

KazTransOil JSC

Interim condensed consolidated financial statements

For the three months ended 31 March 2024



CONTENTS

Report on review of interim financial information

Interim condensed consolidated financial statements

Interim consolidated statement of financial position.....	1-2
Interim consolidated statement of comprehensive income.....	3-4
Interim consolidated statement of cash flows.....	5-6
Interim consolidated statement of changes in equity.....	7
Notes to the interim condensed consolidated financial statements.....	8-32



«Эрнст энд Янг» ЖШС
Әл-Фараби д-лы, 77/7
«Есентай Тауэр» ғимараты
Алматы қ., 050060
Қазақстан Республикасы
Тел.: +7 727 258 5960
БСН 041140002277
ey.com/kz

ТОО «Эрнст энд Янг»
пр. Аль-Фараби, 77/7
здание «Есентай Тауэр»
г. Алматы, 050060
Республика Казахстан
Тел.: +7 727 258 5960
БИН 041140002277

Ernst & Young LLP
Al-Farabi ave., 77/7
Esentai Tower
Almaty, 050060
Republic of Kazakhstan
Tel.: +7 727 258 5960
BIN 041140002277

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 31 March 2024 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-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.



Building a better
working world

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. MΦ-0000172 dated 23 December 2013

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

24 May 2024



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of Tenge</i>	Note	31 March 2024 (unaudited)	31 December 2023 (audited)
Assets			
Non-current assets			
Property, plant and equipment	3	1,085,517,082	1,084,145,524
Right-of-use assets		6,271,620	6,731,336
Intangible assets		7,642,590	7,991,075
Investments in joint ventures	4	111,554,100	106,754,214
Advances to suppliers for property, plant and equipment		1,349,277	1,507,687
VAT recoverable		13,748,157	15,198,605
Other long-term accounts receivable	5	759,718	721,048
Bank deposits		653,480	718,088
Other non-current assets		273,655	275,336
		1,227,769,679	1,224,042,913
Current assets			
Inventories		8,662,846	8,932,013
Trade and other accounts receivable	5	8,623,839	8,447,028
Advances to suppliers		1,137,424	727,872
Prepayment for income tax		341,574	750,449
VAT recoverable and other prepaid taxes	6	10,688,501	10,955,879
Other current assets	7	26,713,974	27,853,344
Cash and cash equivalents	8	85,859,736	76,672,612
		142,027,894	134,339,197
Total assets		1,369,797,573	1,358,382,110

*The explanatory notes on pages 8 through 32
form an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	Note	31 March 2024 (unaudited)	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	9	386,085,169	380,639,671
Foreign currency translation reserve		45,106,781	46,118,253
Other capital reserves		1,244,710	1,244,710
Retained earnings		485,060,769	466,939,672
Total equity		979,425,447	956,870,324
Non-current liabilities			
Loans received	10	49,124,476	47,390,786
Issued debt securities	11	42,371,213	41,302,077
Employee benefit obligations		18,361,813	18,045,542
Deferred tax liabilities	21	102,620,160	99,367,910
Provision for asset retirement and land recultivation obligation	14	44,453,312	45,648,971
Contract liabilities to customers	12	30,996,450	31,908,136
Lease liabilities		4,800,093	5,102,611
		292,727,517	288,766,033
Current liabilities			
Issued debt securities	11	160,278	72,778
Current part of employee benefit obligations		1,181,556	1,185,285
Income tax payable		1,715,619	1,467,774
Trade and other accounts payable	13	23,485,184	34,937,605
Lease liabilities		2,438,803	2,420,628
Contract liabilities to customers	12	29,399,326	31,246,778
Other taxes payable	6	9,251,578	7,869,753
Provisions	14	1,279,147	1,303,694
Other current liabilities	15	28,733,118	32,241,458
		97,644,609	112,745,753
Total liabilities		390,372,126	401,511,786
Total equity and liabilities		1,369,797,573	1,358,382,110
Book value per ordinary share (in Tenge)	9	2,527	2,467

Signed and approved for issue on 24 May 2024.

General Director (Chairman of the Management Board)



Kurbanbayev T.N.

Chief Accountant



Akhmedina A.S.

*The explanatory notes on pages 8 through 32
form an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2024	2023
Revenue	16	76,573,964	67,851,569
Cost of sales	17	(63,469,065)	(60,205,586)
Gross profit		13,104,899	7,645,983
General and administrative expenses	18	(3,743,153)	(3,404,119)
Other operating income	19	1,584,715	273,164
Other operating expenses	19	(17,661)	(241,053)
Operating profit		10,928,800	4,273,975
Net foreign exchange loss		(234,401)	(303,221)
Finance income	20	3,265,559	2,508,913
Finance costs	20	(4,694,418)	(1,418,610)
Share in income of joint ventures	4	4,614,376	5,377,169
Profit before income tax		13,879,916	10,438,226
Income tax expense	21	(3,135,521)	(1,618,739)
Net profit for the period		10,744,395	8,819,487

