accordance with the Decision of the Government of the Republic of Kazakhstan dated 7 November 2017, the Group purchased bonds of “Special Financial Company DSFK” LLP (hereinafter – DSFK bonds) using the funds placed with RBK Bank JSC. The nominal amount of the bonds was 5,019,520 thousand Tenge, the number of bonds is 5,019,520 thousand units. DSFK bonds carry coupon interest of 0.01% per annum and mature in 15 years. In order to secure these bonds, the Company was provided with a financial guarantee in the amount of 1,379,913 thousand Tenge with a claim period of five years from the date of issue of the bonds.

During the nine months period ended 30 September 2024, the Company received compensation under the financial guarantee in the amount of 1,379,913 thousand Tenge and the issuer repurchased bonds in the amount of 13,564 thousand Tenge (during the nine months period ended 30 September 2023, repurchase – by 100,510 thousand Tenge). At the same time, the Company recognized income from revision the fair value of the bonds in the amount of 746,869 thousand Tenge (during the nine months period ended 30 September 2023, a loss from the revision of the fair value – by 87,080 thousand Tenge) (*Note 22*).

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Time deposits with banks – Tenge	58,130,403	26,135,995
Time deposits with banks – US	9,516,177	6,290,971
Time deposits with banks – other currency	44,573	–
Current accounts with banks – US Dollars	9,447,204	6,845,219
Current accounts with banks – Georgian Lari	3,067,105	732,751
Current accounts with banks – Tenge	61,226	11,361,093
Current accounts with banks – other currency	74,480	38,721
Reverse repo transactions	5,748,487	25,276,421
Other current accounts with banks	12,096	11,685
Cash on hand	–	455
Less: Allowance for expected credit losses	(21,547)	(20,699)
Total	86,080,204	76,672,612

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

9. CASH AND CASH EQUIVALENTS (continued)

As at 30 September 2024:

- For time deposits with maturity less than 3 months in Tenge interests accrued at rates from 11.50% to 13.90% per annum (as at 31 December 2023: from 14.25% to 15.8% per annum);
- For time deposits with maturity less than 3 months in US Dollars interests accrued at rates from 3% to 4% per annum (as at 31 December 2023: from 2.5% to 3% per annum);
- For current accounts in Tenge interests accrued at rates from 6.75% to 11.50% per annum (as at 31 December 2023: from 7% to 13% per annum);
- For current accounts placed in US Dollars interests accrued at rates from 0.25% to 3.90% per annum (as at 31 December 2023: from 0.25% to 3% per annum);
- For current accounts placed in Georgian Lari interests accrued at rates from 7.75% to 9.10% per annum (as at 31 December 2023: from 10.6% to 11% per annum).

Reverse repo transactions

As at 30 September 2024, reverse repo transactions consist of financial instruments with an average yield of 13.65% and maturity from 1 to 14 days (as at 31 December 2023: with an average yield of 15.9% and maturity from 5 to 8 days).

10. EQUITY**Retained earnings***Dividends*

During the nine months period ended 30 September 2024 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 23 May 2024 in the amount of 25,000,826 thousand Tenge based on the results of 2023 (calculated as 65 Tenge per 1 share), from which 22,501,182 thousand Tenge was paid to KMG (Note 25) and 2,499,644 thousand Tenge – to minority shareholders.

During the nine months period ended 30 September 2023 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 24 May 2023 in the amount of 15,000,496 thousand Tenge based on the results of 2022 (calculated as 39 Tenge per 1 share), from which 13,500,710 thousand Tenge was paid to KMG (Note 25) and 1,499,786 thousand Tenge to minority shareholders.

Other operation with shareholder

During the nine months period ended 30 September 2023 the retained earnings of the Group was increased by the discount on the Group's debt securities issued (Note 12) in the amount of 22,145,133 thousand Tenge.

Asset revaluation reserve

As at 30 September 2024 asset revaluation reserve was equal to 360,975,225 thousand Tenge (as at 31 December 2023: 380,639,671 thousand Tenge). The change in this reserve is mainly due to revaluation of the technological oil of the Group (Note 4), revision of estimates of provision for asset retirement and land recultivation obligation (Note 16) with the corresponding effect of income tax (Note 23), as well as depreciation of the specified reserve for the period.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. EQUITY (continued)

Earnings per share (continued)

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)	
	2024	2023	2024	2023
Net profit attributable to ordinary equity holders of the Parent of the Group	12,130,636	12,952,226	31,653,568	33,274,498
Weighted average number of ordinary shares for basic and diluted 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 of the Group (in Tenge)	32	34	82	87

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 2024 (unaudited)	31 December 2023 (audited)
Total assets	1,346,058,781	1,358,382,110
Less: intangible assets	(7,859,267)	(7,991,075)
Less: total liabilities	(379,778,451)	(401,511,786)
Net assets for calculation of book value per ordinary share	958,421,063	948,879,249
Number of ordinary shares	384,628,099	384,628,099
Book value per ordinary share (in Tenge)	2,492	2,467

11. LOANS RECEIVED

Movements in loans received for the three and nine months ended 30 September 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
At the beginning of the period (audited)	50,523,640	44,179,097	47,390,786	29,760,793
Including:				
Long term part	47,294,178	44,179,097	47,390,786	29,760,793
Short term part	3,229,462			
Received	21,000,000	–	21,000,000	11,800,000
Repaid	(21,000,000)	–	(21,000,000)	–
Interest accrued	836,178	1,691,304	3,969,032	4,392,208
Additional expenses	(21,000)	–	(21,000)	(82,600)
At the end of the period (audited)	51,338,818	45,870,401	51,338,818	45,870,401
Including:				
Long term part	48,949,916	45,870,401	48,949,916	45,870,401
Short term part	2,388,902	–	2,388,902	–

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

11. LOANS RECEIVED (continued)*Loans of JSC “Halyk Bank of Kazakhstan”*

On 25 November 2022, Main Waterline entered into an agreement on the provision of a credit line with JSC “Halyk Bank of Kazakhstan” (hereinafter – the agreement) for the amount of 66,700,000 thousand Tenge with the floating interest rate at the level of the base rate of the National Bank of the Republic of Kazakhstan plus 2.5% (subject to review every six months), the loan term is 120 months from the date of conclusion of an agreement. The purpose of the credit line is to finance the project “Reconstruction and expansion of the main waterline “Astrakhan-Mangyshlak” 1st stage”. Samruk-Kazyna acted as the guarantor of the obligations of the Main Waterline under the agreement on the provision of a credit line.

