

KazTransOil JSC

Interim condensed consolidated financial statements

For the six months ended 30 June 2024



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Interim condensed consolidated financial statements

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Independent auditor's report

To the Shareholders and Board of Directors of KazTransOil JSC

Opinion

We have audited the interim condensed consolidated financial statements of KazTransOil JSC and its subsidiaries (hereinafter, the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2024, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes.

In our opinion, the accompanying interim condensed consolidated financial statements are prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the interim condensed consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of interim condensed consolidated financial statements in Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim condensed consolidated financial statements of the current period. These matters were addressed in the context of our audit of the interim condensed consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the interim condensed consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the interim condensed consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying interim condensed consolidated financial statements.

Key audit matter

How our audit addressed the key audit matter

Fair value of property, plant and equipment

Property, plant and equipment makes up a significant portion of the Group' assets as at 30 June 2024. In accordance with the accounting policy of the Group, property, plant and equipment is measured at fair value less accumulated depreciation and impairment losses recognized after the date of the revaluation. At each reporting date management of the Group assesses how significantly the fair value of its property, plant and equipment differs from the carrying value.

For the assessment of the possible changes in fair value of specialized assets, except for property, plant and equipment of Main Waterline, management of the Group determines the present value of expected future cash flows from the use of property, plant and equipment.

For the assessment of the possible changes in fair value of specialized assets of Main Waterline, management of the Group determines the replacement cost of the assets.

For the assessment of the possible changes in fair value of non-specialized assets, management of the Group determines the market prices for similar assets.

We believe that this matter was the most significant in our audit due to the significance of the carrying value of property, plant and equipment and the high level of subjectivity in respect of assumptions underlying the assessment of the fair value of property, plant and equipment.

Information about the assessment of the changes in fair value of property, plant and equipment is disclosed in Note 3 to the consolidated financial statements.

We obtained from the management of the Group its assessment of the possible changes in fair value of property, plant and equipment.

In the analysis of the present value of expected future cash flows from the use of property, plant and equipment, we compared input data used by management with the Group's most recent business plans. We assessed underlying assumptions and compared them with historical data.

We compared discount rate and long-term growth rate used in the calculations with available external information.

We checked arithmetical accuracy of the calculations of the present value of expected future cash flows.

In the analysis of the market prices of similar assets, we compared prices used by management with available market data for similar items.

In the analysis of the replacement cost of the assets, we analyzed the assumptions related to price indices used and recalculated the replacement cost using the available data on construction services price indices.

We checked mathematical accuracy of the replacement cost and accumulated depreciation calculations.

Other matter

The condensed consolidated statement of comprehensive income for the three-month period ended 30 June 2024 and related selected explanatory notes were unaudited. The condensed consolidated statements of comprehensive income for the three- and six-month periods ended 30 June 2023, condensed consolidated statements of changes in equity and cash flows for the six-month period ended 30 June 2023 and related selected explanatory notes were unaudited.

Responsibilities of management and the audit committee for the interim condensed consolidated financial statements

Management is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with IAS 34, *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of the interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the interim condensed consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim condensed consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether the interim condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the interim condensed consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Adil Syzdykov.

Ernst & Young LLP



Adil Syzdykov
Auditor

Auditor qualification certificate
No. МФ-0000172 dated 23 December 2013

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

26 August 2024



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 June 2024	As at 31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	4	1,073,926,573	1,084,145,524
Right-of-use assets		5,796,117	6,731,336
Intangible assets		7,629,032	7,991,075
Investments in joint ventures	5	106,382,611	106,754,214
Advances to suppliers for property, plant and equipment		2,359,964	1,507,687
VAT recoverable		12,622,211	15,198,605
Other long-term accounts receivable		812,397	721,048
Deferred tax liabilities	23	605,969	-
Bank deposits		576,820	718,088
Other non-current assets		278,987	275,336
		1,210,990,681	1,224,042,913
Current assets			
Inventories		9,617,808	8,932,013
Trade and other accounts receivable	6	8,070,657	8,447,028
Advances to suppliers		1,386,489	727,872
Prepayment for income tax		349,878	750,449
VAT recoverable and other prepaid taxes	7	2,988,372	10,955,879
Other current assets	8	18,207,549	27,853,344
Cash and cash equivalents	9	93,138,946	76,672,612
		133,759,699	134,339,197
Total assets		1,344,750,380	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 June 2024	As at 31 December 2023
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	374,037,341	380,639,671
Foreign currency translation reserve		47,120,101	46,118,253
Other capital reserves		(979,210)	1,244,710
Retained earnings		476,146,618	466,939,672
Total equity		958,252,868	956,870,324
Non-current liabilities			
Loans received	11	47,294,178	47,390,786
Issued debt securities	12	40,763,077	41,302,077
Employee benefit obligations	13	20,956,474	18,045,542
Deferred tax liabilities	23	98,873,291	99,367,910
Provision for asset retirement and land recultivation obligation	16	45,594,043	45,648,971
Contract liabilities to customers	14	30,688,867	31,908,136
Lease liabilities		4,489,645	5,102,611
		288,659,575	288,766,033
Current liabilities			
Loans received	11	3,229,462	-
Issued debt securities	12	2,792,672	72,778
Current part of employee benefit obligations	13	1,243,680	1,185,285
Income tax payable		796,062	1,467,774
Trade and other accounts payable	15	25,066,712	34,937,605
Lease liabilities		2,390,670	2,420,628
Contract liabilities to customers	14	29,850,247	31,246,778
Other taxes payable	7	3,074,853	7,869,753
Provisions		1,307,375	1,303,694
Other current liabilities	17	28,086,204	32,241,458
		97,837,937	112,745,753
Total liabilities		386,497,512	401,511,786
Total equity and liabilities		1,344,750,380	1,358,382,110
Book value per ordinary share (in Tenge)	10	2,472	2,467

Signed and approved for issue on 26 August 2024.