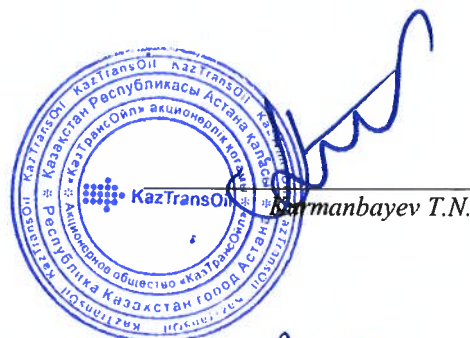
The explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2024	2023
Other comprehensive income/(loss)			
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</i>			
Exchange difference from translation of foreign operations of the Group		(1,011,472)	206,254
Total other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods		(1,011,472)	206,254
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</i>			
Revaluation and impairment of property, plant and equipment of the Group, net		14,497,476	(39,549,722)
Income tax effect	21	(2,899,495)	7,909,944
		11,597,981	(31,639,778)
Reversal/(charge) of provision for asset retirement and land reclamation obligation of the Group	14	1,298,386	(1,237,411)
Income tax effect	21	(259,677)	247,482
		1,038,709	(989,929)
Reversal of provision for asset retirement and land reclamation obligation of the joint ventures		231,887	423,292
Income tax effect		(46,377)	(84,659)
	4	185,510	338,633
Total other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods, net		12,822,200	(32,291,074)
Total other comprehensive income/(loss) for the period, net of tax		11,810,728	(32,084,820)
Total comprehensive income/(loss) for the period, net of tax		22,555,123	(23,265,333)
Basic and diluted earnings per share (in Tenge)	9	28	23

Signed and approved for issue on 24 May 2024.

General Director (Chairman of the Management Board)



T.N. Sarmanbayev

Chief Accountant



Akhmedina A.S.

The explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2024	2023
Cash flows from operating activities			
Profit before income tax		13,879,916	10,438,226
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization	17, 18	16,737,113	18,806,812
Share in income of joint ventures	4	(4,614,376)	(5,377,169)
Finance costs	20	4,694,418	1,418,610
Finance income	20	(3,265,559)	(2,508,913)
Revision of estimates and reversal of provision for asset retirement and land reclamation obligation, net	19	(870,542)	209,156
Amortization of deferred income	12, 19	(773,000)	(773,749)
Net foreign exchange loss		234,401	303,221
Employee benefits obligations, current service costs	17, 18	175,735	179,065
Charge of expected credit losses, net	18	88,000	10,831
Write-off of VAT recoverable	18	69,692	36,072
Others		(6,341)	(2,866)
Operating cash flows before working capital changes		26,349,457	22,739,296
(Increase)/decrease in operating assets			
Inventories		234,886	146,505
Trade and other accounts receivable		(359,358)	772,861
Advances to suppliers		(415,616)	929,844
VAT recoverable and other prepaid taxes		(861,712)	(2,792,051)
Other current assets		658,667	639,937
Increase/(decrease) in operating liabilities			
Trade and other accounts payable		(3,594,029)	(1,698,629)
Contract liabilities to customers		(1,823,463)	(1,934,493)
Other taxes payable		3,816,163	(898,868)
Other current and non-current liabilities and employee benefit obligations		(4,124,579)	376,872
Cash generated from operating activities		19,880,416	18,281,274
Income taxes paid		(2,113,736)	(3,026,447)
Interest received		2,110,882	2,186,318
Net cash flows from operating activities		19,877,562	17,441,145


The explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Cash flows from investing activities		
Proceeds from redemption of notes of the National Bank	41,536,067	-
Purchase of notes of the National Bank	(40,199,572)	-
Purchase of property, plant and equipment and intangible assets	(11,159,745)	(26,729,939)
Withdrawal of bank deposits	57,345	57,238
Proceeds from disposal of property, plant and equipment and non-current assets held for sale	10,463	-
Proceeds from bonds redemption	1,819	69,998
Net cash flows used in investing activities	(9,753,623)	(26,602,703)
Cash flows from financing activities		
Payment of lease liabilities	(638,018)	(630,114)
Net cash flows used in financing activities	(638,018)	(630,114)
Net change in cash and cash equivalents	9,485,921	(9,791,672)
Net foreign exchange difference	(299,432)	(347,644)
Change in allowance for expected credit losses	635	2,752
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	85,859,736	75,020,974

Signed and approved for issue on 24 May 2024.

General Director (Chairman of the Management Board)



Kulmanbayev T.N.

Chief Accountant



Akhmedina A.S.

*The explanatory notes on pages 8 through 32
form an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of Tenge</i>	Share capital	Treasury shares repurchased from shareholders	Asset revaluation reserve	Foreign currency translation reserve	Other capital reserves	Retained earnings	Total
As at 31 December 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	-	-	-	-	-	8,819,487	8,819,487
Other comprehensive loss	-	-	(32,291,074)	206,254	-	-	(32,084,820)
Total comprehensive loss for the period	-	-	(32,291,074)	206,254	-	8,819,487	(23,265,333)
Amortization of revaluation reserve for property, plant and equipment	-	-	(9,792,336)	-	-	9,792,336	-
As at 31 March 2023 (unaudited)	61,937,567	(9,549)	381,133,752	47,158,298	(188,145)	399,156,069	889,187,992
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	-	-	-	-	-	10,744,395	10,744,395
Other comprehensive income	-	-	12,822,200	(1,011,472)	-	-	11,810,728
Total comprehensive income for the period	-	-	12,822,200	(1,011,472)	-	10,744,395	22,555,123
Amortization of revaluation reserve for property, plant and equipment	-	-	(7,376,702)	-	-	7,376,702	-
As at 31 March 2024 (unaudited)	61,937,567	(9,549)	386,085,169	45,106,781	1,244,710	485,060,769	979,425,447

Signed and approved for issue on 24 May 2024.