On 28 November 2022 and 10 April 2023, under the agreement, the Main Waterline received two tranches amounting 29,592,745 thousand Tenge and 11,800,000 thousand Tenge. Bank loan agreements establish the beginning of loan repayment and payment of interest for the first tranche – starting from 1 December 2025 and 30 May 2025, respectively, for the second tranche – starting from 10 April 2026 and 10 October 2025, respectively, with a payment frequency of once every six months. On July 1 2024, the Main Waterline received a loan from the Eurasian Development Bank in the amount of 21,000,000 thousand Tenge, which was directed to early repayment of loans in the amount of 9,300,000 thousand Tenge and 11,700,000 thousand Tenge for the first and second tranches, respectively. As at 30 September 2024, the amount of the principal debt on loans received from JSC “Halyk Bank of Kazakhstan” is 20,102,996 thousand Tenge.

The Group capitalized borrowing costs incurred during construction into the cost of the qualifying asset prior to its commissioning at the end of 2023. Starting from 1 January 2024, borrowing costs are recognized by the Group through profit or loss.

As at 30 September 2024, the nominal interest rate on loans averaged 17.25% (as at 31 December 2023: 18.38%), the effective interest rate - averaged 13.08% (as at 31 December 2023: 15.54%).

Loans of Eurasian Development Bank

On 10 June 2024, Main Waterline entered into a loan agreement with the Eurasian Development Bank and on 1 July 2024 received a loan in the amount of 21,000,000 thousand Tenge with the floating interest rate at the level of the base rate of the National Bank of the Republic of Kazakhstan, effective on the date of determining the interest rate, minus 2% (subject to review every 6 months), the loan term is 108 months from the date of issue of the loan. The grace period for the payment of principal debt and interest is 30 months from the date of issue of the loan. The purpose of the credit line is to refinance the debt of the Main Waterline under an agreement with JSC “Halyk Bank of Kazakhstan”. The Company acted as the guarantor of the fulfillment of the obligations of the Main Waterline under the attracted loan.

The loan was recognized at fair value less borrowing costs. As at 30 September 2024, the nominal interest rate on loans was 12.5%, the effective interest rate - 11.01%.

Covenants

The Group must ensure the fulfillment of non-financial covenants in accordance with the Agreement on the provision of a credit line. As at 30 September 2024, the Group complies with all non-financial covenants. There are no financial covenants under the terms of the agreement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. ISSUED DEBT SECURITIES

Movements in issued debt securities for the three and nine months ended 30 September 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
At the beginning of the period (audited)	43,555,749	28,402,410	41,374,855	–
Including:				
Long term part	40,763,077	28,357,966	41,302,077	–
Short term part	2,792,672	44,444	72,778	–
Received	–	–	–	50,000,000
Discount recognition (<i>Note 10</i>)	–	–	–	(22,145,133)
Discount amortization	1,143,670	743,504	3,309,842	1,246,603
Interest accrued	87,500	62,500	262,500	106,944
Repayment of interest	–	–	(160,278)	–
At the end of the period (audited)	44,786,919	29,208,414	44,786,919	29,208,414
Including:				
Long term part	41,829,980	29,101,470	41,829,980	29,101,470
Short term part	2,956,939	106,944	2,956,939	106,944

During 2023 in order to finance the investment project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak" 1st stage", Main Waterline issued bonds in total amounting to 50 billion Tenge and additionally 20 billion Tenge with a coupon rate of 0.5% per annum and a circulation period 10 years, the grace period for repayment of the principal debt is 2 years, the interest payment dates are set from October 2023 and April 2024, respectively.

These bonds were purchased by KMG at the expense of anti-crisis funds from the National Fund of the Republic of Kazakhstan in April and October 2023, respectively. The amount of bonds was recognized at fair value based on the market interest rate on the date of their placement in the amount of 11.74% and 11.57%.

The difference between the market and coupon interest rates on the issued bonds was recognized by the Group as a discount and reflected in retained earnings (*Note 10*).

The Group capitalized costs of issued bonds into the cost of the qualifying asset prior to its commissioning at the end of 2023. Starting from 1 January 2024, costs of the issued bonds are recognized by the Group through profit or loss.

Covenants

The Group must ensure compliance with non-financial covenants in accordance with the bond purchase agreement. As at 30 September 2024, the Group is in compliance with all non-financial covenants.

There are no financial covenants under the terms of the bond purchase and sale agreement.

13. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Non-current portion of employee benefit obligations	21,331,734	18,045,542
Current portion of employee benefit obligations	1,242,682	1,185,285
Total	22,574,416	19,230,827

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. EMPLOYEE BENEFIT OBLIGATIONS (continued)

Changes in the present value of employee benefit obligations for the three and nine months ended 30 September 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
At the beginning of the period (audited)	22,200,154	19,682,652	19,230,827	19,143,274
Interest cost (Note 22)	516,309	364,088	1,548,945	1,092,278
Current services cost (Notes 19, 20)	202,323	179,066	606,969	537,198
Actuarial gain through profit and loss (Note 21)	-	-	(110,265)	-
Actuarial loss through other comprehensive loss	-	-	2,286,771	-
Benefits paid	(344,370)	(300,468)	(988,831)	(847,412)
At the end of the period (unaudited)	22,574,416	19,925,338	22,574,416	19,925,338

14. CONTRACT LIABILITIES TO CUSTOMERS

Long-term contract liabilities to customers as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
	Deferred income from related parties (Note 25)	22,051,698
Deferred income from third parties	8,871,879	8,581,827
Total	30,923,577	31,908,136

Short-term contract liabilities to customers as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
	Advances received from related parties (Note 25)	16,393,818
Advances received from third parties	8,493,153	9,544,255
Current part of deferred income from related parties (Note 25)	2,799,157	2,799,157
Current part of deferred income from third parties	746,929	707,049
Total	28,433,057	31,246,778

The Group's deferred income from related parties relates to the receipt of services from the consumer on a free basis for the sections of pipelines used by them in the period 2021-2022 for the total amount of 32,454,806 thousand Tenge and during the nine month period of 2024 in the amount 824,757 thousand Tenge.

The Group recognized the value of these assets as non-monetary reimbursement of the Group's services and recognized contract liability and property, plant and equipment for the indicated amounts.

For deferred income received in the period 2021-2022, The amortization of contract liability for the nine months periods ended 30 September 2024 and 2023 was recognized by the Group as revenue from the provision of water transportation services in the amount of 2,099,368 thousand Tenge. As an assumption on the amortization period of liability under the agreement, the validity period of the contract for the subsurface use of the consumer of services is accepted.

Revenue recognized in respect of contracts with customers

For the nine months ended 30 September 2024, the revenue in the amount of 27,003,917 thousand Tenge was recognized by the Group in respect of contract liabilities to customers as at the beginning of the reporting period (for the nine months ended 30 September 2023: 26,326,729 thousand Tenge).

15. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
	Accounts payable to third parties for goods and services	12,753,471
Accounts payable to related parties for goods and services (Note 25)	1,248,719	1,260,755
Other accounts payable to third parties	1,384,383	1,901,113
Total	15,386,573	34,937,605

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. TRADE AND OTHER ACCOUNTS PAYABLE (continued)

As at 30 September 2024 trade and other accounts payable included payables to third parties for property, plant and equipment and works and services related to the construction-in-progress in the amount of 4,559,230 thousand Tenge (as at 31 December 2023: 22,265,494 thousand Tenge). The decrease in accounts payable relates to their repayment during the reporting period.

Trade and other accounts payable as at 30 September 2024 and 31 December 2023 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Tenge	12,769,929	32,767,590
Georgian Lari	1,990,203	1,966,882
US Dollars	615,900	194,612
Russian Roubles	7,173	6,248
Euro	3,368	2,273
Total	15,386,573	34,937,605

16. ROVISION FOR ASSET RETIREMENT AND LAND RECULTIVATION OBLIGATION

The movement of provision for asset retirement and land recultivation obligation for the three and nine months ended 30 September 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
At the beginning of the period (audited)	45,594,043	41,934,534	45,648,971	40,664,979
Charge through asset	139,627	1,883	143,837	1,883
Revision of estimates through other comprehensive loss	3,638,070	(78,157)	2,892,848	102,149
Revision of estimates through profit and loss (Note 21)	1,043,314	(42,047)	373,833	(1,024,490)
Reversal through profit and loss (Notes 3, 21)	-	(1,188,747)	(661,357)	(1,224,352)
Unwinding of discount (Note 22)	1,015,271	923,356	3,032,193	3,030,653
At the end of the period (unaudited)	51,430,325	41,550,822	51,430,325	41,550,822

17. OTHER CURRENT LIABILITIES

Other current liabilities as at 30 September 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Other current financial liabilities		
Provisions for vacations and other employee benefits	8,630,984	11,215,283
Employee salary	5,264,348	5,650,919
Payable for oil transportation coordination services to third parties	423,542	376,867
Other accruals	517,048	861,793
	14,835,922	18,104,862
Other current non-financial liabilities		
Liabilities for oil transportation coordination services to related parties (Note 25)	9,083,014	7,401,666
Liabilities for oil transportation coordination services to third parties	3,360,605	5,505,172
Payable for pension contributions and social insurance	1,056,953	1,229,758
	13,500,572	14,136,596
Total other current liabilities	28,336,494	32,241,458