General Director (Chairman of the Management Board)



Kurmanbayev T.N.

Chief Accountant

Akhmedina A.S.

The explanatory notes on pages 8 through 32
form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the three months ended 31 March 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 “KazTransOil” CJSC NOTC shares to TNG, and, as a result, “KazTransOil” CJSC NOTC was re-registered and renamed as “KazTransOil” CJSC.

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

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

As at 31 March 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 31 December 2023 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 Republic State Institution «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 a sole shareholder of Samruk-Kazyna.

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

	Place of incorporation	Principal activities	Ownership	
			31 March 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 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 2,308 km. The company provides services on oil transportation via main pipelines, a transport expedition of Kazakhstani oil via pipeline networks of other states, services for the operation and maintenance of oil pipelines of other companies, including joint ventures of the Group. Group’s joint ventures MunaiTas and KCP own Kenkiyak-Atyrau, Kenkiyak-Kumkol, and Atasu-Alashankou pipelines mainly used for transportation of Kazakhstani crude oil, and also for transit of Russian oil to China.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION (continued)

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 – 4,849.39 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 June 2023 tariff for the specified service was put into effect in the amount of 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 by internal audit committee of the Company’s Board of Directors and signed by the General Director (Chairman of the Management Board) and the Chief Accountant on 24 May 2024.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 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 notes to these interim condensed consolidated financial statements.

Interim condensed consolidated financial statements do not include all information and disclosures required for annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

The 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.

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 of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

Some amendments are applied for the first time in 2024. The nature and the impact of each new standard/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 latter part 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 made 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 AND CHANGES IN ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

Weighted average currency exchange rates for the three months ended 31 March 2024 and 2023 are as follows:

<i>Tenge</i>	For the three months ended 31 March	
	2024	2023
US Dollars	450.18	454.82
Russian Rubles	4.96	6.25
Euro	488.71	487.65
Georgian Lari	170.25	174.94

As at 31 March 2024 and 31 December 2023 the currency exchange rates of KASE are:

<i>Tenge</i>	31 March 2024	31 December 2023
US Dollars	446.78	454.56
Russian Rubles	4.84	5.06
Euro	481.81	502.24
Georgian Lari	167.46	170.69

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

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

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machinery, 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	(415,273)	-	-	(91,488)	(207,110)	(130,074)	-	(6,438)	(84,487)	(934,870)
Additions	-	-	-	14,280	-	644,129	-	9,302	3,135,367	3,803,078
Disposals	-	-	-	(1,100)	(31,290)	(55,749)	-	(29,906)	(1,803)	(119,848)
Additions on asset retirement and land recultivation obligation (Note 14)	-	4,210	-	-	-	-	-	-	-	4,210
Transfers from non-current assets held for sale	16,231	-	-	-	6,037	-	-	-	-	22,268
Revaluation (through revaluation reserve)	-	-	-	-	-	-	14,515,160	-	-	14,515,160
Transfers from construction-in-progress	-	-	-	390,548	603,478	1,080,108	-	52,038	(2,126,172)	-
Transfers and reclassifications	-	(24,173)	-	(2,515)	-	27,273	-	(585)	-	-
Gross carrying amount as at 31 March 2024 (unaudited)	34,851,773	289,891,870	170,808,816	29,177,724	123,047,070	204,379,499	243,538,748	12,933,708	76,980,284	1,185,609,492
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	-	-	-	16,200	13,337	21,419	-	1,231	-	52,187
Depreciation charge	-	(5,066,154)	(1,669,725)	(1,063,185)	(1,868,819)	(5,743,924)	-	(651,274)	-	(16,063,081)
Disposals	-	-	-	98	31,289	53,949	-	29,343	42	114,721
Impairment (through profit and loss)	(3,413)	-	-	-	(1,170)	-	-	-	-	(4,583)
Impairment (through revaluation reserve)	(12,818)	-	-	-	(4,866)	-	-	-	-	(17,684)
Transfers and reclassifications	-	-	-	1,679	(8,439)	(6,547)	-	(401)	13,708	-
Accumulated depreciation and impairment as at 31 March 2024 (unaudited)	(16,231)	(31,974,988)	(6,703,560)	(6,565,545)	(11,545,270)	(37,205,687)	-	(4,544,113)	(1,537,016)	(100,092,410)

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

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machinery, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
As at 31 March 2024 (unaudited)										
Gross carrying amount	34,851,773	289,891,870	170,808,816	29,177,724	123,047,070	204,379,499	243,538,748	12,933,708	76,980,284	1,185,609,492
Accumulated depreciation and impairment	(16,231)	(31,974,988)	(6,703,560)	(6,565,545)	(11,545,270)	(37,205,687)	-	(4,544,113)	(1,537,016)	(100,092,410)
Net book value	34,835,542	257,916,882	164,105,256	22,612,179	111,501,800	167,173,812	243,538,748	8,389,595	75,443,268	1,085,517,082
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)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 March 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 pipelines and main waterline (pumping stations, communication lines, automation system, technological pipelines, oil reservoirs, power supply and others).

As at 31 March 2024:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated property, plant and equipment still in use were 26,464 thousand Tenge (as at 31 December 2023: 8,712 thousand Tenge);
- Construction in progress included materials and spare parts in the amount of 5,008,475 thousand Tenge (as at 31 December 2023: 4,206,770 thousand Tenge), which were acquired for construction works.

Depreciation for three months ended 31 March 2024, capitalised in the cost of construction in progress amounted to 4,124 thousand Tenge (for three months ended 31 March 2023: 5,335 thousand Tenge).

Due to significant changes in the oil price on domestic market, the fair value of the Group's technological oil as at 31 March 2024 was increased for the amount of 14,515,160 thousand Tenge. Oil price as at 31 March 2024 was 89,881 Tenge per ton (as at 31 December 2023: 84,524 Tenge per ton), the volume of oil in pipelines, included in property, plant, and equipment, amounted 2,710 thousand tons (as at 31 December 2023: 2,710 thousand tons).

4. INVESTMENTS IN JOINT VENTURES

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Investments in KCP	86,099,538	81,916,865
Investments in MunaiTas	25,454,562	24,837,349
Total	111,554,100	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	4,614,376
Share in other comprehensive income of joint ventures	185,510
As at 31 March 2024 (unaudited)	111,554,100

The Company's share in comprehensive income of joint ventures for the three months periods ended 31 March 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Share in income of joint ventures		
KCP	4,182,673	4,489,344
MunaiTas	431,703	887,825
Total share in income of joint ventures	4,614,376	5,377,169
Share in other comprehensive income of joint ventures		
KCP	-	630,441
MunaiTas	185,510	(291,808)
Total share in other comprehensive income of joint ventures	185,510	338,633
Total share in comprehensive income of joint ventures	4,799,886	5,715,802

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. 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).

5. TRADE AND OTHER ACCOUNTS RECEIVABLE

Other long-term accounts receivable as at 31 March 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Other accounts receivable from third parties	887,339	848,669
Less: allowance for expected credit losses	(127,621)	(127,621)
Total	759,718	721,048

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Trade accounts receivable from third parties	7,215,796	8,049,946
Trade accounts receivable from related parties (Note 23)	6,179,419	5,216,823
Other accounts receivable from third parties	564,697	506,829
Less: allowance for expected credit losses	(5,336,073)	(5,326,570)
Total	8,623,839	8,447,028

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Tenge	7,067,389	6,170,344
US Dollars	2,297,251	1,669,503
Russian Ruble	2,833	881,851
Other currency	16,084	446,378
Total	9,383,557	9,168,076

6. VAT AND OTHER TAXES

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

<i>In thousands of Tenge</i>	31 March 2024	31 December 2023
Current VAT recoverable	9,951,938	10,203,808
Property tax	688,404	714,624
Other taxes prepaid	48,159	37,447
Total	10,688,501	10,955,879

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. VAT AND OTHER TAXES (continued)

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

<i>In thousands of Tenge</i>	31 March 2024	31 December 2023
Personal income tax	4,775,281	4,681,775
Withholding tax at the source of payment to non-residents	1,372,955	1,399,136
VAT payable	1,186,405	6,530
Social tax	698,550	666,091
Property tax	461,947	357,561
Other taxes	756,440	758,660
Total	9,251,578	7,869,753

7. OTHER CURRENT ASSETS

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

<i>In thousands of Tenge</i>	31 March 2024	31 December 2023
Other current financial assets		
Notes of the National Bank	20,383,689	21,579,104
Investments in bonds	1,379,913	646,608
Due from employees	39,657	13,752
Other	19,088	19,384
	21,822,347	22,258,848
Other current non-financial assets		
Due for oil transportation coordination services	4,217,154	5,224,762
Prepaid insurance	455,379	229,031
Deferred expenses from third parties	218,647	117,518
Other	447	23,185
	4,891,627	5,594,496
Total	26,713,974	27,853,344

Notes of the National Bank

As at 31 March 2024, the Notes of the National Bank are represented by financial instruments with a yield of 12.8% and a maturity of 28 days (as at 31 December 2023: with a yield of 14.9% and a maturity of 14 days).

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.

As at 31 March 2024, the Company revised the fair value of the bonds and as a result recognized income in the amount of 735,124 thousand Tenge (*Note 20*). Thus, the book value of the bonds as at 31 March 2024 amounted to 1,379,913 thousand Tenge.

On 10 April 2024, the Company received compensation under the financial guarantee in the amount of 1,379,913 thousand Tenge.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. CASH AND CASH EQUIVALENTS

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Time deposits with banks – Tenge	51,435,169	26,135,995
Time deposits with banks – US Dollar	7,430,994	6,290,971
Time deposits with banks – other currency	60,532	–
Current accounts with banks – Tenge	11,069,339	11,361,093
Current accounts with banks – US Dollars	6,675,789	6,845,219
Current accounts with banks – Georgian Lari	1,333,638	732,751
Current accounts with banks – other currency	24,771	38,721
Reverse repo transactions	7,840,738	25,276,421
Other current accounts with banks	8,830	11,685
Cash on hand	–	455
Allowance for expected credit losses	(20,064)	(20,699)
Total	85,859,736	76,672,612

As at 31 March 2024:

- Time deposits with maturity less than 3 months in Tenge interests ranged from 13.25% to 15.05% per annum (as at 31 December 2023: from 14.25% to 15.8% per annum);
- Time deposits with maturity less than 3 months placed in US Dollars interests ranged from 3% to 4% per annum (as at 31 December 2023: from 2,5% to 3% per annum);
- Current accounts placed in Tenge interests ranged from 6,75% to 12% per annum (as at 31 December 2023: from 7% to 13% per annum);
- Current accounts placed in Georgian Lari interests ranged from 9.25% to 11% per annum (as at 31 December 2023: from 10.6% to 11% per annum);
- Interests for current accounts placed in US Dollars ranged from 0.25% to 3.65% per annum (as at 31 December 2023: from 0.25% to 3.65% per annum).