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. REVENUE**

Revenue for the three and nine months ended 30 September 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For three months ended 30 September 2024 (unaudited)					For nine months ended 30 September 2024 (unaudited)				
	Oil transportation and related services	Oil trans-shipment	Water transportation	Others	Total for segments	Oil transportation and related services	Oil trans-shipment	Water transportation	Others	Total for segments
Crude oil transportation	55,786,114	-	-	-	55,786,114	165,995,716	-	-	-	165,995,716
Pipeline operation and maintenance services	7,492,815	-	-	-	7,492,815	22,611,200	-	-	-	22,611,200
Water transportation	-	-	7,186,476	-	7,186,476	-	-	17,850,111	-	17,850,111
Oil, oil products and gas transshipment and railway shipment	-	5,401,366	-	-	5,401,366	-	14,366,550	-	-	14,366,550
Seaport services	-	-	-	2,317,149	2,317,149	-	-	-	6,195,041	6,195,041
Oil storage services	62,887	228,110	-	-	290,997	151,416	848,303	-	-	999,719
Oil transportation coordination services	237,484	-	-	-	237,484	704,955	-	-	-	704,955
Fees for undelivered oil volumes	116,821	-	-	-	116,821	191,732	-	-	-	191,732
Others	3,792	-	186	218,095	222,073	21,782	-	5,634	1,118,071	1,145,487
Total for segments	63,699,913	5,629,476	7,186,662	2,535,244	79,051,295	189,676,801	15,214,853	17,855,745	7,313,112	230,060,511
Geographic regions*										
Kazakhstan	55,613,770	3,087,159	7,186,662	16,605	65,904,196	165,400,439	7,928,350	17,855,745	84,417	191,268,951
Russia	7,525,043	-	-	-	7,525,043	21,718,418	-	-	-	21,718,418
Georgia	-	202,796	-	2,518,639	2,721,435	-	840,504	-	7,228,695	8,069,199
UAE	-	2,256,101	-	-	2,256,101	-	6,068,874	-	-	6,068,874
Uzbekistan	561,100	-	-	-	561,100	2,557,944	-	-	-	2,557,944
Others	-	83,420	-	-	83,420	-	377,125	-	-	377,125
Total revenue under contracts with customers	63,699,913	5,629,476	7,186,662	2,535,244	79,051,295	189,676,801	15,214,853	17,855,745	7,313,112	230,060,511
Timing of revenue recognition										
At a point in time	56,207,098	5,629,476	7,186,662	2,535,244	71,558,480	167,065,601	15,214,853	17,855,745	7,313,112	207,449,311
Over time	7,492,815	-	-	-	7,492,815	22,611,200	-	-	-	22,611,200
Total revenue under contracts with customers	63,699,913	5,629,476	7,186,662	2,535,244	79,051,295	189,676,801	15,214,853	17,855,745	7,313,112	230,060,511

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. REVENUE (continued)**

<i>In thousands of Tenge</i>	For three months ended 30 September 2023 (unaudited)					For nine months ended 30 September 2023 (unaudited)				
	Oil transportation and related services	Oil trans-shipment	Water transportation	Others	Total for segments	Oil transportation and related services	Oil trans-shipment	Water transportation	Others	Total for segments
Crude oil transportation	52,024,224	-	-	-	52,024,224	149,704,346	-	-	-	149,704,346
Pipeline operation and maintenance services	6,941,819	-	-	-	6,941,819	19,654,268	-	-	-	19,654,268
Water transportation	-	-	5,092,842	-	5,092,842	-	-	14,226,534	-	14,226,534
Oil, oil products and gas transshipment and railway shipment	-	4,746,900	-	-	4,746,900	-	15,853,951	-	-	15,853,951
Seaport services	-	-	-	2,286,184	2,286,184	-	-	-	6,151,333	6,151,333
Fees for undelivered oil volumes	591,503	-	-	-	591,503	1,302,463	-	-	-	1,302,463
Oil storage services	28,135	343,276	-	-	371,411	97,997	1,188,593	-	-	1,286,590
Oil transportation coordination services	235,974	-	-	-	235,974	580,691	-	-	-	580,691
Others	2,287	-	2,198	232,580	237,065	16,240	-	3,305	662,694	682,239
Total for segments	59,823,942	5,090,176	5,095,040	2,518,764	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	209,442,415
Geographic regions*										
Kazakhstan	52,381,434	3,011,902	5,095,040	13,264	60,501,640	149,921,257	10,574,131	14,229,839	62,510	174,787,737
Russia	7,052,555	-	-	-	7,052,555	20,440,007	-	-	-	20,440,007
Georgia	-	175,178	-	2,505,500	2,680,678	-	2,051,955	-	6,751,517	8,803,472
UAE	-	1,472,106	-	-	1,472,106	-	3,202,499	-	-	3,202,499
Uzbekistan	389,953	-	-	-	389,953	994,741	-	-	-	994,741
Others	-	430,990	-	-	430,990	-	1,213,959	-	-	1,213,959
Total revenue under contracts with customers	59,823,942	5,090,176	5,095,040	2,518,764	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	209,442,415
Timing of revenue recognition										
At a point in time	52,882,123	5,090,176	5,095,040	2,518,764	65,586,103	151,701,737	17,042,544	14,229,839	6,814,027	189,788,147
Over time	6,941,819	-	-	-	6,941,819	19,654,268	-	-	-	19,654,268
Total revenue under contracts with customers	59,823,942	5,090,176	5,095,040	2,518,764	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	209,442,415

* The revenue information in the tables above is given according to the location of the customers.

For the nine months period ended 30 September 2024 the revenue from the four major customers amounted to 40,654,395 thousand Tenge, 26,685,112 thousand Tenge, 9,974,866 thousand Tenge and 8,638,911 thousand Tenge (for the nine months period ended 30 September 2023: 41,379,971 thousand Tenge, 23,065,351 thousand Tenge, 14,383,573 thousand Tenge and 10,649,950 thousand Tenge, respectively).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. COST OF SALES

Cost of sales for the three and nine months ended 30 September 2024 and 2023 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)	
	2024	2023	2024	2023
Personnel costs	25,414,606	21,828,014	80,413,703	68,293,157
Depreciation and amortization	15,947,883	17,719,762	48,644,957	53,659,925
Taxes other than income tax	3,518,271	3,201,799	10,705,774	9,358,738
Security services	3,536,533	3,368,259	10,458,881	9,930,941
Electric energy	2,885,072	2,471,686	8,451,029	7,293,677
Repair and maintenance	3,461,113	2,817,757	8,222,150	6,341,771
Materials and fuel	3,085,109	2,777,784	7,274,023	6,144,862
Railway services	2,353,423	2,457,769	6,232,662	7,337,661
Gas expenses	496,208	454,320	2,475,377	2,311,906
Food and accommodation	760,453	634,948	2,307,242	1,870,799
Insurance	345,004	303,555	1,017,240	914,861
Environmental protection	372,933	74,594	915,673	228,031
Business trip expenses	291,123	292,097	747,058	742,084
Labour protection, safety	303,034	256,163	715,689	623,307
Production services	198,638	232,407	658,317	642,445
Post-employment benefits (Note 13)	191,150	168,322	573,451	504,966
Outstaffing services	221,755	142,037	507,278	411,781
Social sphere expenses	117,804	178,718	464,193	546,340
Communication services	104,792	94,854	288,319	264,384
Other	519,034	618,402	1,139,494	1,342,037
Total	64,123,938	60,093,247	192,212,510	178,763,673

The increase in personnel costs in the reporting period is due to the salary indexation, as well as the accrual of other benefits of production employees of the Group.

20. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three and nine months ended 30 September 2024 and 2023 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)	
	2024	2023	2024	2023
Personnel costs	2,417,434	2,173,026	7,738,163	6,184,302
Depreciation and amortization	322,581	400,865	992,383	1,184,584
Repair and maintenance	124,454	115,489	373,779	367,070
Office maintenance	118,581	115,435	336,591	327,313
Outstaffing services	81,853	78,223	240,598	220,978
Business trip expenses	85,291	52,803	218,868	193,337
Auditing and consulting services	57,124	48,782	187,858	191,019
Information services	80,827	31,320	159,283	100,929
VAT not included in the offset	38,296	733	137,619	130,943
Taxes other than income tax	50,453	97,045	130,992	213,431
Social sphere expenses	12,358	59,834	106,423	249,506
Insurance and security	36,448	25,880	100,163	74,077
Communication services	24,589	20,110	71,160	65,927
Charge of allowance for expected credit losses, net	(35,620)	168,445	40,456	221,646
Bank costs	11,107	11,137	36,172	35,123
Post-employment benefits (Note 13)	11,173	10,744	33,518	32,232
Materials and fuel	12,359	6,587	25,444	22,946
Other	196,157	192,751	659,824	571,373
Total	3,645,465	3,609,209	11,589,294	10,386,736

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. OTHER OPERATING INCOME AND EXPENSES

Other operating income/expenses for the three and nine months ended 30 September 2024 and 2023 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)	
	2024	2023	2024	2023
Income from fines and penalties	335,200	187,068	972,529	558,649
Income from revision of estimates and reversal of asset retirement and land recultivation obligation, net (Note 16)	–	1,230,794	287,524	2,248,842
Amortization of deferred income	77,735	74,040	223,804	220,984
Actuarial gain (Note 13)	–	–	110,265	–
Income from modification and disposal of lease agreements	72,337	–	89,667	–
Income from inventory recognition	33,359	35,888	46,594	36,914
Income from disposal of non-current assets held for sale	–	–	9,889	–
Other income	8,598	44,509	39,190	34,818
Total	527,229	1,572,299	1,779,462	3,100,207

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)	
	2024	2023	2024	2023
Expenses for liquidation of emergencies and accidents	31,691	–	200,656	4,469
Expenses for liquidation of idle production facilities	31,021	42,296	37,519	85,514
Loss on disposal of property, plant and equipment and intangible assets, net	20,821	–	34,744	12,996
Impairment of property, plant and equipment	–	59,539	4,583	59,539
Write-off of inventory to net realizable value	–	661,271	–	661,271
Expenses from revision of estimates and reversal of asset retirement and land recultivation obligation, net (Note 16)	1,043,314	–	–	–
Other expenses	73,731	15,512	76,070	63,679
Total	1,200,578	778,618	353,572	887,468

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. FINANCE INCOME AND EXPENSES

Finance income/expenses for the three and nine months ended 30 September 2024 and 2023 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)	
	2024	2023	2024	2023
Interest income on bank deposits, current accounts and reverse repo transactions	1,937,155	1,714,979	6,116,911	6,497,056
Income from notes of the National Bank (Note 25)	660,190	627,982	1,649,768	632,570
Income from revision of bond's fair value (Note 8)	9,926	–	746,869	–
Unwinding of discount on long-term receivables	39,184	42,953	117,564	128,865
Other finance income	7,426	34,685	19,306	17,891
Total	2,653,881	2,420,599	8,650,418	7,276,382

Finance expenses

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2024	2023	2024	2023
Interest on loans received (Note 11)	836,178	–	3,969,032	–
Amortization of discount on issued debt securities (Note 12)	1,143,670	–	3,309,842	–
Unwinding of discount on asset retirement and land reclamation obligation reserve (Note 16)	1,015,271	923,356	3,032,193	3,030,653
Interest cost on employee benefit obligations (Note 13)	516,309	364,088	1,548,945	1,092,278
Unwinding of discount on lease liabilities	321,710	255,345	1,008,046	626,623
Interest on issued debt securities (Note 12)	87,500	–	262,500	–
Expenses from the fair value revision of bonds (Note 8)	–	–	–	87,080
Other finance expenses	177,160	2,342	177,809	7,408
Total	4,097,798	1,545,131	13,308,367	4,844,042

23. INCOME TAX EXPENSE

Income tax expenses for the three and nine months ended 30 September 2024 and 2023 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)	
	2024	2023	2024	2023
Current income tax expense	4,167,106	3,448,057	10,519,033	9,536,848
Adjustments of the past periods	–	–	(66,376)	81,315
Deferred income tax benefit	(2,118,278)	(1,200,439)	(5,075,798)	(3,734,303)
Income tax expense	2,048,828	2,247,618	5,376,859	5,883,860

Movement in net deferred income tax liabilities for the three and nine months ended 30 September 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
At the beginning of the period (audited)	98,267,322	104,161,752	99,367,910	107,509,698
Charged to other comprehensive loss	(1,453,838)	3,527,860	403,044	2,713,778
Charged to profit and loss	(2,118,278)	(1,200,439)	(5,075,798)	(3,734,303)
Currency translation	30	–	80	–
At the end of the period (unaudited)	94,695,236	106,489,173	94,695,236	106,489,173

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SEGMENT INFORMATION**

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 2024 and 2023:

	For the three months ended 30 September 2024 (unaudited)					For the three months ended 30 September 2023 (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)
<i>In thousands of Tenge</i>												
Revenue												
External customers	63,699,913	5,629,476	7,186,662	2,535,244	-	79,051,295	59,823,942	5,090,176	5,095,040	2,518,764	-	72,527,922
Intersegmental	317,482	-	105,895	-	(423,377)	-	220,092	-	23,585	-	(243,677)	-
Total revenue <i>(Note 18)</i>	64,017,395	5,629,476	7,292,557	2,535,244	(423,377)	79,051,295	60,044,034	5,090,176	5,118,625	2,518,764	(243,677)	72,527,922
Financial results												
Depreciation and amortization <i>(Notes 19, 20)</i>	(13,202,030)	(295,611)	(2,444,263)	(328,560)	-	(16,270,464)	(15,206,041)	(268,604)	(2,311,788)	(334,194)	-	(18,120,627)
Interest income <i>(Note 22)</i>	2,149,592	66,312	325,267	56,174	-	2,597,345	1,423,610	74,079	157,387	46,500	-	1,701,576
Share in income of joint ventures <i>(Note 5)</i>	5,066,838	-	-	-	-	5,066,838	4,042,801	-	-	-	-	4,042,801
Income tax (expense)/benefits <i>(Note 23)</i>	(2,163,356)	-	114,528	-	-	(2,048,828)	(2,323,473)	-	75,855	-	-	(2,247,618)
Segment profit/(loss) for the period	14,381,986	1,382,257	(1,536,124)	191,633	(2,289,116)	12,130,636	12,336,023	529,444	(280,539)	866,352	(499,054)	12,952,226

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SEGMENT INFORMATION (continued)**

Information on revenue and profit of the Group's segments for the nine months ended 30 September 2024 and 2023:

	For the nine months ended 30 September 2024 (unaudited)						For the nine months ended 30 September 2023 (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)
<i>In thousands of Tenge</i>												
Revenue												
External customers	189,676,801	15,214,853	17,855,745	7,313,112	-	230,060,511	171,356,005	17,042,544	14,229,839	6,814,027	-	209,442,415
Intersegmental	865,411	-	158,981	-	(1,024,392)	-	644,839	-	61,196	-	(706,035)	-
Total revenue (Note 18)	190,542,212	15,214,853	18,014,726	7,313,112	(1,024,392)	230,060,511	172,000,844	17,042,544	14,291,035	6,814,027	(706,035)	209,442,415
Financial results												
Depreciation and amortization (Notes 19, 20)	(40,220,062)	(833,621)	(7,657,359)	(926,298)	-	(49,637,340)	(46,131,007)	(790,433)	(6,926,988)	(996,081)	-	(54,844,509)
Interest income (Note 22)	6,576,257	120,203	919,736	150,483	-	7,766,679	6,380,422	168,505	419,442	161,257	-	7,129,626
Share in income of joint ventures (Note 5)	13,856,231	-	-	-	-	13,856,231	13,477,397	-	-	-	-	13,477,397
Income tax (expense)/benefits (Note 23)	(6,333,736)	-	956,877	-	-	(5,376,859)	(6,122,911)	-	239,051	-	-	(5,883,860)
Segment profit/(loss) for the period	36,560,929	2,589,411	(7,094,921)	1,895,032	(2,296,883)	31,653,568	28,995,007	3,123,229	(849,257)	1,933,953	71,566	33,274,498

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SEGMENT INFORMATION (continued)**

The following tables present information on assets and liabilities of the Group's segments as at 30 September 2024 and 31 December 2023:

<i>In thousands of Tenge</i>	As at 30 September 2024 (unaudited)					As at 31 December 2023 (audited)						
	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 trans-shipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Other disclosures												
Total assets	1,124,533,320	53,040,130	232,035,679	24,231,286	(87,781,634)	1,346,058,781	1,119,093,212	55,052,218	245,176,165	22,675,271	(83,614,756)	1,358,382,110
Total liabilities	244,846,938	3,885,128	122,185,978	13,101,602	(4,241,195)	379,778,451	250,668,161	9,829,406	128,223,724	12,949,051	(158,556)	401,511,786
Investments in joint ventures (Note 5)	111,146,786	-	-	-	-	111,146,786	106,754,214	-	-	-	-	106,754,214
Capital expenditures, including:	19,308,319	1,176,338	1,092,633	470,718	-	22,048,008	75,616,816	4,377,336	101,289,761	1,205,763	-	182,489,676
Property, plant and equipment	19,247,217	1,176,338	1,092,633	445,026	-	21,961,214	75,443,689	4,353,613	101,285,329	1,165,160	-	182,247,791
Intangible assets	61,102	-	-	25,692	-	86,794	173,127	23,723	4,432	40,603	-	241,885

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. 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 2024 and 2023 and also the related balances as at 30 September 2024 and 31 December 2023.

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

<i>In thousands of Tenge</i>	Note	30 September 2024 (unaudited)	31 December 2023 (audited)
Trade and other accounts receivable from related parties			
Trade accounts receivable from joint ventures of the Company		1,521,499	1,811,110
Trade accounts receivable from entities under common control of KMG		3,254,009	2,542,252
Trade accounts receivable from entities under common control of Samruk-Kazyna		1,905,234	863,461
Total trade accounts receivable from related parties	6	6,680,742	5,216,823
Less: allowance for expected credit losses		(8,165)	(8,748)
Total trade and other accounts receivable from related parties		6,672,577	5,208,075

Other current financial assets from related parties are as follows:

<i>In thousands of Tenge</i>	Note	30 September 2024 (unaudited)	31 December 2023 (audited)
Notes of the National Bank	8	25,121,564	21,579,104
Total other current financial assets from related parties		25,121,564	21,579,104

At the end of nine months period ended 30 September 2023, the Group began investing available cash in financial instruments such as short-term Notes of the National Bank of the Republic of Kazakhstan.