Reverse repo transactions

As at 31 March 2024, reverse repo transactions consist of financial instruments with an average yield of 14.24% and maturity from 3 to 14 days (as at 31 December 2023: with an average yield of 15.9% and maturity from 5 to 8 days).

9. EQUITY

Asset revaluation reserve

As at 31 March 2024 asset revaluation reserve was equal to 386,085,169 thousand Tenge (as at 31 December 2023: 380,639,671 thousand Tenge). The change in Group's revaluation reserve for property, plant and equipment for the three months ended 31 March 2024 is mainly due to revaluation of the technological oil of the Group (*Note 3*), depreciation of this reserve and revision of estimates of provision for asset retirement and land recultivation obligation (*Note 14*).

Earnings per share

Basic and diluted 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)

9. EQUITY (continued)

Earnings per share (continued)

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

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Net profit for the period attributable to ordinary equity holders of the Parent of the Group	10,744,395	8,819,487
Weighted average number of ordinary shares for basic and diluted earnings per share	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)	28	23

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>	31 March 2024 (unaudited)	31 December 2023 (audited)
Total assets	1,369,907,237	1,358,382,110
Less: intangible assets	(7,642,590)	(7,991,075)
Less: total liabilities	(390,481,790)	(401,511,786)
Net assets for calculation of book value per ordinary share	971,782,857	948,879,249
Number of ordinary shares	384,628,099	384,628,099
Book value per ordinary share (in Tenge)	2,527	2,467

10. LOANS RECEIVED

Movements in loans received for three months ended 31 March 2024 are as follows:

<i>In thousands of Tenge</i>	2023
As at 1 January (audited)	47,390,786
Accrued remuneration (Note 20)	1,733,690
As at 31 March (unaudited)	49,124,476

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 6 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 interest payments 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. LOANS RECEIVED (continued)

The loan amount was recognized at fair value less borrowing costs. 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 31 March 2024 and 31 December 2023, the nominal interest rate on loans averaged 18.38% and the effective interest rate averaged 15.54%.

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 31 March 2024, the Group complies with all non-financial covenants.

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

11. ISSUED DEBT SECURITIES

Movements in issued debt securities for three months ended 31 March 2024 are as follows:

<i>In thousands of Tenge</i>	2024
As at 1 January (audited)	41,374,855
Discount amortization (Note 20)	1,069,136
Accrued remuneration (Note 20)	87,500
As at 31 March (unaudited)	42,531,491
Including:	
Long term part	42,371,213
Short term part	160,278

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 remuneration 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 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 31 March 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.

12. CONTRACT LIABILITIES TO CUSTOMERS

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Deferred income from related parties (Note 23)	22,626,520	23,326,309
Deferred income from third parties	8,369,930	8,581,827
Total	30,996,450	31,908,136

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. CONTRACT LIABILITIES TO CUSTOMERS (continued)

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Advances received from related parties (Note 23)	16,410,557	18,196,317
Advances received from third parties	9,495,104	9,544,255
Current part of deferred income from related parties (Note 23)	2,799,157	2,799,157
Current part of deferred income from third parties	694,508	707,049
Total	29,399,326	31,246,778

Deferred income from related parties relates to the free of charge receipt Main Waterline in 2021-2022 of the new waterline for technical water “Kulsary-Tengiz” (1st stage) and pumping station (2nd stage), built at the expense of water transportation services customer under the agreement on cooperation on the construction of a waterline in the total amount 32,454,806 thousand Tenge.

As the Group has to provide the appropriate volume and rate of water supply to the facilities of the customer via the waterline of technical water Kulsary-Tengiz for the entire period of operations of given customer of water transportation services, the received assets were recognized as a non-cash consideration from the customer for the services provided.

The Group recognized the contract liability and property, plant and equipment for the indicated amount.

The amortization of contract liability for the three months period of 2024 and 2023 is recognized by the Group as revenue from the provision of water transportation services in the amount of 699,789 thousand Tenge.

Revenue recognized in respect of contracts with customers

During the current reporting period, the revenue in the amount of 24,630,675 thousand Tenge was recognized in respect of contract liabilities to customers as at the beginning of the reporting period (for the three months ended 31 March 2023: 21,811,866 thousand Tenge).

13. TRADE AND OTHER ACCOUNTS PAYABLE

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Accounts payable to third parties for goods and services	20,582,189	31,775,737
Accounts payable to related parties for goods and services (Note 23)	1,355,970	1,260,755
Other accounts payable to third parties	1,547,025	1,901,113
Total	23,485,184	34,937,605

As at 31 March 2024 trade and other accounts payable included payables to third parties, related to the property, plant and equipment and construction-in-progress in the amount of 13,452,208 thousand Tenge (as at 31 December 2023: 22,265,494 thousand Tenge). The decrease in accounts payable is related to their repayment during the reporting period.

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Tenge	21,403,262	32,767,590
US Dollars	111,217	194,612
Russian Roubles	6,660	6,248
Euro	447	2,273
Other currency	1,963,598	1,966,882
Total	23,485,184	34,937,605

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. PROVISIONS

Short-term provisions

Short-term provisions of the Group are mainly presented by tax provisions (BOT and BSP) and, as at 31 March 2024, amount to 1,279,147 thousand Tenge (as at 31 December 2023: 1,303,694 thousand Tenge).

Long-term provisions

Asset retirement and land recultivation obligation

The movement of provision for asset retirement and land recultivation obligation for the three months ended 31 March 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March	
	2024	2023
At the beginning of the period (unaudited)	45,648,971	40,664,979
Charge for the period through asset	4,210	–
Revision of estimates and reversal through other comprehensive (income)/loss	(1,298,386)	1,237,411
Revision of estimates and reversal through profit and loss, net (<i>Note 19</i>)	(870,542)	209,156
Unwinding of discount (<i>Note 20</i>)	969,059	1,024,373
At the end of the period (unaudited)	44,453,312	43,135,919

As at 31 March 2024 the Group revised the long-term provisions considering current best estimate, which was based on the discount rate of 9.77% (as at 31 December 2023: 8.77%) and the inflation rate of 5.38% (as at 31 December 2023: 4.75%).

As at 31 March 2023 the Group revised the long-term provisions considering current best estimate, which was based on the discount rate of 10.43% (as at 31 December 2022: 10.46%) and the inflation rate of 6.6% (as at 31 December 2022: 6.23%).

15. OTHER CURRENT LIABILITIES

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

<i>In thousands of Tenge</i>	31 March 2024 (unaudited)	31 December 2023 (audited)
Other current non-financial liabilities		
Liabilities for oil transportation coordination services to related parties (<i>Note 23</i>)	7,313,118	7,401,666
Liabilities for oil transportation coordination services to third parties	3,801,817	5,505,172
Liabilities for pension contributions and social insurance	1,467,058	1,229,758
	12,581,993	14,136,596
Other current financial liabilities		
Provisions for vacations and other benefits	8,779,901	11,215,283
Employee salary	6,401,866	5,650,919
Payables for oil transportation coordination services to third parties	450,561	376,867
Other	518,797	861,793
	16,151,125	18,104,862
Total other current liabilities	28,733,118	32,241,458

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

Revenue for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March 2024 (unaudited)				
	Oil transportation and related services	Oil transshipment	Water transportation	Others	Total for segments
Crude oil transportation	56,367,467	-	-	-	56,367,467
Pipeline operation and maintenance services	7,674,865	-	-	-	7,674,865
Water transportation	-	-	5,458,605	-	5,458,605
Oil, oil-products and gas transshipment and railway shipment	-	4,357,292	-	-	4,357,292
Seaport services	-	-	-	1,826,380	1,826,380
Oil storage services	20,416	296,669	-	-	317,085
Oil transportation coordination services	238,602	-	-	-	238,602
Fees for undelivered oil volumes	32,868	-	-	-	32,868
Other	13,736	-	2,551	284,513	300,800
Total revenue under contracts with customers	64,347,954	4,653,961	5,461,156	2,110,893	76,573,964
Geographic regions of customers*					
Kazakhstan	56,162,926	2,474,639	5,461,156	-	64,098,721
Russia	7,242,406	-	-	-	7,242,406
Georgia	-	461,885	-	2,102,790	2,564,675
Uzbekistan	942,622	-	-	-	942,622
Others	-	1,717,437	-	8,103	1,725,540
Total revenue under contracts with customers	64,347,954	4,653,961	5,461,156	2,110,893	76,573,964
Timing of revenue recognition					
At a point in time	56,673,089	4,653,961	5,461,156	2,110,893	68,899,099
Over time	7,674,865	-	-	-	7,674,865
Total revenue under contracts with customers	64,347,954	4,653,961	5,461,156	2,110,893	76,573,964

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

<i>In thousands of Tenge</i>	For three months ended 31 March 2023 (unaudited)				
	Oil transportation and related services	Oil transshipment	Water transportation	Others	Total for segments
Crude oil transportation	48,997,396	-	-	-	48,997,396
Pipeline operation and maintenance services	6,410,897	-	-	-	6,410,897
Water transportation	-	-	4,671,846	-	4,671,846
Oil, oil-products and gas transshipment and railway shipment	-	4,867,938	-	-	4,867,938
Seaport services	-	-	-	1,812,913	1,812,913
Oil storage services	42,182	405,245	-	-	447,427
Oil transportation coordination services	115,256	-	-	-	115,256
Fees for undelivered oil volumes	292,184	-	-	-	292,184
Other	11,263	-	224	224,225	235,712
Total revenue under contracts with customers	55,869,178	5,273,183	4,672,070	2,037,138	67,851,569
Geographic regions of customers*					
Kazakhstan	49,141,952	3,365,213	4 672,070	-	57,179,235
Russia	6,595,355	-	-	-	6,595,355
Georgia	-	770,465	-	2,008,030	2,778,495
Uzbekistan	131,871	-	-	-	131,871
Others	-	1,137,505	-	29,108	1,166,613
Total revenue under contracts with customers	55,869,178	5,273,183	4,672,070	2,037,138	67,851,569
Timing of revenue recognition					
At a point in time	49,458,281	5,273,183	4,672,070	2,037,138	61,440,672
Over time	6,410,897	-	-	-	6,410,897
Total revenue under contracts with customers	55,869,178	5,273,183	4,672,070	2,037,138	67,851,569

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

For the three months ended 31 March 2024 the revenue from the three major customers amounted to 15,320,776 thousand Tenge, 7,632,144 thousand Tenge and 4,790,798 thousand Tenge (for the three months ended 31 March 2023: 13,674,934 thousand Tenge, 7,601,755 thousand Tenge and 4,656,529 thousand Tenge, respectively).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. COST OF SALES