As at 30 September 2024, the Notes of the National Bank are represented by financial instruments with a yield of 13.87% and a maturity of 28 days (as at 31 December 2023: yield of 14.9% and a maturity of 14 days).

Advances provided to related parties are as follows:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)	31 December 2023 (audited)
Advances paid to related parties		
Advances paid to entities under common control of Samruk-Kazyna	1,017	1,024
Total advances paid to related parties	1,017	1,024

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS (continued)

Contract liabilities to customers to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2024 (unaudited)	31 December 2023 (audited)
Contract liabilities to customers to related parties			
Non-current part of deferred income under contracts with entities under common control of KMG		22,051,698	23,326,309
Total non-current contract liabilities to customers to related parties	14	22,051,698	23,326,309
Advances received from entities under common control of KMG		16,211,485	17,988,087
Advances received from entities under common control of Samruk-Kazyna		182,333	208,230
Current part of deferred income under contracts with entities under common control of KMG		2,799,157	2,799,157
Total current contract liabilities to customers to related parties	14	19,192,975	20,995,474
Total contract liabilities to customers to related parties		41,244,673	44,321,783

Trade accounts payable to related parties are as follows:

<i>In thousands of Tenge</i>	Note	30 September 2024 (unaudited)	31 December 2023 (audited)
Trade accounts payable to related parties for goods and services			
Trade accounts payable to entities under common control of KMG		1,114,352	1,025,772
Trade accounts payable to entities under common control of Samruk-Kazyna		134,367	229,769
Trade accounts payable to joint ventures of the Company		-	5,214
Total trade accounts payable to related parties for goods and services	15	1,248,719	1,260,755

Other current liabilities to related parties are as follows:

<i>In thousands of Tenge</i>	Note	30 September 2024 (unaudited)	31 December 2023 (audited)
Current liabilities for oil transportation coordination services to related parties			
Liabilities for oil transportation coordination services to entities under common control of KMG		9,083,014	7,401,666
Total current liabilities for oil transportation coordination services to related parties	17	9,083,014	7,401,666
Employee benefits obligation of key management personnel			
Employee benefits obligation of key management personnel		44,560	67,453
Total employee benefits obligation of key management personnel		44,560	67,453
Total other current liabilities to related parties		9,127,574	7,469,119

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. 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)	
	2024	2023	2024	2023
Sales to related parties				
Revenue from main activities with entities under common control of KMG	42,589,965	37,983,152	122,305,040	112,335,245
Revenue from main activities with joint ventures of the Company	4,041,064	3,912,727	12,101,072	11,722,449
Revenue from main activities with entities under common control of Samruk-Kazyna	3,662,422	3,129,587	10,666,119	8,022,107
Other income from entities under common control of KMG	422	658	1,751	14,969
Other income from entities under common control of Samruk-Kazyna	-	-	1,071	-
Total	50,293,873	45,026,124	145,075,053	132,094,770

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

Purchssase 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)	
	2024	2023	2024	2023
Purchases from related parties				
Purchases of services from entities under common control of KMG	2,781,548	2,716,057	8,245,501	7,736,671
Purchases of services from entities under common control of Samruk-Kazyna	289,780	199,675	1,176,761	1,408,276
Purchases of inventory entities under common control of KMG and Samruk-Kazyna	196	339	577	501
Total	3,071,524	2,916,071	9,422,839	9,145,448

Other non-operational income and expenses 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)	
	2024	2023	2024	2023
Other non-operational income and expenses from related parties				
Finance expenses from operations with KMG	(1,231,170)	-	(3,572,342)	-
Finance income from state controlled parties	660,190	627,982	1,649,768	632,570
Finance income from entities under common control of Samruk-Kazyna	160,034	-	361,551	-
Foreign exchange gain from entities under common control of Samruk-Kazyna	184,187	-	536,918	-
Total	(226,759)	627,982	(1,024,105)	632,570

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS (continued)

Cash flows between related parties during nine months periods ended 30 September 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2024	2023
Cash flows between related parties			
Purchases of notes of the National Bank		(165,148,964)	(60,632,026)
Proceeds from redemption of notes of the National Bank		161,685,032	39,693,969
Dividends paid to the KMG	10	(22,501,182)	(13,500,710)
Dividends received from joint ventures of the Company	5	9,564,571	3,960,351
Interest on notes of the National Bank		1,571,040	-
Total		(14,829,503)	(30,478,416)

Total accrued compensation to key management personnel for the nine months ended 30 September 2024 amounts to 238,768 thousand Tenge (for the nine months ended 30 September 2023: 244,672 thousand Tenge). Payments to key personnel consist primarily of payroll costs and remuneration established by contracts and Company's internal regulations.

26. 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 2023. During the nine months period ended 30 September 2024 there were no significant changes, except for the following:

Contractual commitments to acquire property, plant and equipment

As at 30 September 2024 the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 50,890,269 thousand Tenge (31 December 2023: 46,210,924 thousand Tenge). These contractual obligations are part of the investment program.

Share of the Group as at 30 September 2024 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services amounted to 1,109,136 thousand Tenge (31 December 2023: 618,159 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 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 2024, the balance of obligation under the investment program to be fulfilled was 90 billion Tenge.

Tax liabilities of enterprises in Georgia

BOT

In December 2021 BOT received from Revenue Service a tax audit report for the period from 1 July 2018 to 15 February 2021, according to which by the tax authorities taxes and fines were additionally accrued in the amount of 2,605 thousand Georgian Lari (equivalent to 463,403 thousand Tenge). The management of the BOT does not agree with the decision of the Revenue Service and, starting from 2022 to the present, is appealing it to the courts and authorized bodies of Georgia.