Cost of sales for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Personnel cost	27,448,787	23,610,357
Depreciation and amortization	16,400,635	18,420,422
Security services	3,461,289	3,282,955
Taxes other than income tax	3,617,210	3,094,305
Electric energy	2,898,297	2,482,396
Repair and maintenance	2,096,331	1,702,957
Materials and fuel	1,982,501	1,424,280
Railway services	1,951,080	2,679,799
Gas expense	1,221,425	1,179,249
Food and accomodation	779,419	632,369
Insurance	321,143	304,783
Business trip expenses	172,602	168,531
Post-employment benefits	166,014	168,321
Other	952,332	1,054,862
Total	63,469,065	60,205,586

The increase in personnel costs in the reporting period is mainly due to the salary indexation of production employees of the Group.

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Personnel costs	2,512,964	2,071,943
Depreciation and amortization	336,478	386,390
Repair and maintenance	125,725	123,586
Office maintenance	106,421	117,580
Charge of allowance for expected credit losses, net	88,000	10,831
Outstaffing services	81,183	73,266
Write-off of VAT recoverable	69,692	36,072
Business trip expenses	62,393	66,295
Information services	42,517	34,970
Auditing, consulting and professional services	37,519	39,264
Taxes other than income tax	24,514	57,921
Communication services	22,904	22,488
Social sphere expenses	14,940	48,004
Bank costs	13,198	12,059
Materials and fuel	7,659	10,950
Post-employment benefits	9,721	10,744
Charge of short-term provisions	–	68,223
Other	187,325	213,533
Total	3,743,153	3,404,119

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. OTHER OPERATING INCOME AND EXPENSES

Other operating income for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Income from revision of estimates and reversal of provision on asset retirement and land recultivation obligation, net (<i>Note 14</i>)	870,542	–
Income from fines and penalties	628,005	183,209
Amortization of deferred revenue	73,211	73,960
Other income	12,957	15,995
Total	1,584,715	273,164

Other operating expenses for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Loss from revision of estimates and reversal of provision on asset retirement and land recultivation obligation, net (<i>Note 14</i>)	–	209,156
Other expenses	17,661	31,897
Total	17,661	241,053

20. FINANCE INCOME AND EXPENSES

Finance income for the three months ended 31 March 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Interest income on bank deposits, current accounts and reverse repo transactions	2,021,155	2,459,435
Income from revision the fair value of bonds (<i>Note 7</i>)	735,124	–
Income from notes of the National Bank	463,557	–
Unwinding of discount on long-term receivables	39,192	42,958
Other finance income	6,531	6,520
Total	3,265,559	2,508,913

Finance expenses for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Interest on loans received (<i>Note 10</i>)	1,733,690	–
Interest on issued debt securities (<i>Note 11</i>)	87,500	–
Net interest cost on employee benefit obligations	484,840	364,096
Amortization of discount on issued debt securities (<i>Note 11</i>)	1,069,136	–
Unwinding of discount on asset retirement and land recultivation obligation (<i>Note 14</i>)	969,059	1,024,373
Unwinding of discount on lease liabilities	350,103	28,030
Other finance expenses	90	2,111
Total	4,694,418	1,418,610

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INCOME TAX EXPENSE

Income tax expenses for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Current income tax expense	3,108,795	2,761,635
Adjustments of the past periods	(66,376)	81,315
Deferred income tax expenses/(benefits)	93,102	(1,224,211)
Income tax expense	3,135,521	1,618,739

Movement in net deferred tax liabilities for the three months ended 31 March 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
As at January 1 (audited)	99,367,910	107,509,698
Charged to other comprehensive loss/(income)	3,159,172	(8,157,426)
Charged to profit and loss	93,102	(1,224,211)
Foreign currency translation	(24)	-
As at 31 March (unaudited)	102,620,160	98,128,061

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY TRANSACTIONS

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

Related party transactions were made on agreed terms 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 three months ended 31 March 2024 and 2023 and the related balances as at 31 March 2024 and 31 December 2023:

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

<i>In thousands of Tenge</i>	Note	31 March 2024 (unaudited)	31 December 2023 (audited)
Trade and other accounts receivable from related parties			
Trade accounts receivable from entities under common control of KMG		2,787,219	2,542,252
Trade accounts receivable from joint ventures of the Company		1,500,424	1,811,110
Trade accounts receivable from entities under common control of Samruk-Kazyna		1,891,776	863,461
Total trade accounts receivable from related parties	5	6,179,419	5,216,823
Less: allowance for expected credit losses		(11,427)	(8,748)
Total trade and other accounts receivable from related parties		6,167,992	5,208,075

Advances provided to related parties are as follows:

<i>In thousands of Tenge</i>		31 March 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

Contract liabilities to customers to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	31 March 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		22,626,520	23,326,309
Total non-current contract liabilities to customers to related parties	12	22,626,520	23,326,309
Advances received from entities under common control of KMG		16,172,691	17,988,087
Current part of deferred income under contracts with entities under common control of KMG		2,799,157	2,799,157
Advances received from entities under common control of Samruk-Kazyna		237,866	208,230
Total current contract liabilities to customers to related parties	12	19,209,714	20,995,474
Total contract liabilities to customers to related parties		41,836,234	44,321,783

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY TRANSACTIONS (continued)

Trade accounts payable to related parties are as follows:

<i>In thousands of Tenge</i>	Note	31 March 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		1,105,570	1,025,772
Trade accounts payable to entities under common control of Samruk-Kazyna		250,400	229,769
Trade accounts payable to joint ventures of the Company		–	5,214
Total trade accounts payable to related parties for goods and services	13	1,355,970	1,260,755

Other current liabilities to related parties are as follows:

<i>In thousands of Tenge</i>	Note	31 March 2024 (unaudited)	31 December 2023 (audited)
Liabilities for oil transportation coordination services to related parties			
Liabilities for oil transportation coordination services to entities under common control of KMG		7,313,118	7,401,666
Total liabilities for oil transportation coordination services to related parties	15	7,313,118	7,401,666
Employee benefits obligation of key management personnel			
Employee benefits obligation of key management personnel		42,907	67,453
Total employee benefits obligation of key management personnel		42,907	67,453
Total other current liabilities to related parties		7,356,025	7,469,119

The following tables provide the total amount of transactions, which have been entered into with related parties during the three months ended 31 March 2024 and 2023:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Sales to related parties		
Revenue from main activities with entities under common control of KMG	40,747,842	37,423,357
Revenue from main activities with joint ventures of the Company	4,019,582	3,883,677
Revenue from main activities with entities under common control of Samruk-Kazyna	3,602,523	2,518,587
Revenue from other activities with entities under common control of Samruk-Kazyna	174,051	–
Total	48,543,998	43,825,621

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. RELATED PARTY TRANSACTIONS (continued)

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

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2024	2023
Purchases from related parties		
Purchases of services from entities under common control of KMG	2,725,382	2,533,354
Purchases of services from entities under common control of Samruk-Kazyna	787,325	927,607
Purchases of inventory from entities under common control of Samruk-Kazyna and KMG	446	162
Total	3,513,153	3,461,123

Total accrued compensation to key management personnel for the three months ended 31 March 2024 amounts to 89,844 thousand Tenge (for the three months ended 31 March 2023: 92,131 thousand Tenge). Payments to key personnel consist primarily of payroll costs and remuneration established by contracts and Company's internal regulations.

24. CONTINGENT LIABILITIES AND COMMITMENTS

Information on contingent liabilities and commitments of the Group is disclosed in the consolidated financial statements for the year ended 31 December 2023. During three months ended 31 March 2024 there were no significant changes, except for the following:

Contractual commitments to acquire property, plant and equipment

As at 31 March 2024, the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 42,636,435 thousand Tenge (as at 31 December 2023: 46,210,924 thousand Tenge). These contractual commitments are a part of the investment program.

Share of the Group as at 31 March 2024 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services amounted to 832,223 thousand Tenge (as at 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 the investment program from 2021 to 2025 in the amount of 214.2 billion Tenge. As at 31 March 2024 the balance of obligation under the investment program of the Company to be fulfilled was 94 billion Tenge.

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 31 March 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 1st quarter of 2024 amounted to 1.5 million tons (for the 1st quarter of 2023: 1.8 million tons).

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

24. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Legal proceedings***Legal proceedings of a joint venture 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 contracts 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. In May 2023, the contractor sent a statement of claim, in which he asks the court to declare MunaiTas' demands for payment of the amount under bank guarantees unlawful. On 8 August 2023, the court of first instance issued a ruling to terminate the proceedings in this case. Based on the results of consideration of the contractor's complaint, on 15 November 2023, the court of appeal issued a resolution to cancel the ruling of the court of first instance and sent the case for a new trial to the court of first instance. By decision dated 19 March 2024, the court satisfied the contractor's claim in full. On 26 April 2024, MunaiTas sent an appeal against the decision of the trial court dated 19 March 2024. The management of MunaiTas does not agree with the court decision, considers it illegal and unjustified. Accordingly as at 31 March 2024 MunaiTas has not accrued provisions for this proceeding.

Litigation 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 consequence of such recalculation will be an amount of about nine billion Tenge. On 30 November 2023, MunaiTas filed a claim with the court of first instance to declare the department's orders and letter illegal. In accordance with the law, the validity of orders is suspended for the period of their appeal. On 31 January 2024, the court of first instance rejected MunaiTas' claim. On 16 February and 3 April 2024, MunaiTas filed complaints with the court of first instance against the decision dated 31 January 2024.

The management of MunaiTas believes that the Department's orders are unfounded and that the risk of a negative outcome to the above requirements is medium. Accordingly, as of 31 March 2024, MunaiTas had not accrued any provisions for this proceeding.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Fair value of financial instruments**

The carrying amounts of the Group's financial assets and liabilities as at 31 March 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>	31 March 2024					31 December 2023				
	Carrying amount	Fair value by valuation levels				Carrying amount	Fair value by valuation levels			
		Fair value	Level 1	Level 2	Level 3		Fair value	Level 1	Level 2	Level 3
Issued debt securities	42,531,491	41,670,578	-	41,670,578	-	41,374,855	41,128,054	-	41,128,054	-
Loans received with a floating interest rate	49,124,476	48,684,450	-	48,684,450	-	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 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%.

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

26. SUBSEQUENT EVENTS

On 23 May 2024, at the Annual General Meeting of Shareholders of the Company, a decision was made to pay dividends based on the 2023 results in the amount of 25,000,826 thousand Tenge (calculated as 65 Tenge per 1 share).