As at 30 September 2024, the total amount of reserves and tax liabilities recognized by BOT is 2,605 thousand Georgian Lari. As an interim measure to fulfill the obligations of the BOT, the tax authorities imposed restrictions in respect on property (land), the book value of which as at 30 September 2024 is 5.3 million US dollars (equivalent to 2,550 million Tenge).

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

26. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Legal proceedings of joint ventures***Legal proceedings with the contractor*

In December 2019 and August 2021, MunaiTas entered into contracts with the contractor on the procurement of services in the amount of 12.4 billion Tenge and 1.7 billion Tenge, respectively. According to the contract's terms, the contractor provided bank guarantees for the proper execution of the contracts, the amount of each was 10% of the contract price. Due to the contractor's violation of contractual obligations, MunaiTas received from the guarantor bank amounts under bank guarantees in the amount of 1.2 billion Tenge and 169.6 million Tenge.

As a result of the contractor's appeals and the subsequent court decision, on 11 July 2024, MunaiTas refunded the amounts of bank guarantees in full. The management of MunaiTas does not agree with the court's decision and plans to appeal the ruling of the court of appeal.

Legal proceedings of the joint venture with the department of the CRNM of the Almaty city

In October 2023 MunaiTas received a letter and orders from the department of the CRNM of Almaty city (hereinafter - the department) regarding the revision of the current tariff for a regulated service applicable in 2022-2023. In its letter, the department obliges MunaiTas to carry out the recalculation with shippers for the services rendered in 2022 and for the period from January to October 2023. The effect of such recalculation would be about nine billion Tenge.

The management of Munaitas has been appealing the Department's decision in court since November 2023.

On 15 October 2024, a mediation agreement was signed between MunaiTas and the Department on the following terms:

1. The Department undertakes to cancel the orders from the moment of their publication and withdraw the letter within 15 working days from the date of approval of the concluded agreement.
2. MunaiTas undertakes to submit to the authorized body an appropriate application for approval of tariffs and tariff estimates for 2025-2030 for oil pumping services using the incentive method with entry into force from 1 July 2025, as well as an appropriate application for approval of the investment program.

On 22 October 2024, this agreement was approved by the Supreme Court of the Republic of Kazakhstan.

Challenging the Company's tariffs

By order of CRNM dated 26 November 2021, for the period from 1 January 2022 to 31 December 2022, a temporary compensating tariff in the amount of 3,728.82 Tenge per ton for 1,000 kilometers without VAT was approved for the Company's service for pumping oil to the domestic market (hereinafter - TCT). Based on the results of consideration of the Company's complaint, on 6 April 2022, the court of first instance made a decision to declare CRNM's order illegal and cancel it. Based on the results of consideration of the CRNM complaint, on 24 November 2022, the court of second instance decided to leave the CRNM complaint without satisfaction. The Company applied TCT from 1 January to 31 August 2022 and, in accordance with the order of CRNM dated 19 August 2022, ceased the use of TCT as of 1 September 2022.

Based on the results of consideration of the CRNM complaint, on 24 October 2023, the Supreme Court issued a ruling to cancel the decisions of the courts of first and second instance. The difference in revenue due to the termination of the use of TCT in the period from September 1 to 31 December 2022 is included in the approved tariff for the Company's service for pumping oil to the domestic market, which is applied by the Company from 1 September 2024 (*Note 1*).

The 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 has to pay the penalties according to the agreement conditions.

The management of the Group believes, as at 30 September 2024 BSP was not subject to the risk of termination of this agreement by the Georgia Government, since the actual transshipment through the BSP for the nine months of 2024 amounted to 5 million tons (for the nine months of 2023: 5.4 million tons).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***Fair value of financial instruments*

The carrying amounts of the Group's financial assets and liabilities as at 30 September 2024 and 31 December 2023 approximate their fair values due to their short maturities, except for the financial instruments disclosed below:

<i>In thousands of Tenge</i>	30 September 2024 (unaudited)					31 December 2023 (audited)				
	Fair value by valuation levels					Fair value by valuation levels				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Issued debt securities	44,786,919	43,805,165	–	43,805,165	–	41,374,855	41,128,054	–	41,128,054	–
Loans received with a floating interest rate	51,338,818	51,174,963	–	51,174,963	–	47,390,786	47,414,519	–	47,414,519	–

The fair value of debt securities was obtained by discounting expected cash flows based on interest rates calculated based on the calculated parameters of the yield of government securities effective at the reporting date.

The fair value of the loans received from JSC “Halyk Bank of Kazakhstan” was determined by discounting the expected cash flows based on interest rates calculated on the basis of the base interest rate of the National Bank of the Republic of Kazakhstan effective at the reporting date plus 2.5%.

The fair value of the loans received from Eurasian Development Bank was determined by discounting the expected cash flows based on interest rates calculated on the basis of the base interest rate of the National Bank of the Republic of Kazakhstan effective at the reporting date minus 2%.

During the reporting period, there were no transfers between Level 1 and Level 2, nor were there any movements to or from Level 3.

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

28. SUBSEQUENT EVENTS

On 16 October 2024, by order of the CRNM, from 1 December 2024 to 30 November 2025, a temporary compensating tariff for a regulated service for pumping oil to the domestic market in the amount of 4,461.76 Tenge per ton for 1,000 kilometers without VAT was approved.

On 18 October 2024, the Main Waterline concluded an additional agreement to the Agreement on the provision of a Credit line with JSC Halyk Bank of Kazakhstan (*Note 11*), as a result of which the floating interest rate was set at the base rate of the National Bank of the Republic of Kazakhstan plus 1.5%, as well as the repayment period of the grace period (24 months from the date of issue of each tranche), was set from 2025 to 2029 (previously, this period was set from 2025 to 2032).