General Director (Chairman of the Management Board)



(Signature)

Kassenov A.G.

Chief Accountant

(Signature)
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 COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)	2024	2023 (unaudited)
Revenue	18	74,435,252	69,062,924	151,009,216	136,914,493
Cost of sales	19	(64,619,507)	(58,464,840)	(128,088,572)	(118,670,426)
Gross profit		9,815,745	10,598,084	22,920,644	18,244,067
General and administrative expenses	20	(4,200,676)	(3,373,408)	(7,943,829)	(6,777,527)
Other operating income	21	728,034	1,500,881	2,312,749	1,564,889
Other operating expenses	21	(195,849)	(113,934)	(213,510)	(145,831)
Operating profit		6,147,254	8,611,623	17,076,054	12,885,598
Net foreign exchange gain		433,949	384,669	199,548	81,448
Finance income	22	2,731,451	2,376,166	5,996,782	4,885,079
Finance costs	22	(4,516,624)	(1,909,597)	(9,210,814)	(3,328,207)
Share in income of joint ventures	5	4,175,017	4,057,427	8,789,393	9,434,596
Profit before income tax		8,971,047	13,520,288	22,850,963	23,958,514
Income tax expense	23	(192,510)	(2,017,503)	(3,328,031)	(3,636,242)
Net profit for the period		8,778,537	11,502,785	19,522,932	20,322,272
Other comprehensive income/(loss)					
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</i>					
Exchange difference from translation of foreign operations of the Group		2,013,320	(497,743)	1,001,848	(291,489)
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net		2,013,320	(497,743)	1,001,848	(291,489)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)	2024	2023 (unaudited)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Revaluation/(impairment) of property, plant and equipment of the Group, net	3	(5,644,030)	35,659,621	8,853,446	(3,890,101)
Income tax effect	23	1,128,806	(7,131,923)	(1,770,689)	778,021
		(4,515,224)	28,527,698	7,082,757	(3,112,080)
Reversal/(charge) of provision for asset retirement and land recultivation obligation of the Group					
	16	(553,164)	1,057,105	745,222	(180,306)
Income tax effect	23	110,633	(211,421)	(149,044)	36,061
		(442,531)	845,684	596,178	(144,245)
Reversal/(charge) of provision for asset retirement and land recultivation obligation of the joint ventures					
		272,582	(954,941)	504,469	(531,649)
Income tax effect		(54,517)	190,989	(100,894)	106,330
	5	218,065	(763,952)	403,575	(425,319)
Actuarial loss from employee benefit obligations of the Group					
	13	(2,286,771)	-	(2,286,771)	-
Income tax effect	23	62,851	-	62,851	-
		(2,223,920)	-	(2,223,920)	-
Total other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods, net		(6,963,610)	28,609,430	5,858,590	(3,681,644)
Total other comprehensive income/(loss) for the period, net of tax		(4,950,290)	28,111,687	6,860,438	(3,973,133)
Total comprehensive income for the period, net of tax		3,828,247	39,614,472	26,383,370	16,349,139
Basic and diluted earnings per share (in Tenge)					
	10	23	30	51	53

Signed and approved for issue on 26 August 2024.

General Director (Chairman of the Management Board)



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Kassenov A.G.

Chief Accountant

(Handwritten signature)
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 six months ended 30 June	
		2024	2023 (unaudited)
Cash flows from operating activities			
Profit before income tax		22,850,963	23,958,514
Adjustment to reconcile profit before income tax to net cash flows			
Depreciation and amortization	19, 20	33,366,876	36,723,882
Finance expenses	22	9,210,814	3,328,207
Share in income of joint ventures	5	(8,789,393)	(9,434,596)
Finance income	22	(5,996,782)	(4,885,079)
Amortization of deferred income		(1,545,648)	(1,546,523)
Reversal and revision of estimates on provision for asset retirement and land reclamation obligation, net	21	(1,330,838)	(1,018,048)
Employee benefits expenses, current service costs	19, 20	404,646	358,132
Foreign exchange gain, net		(199,548)	(81,448)
Write-off of VAT recoverable	20	99,323	130,210
Charge of allowance for expected credit losses, net	20	76,076	53,201
Loss on disposal of property, plant and equipment and intangible assets, net	21	13,923	35,362
Charge of short-term provisions	20	-	67,770
Actuarial gain	21	(110,265)	-
Others		(6,496)	(59,453)
Operating cash flows before working capital changes		48,043,651	47,630,131
(Increase)/decrease in operating assets			
Inventories		(588,211)	(356,387)
Trade and other accounts receivable		271,247	278,486
Advances to suppliers		(745,360)	1,900,602
VAT recoverable and other prepaid taxes		(1,893,320)	(6,154,630)
Other current assets		445,758	1,171,789
Increase/(decrease) in operating liabilities			
Trade and other accounts payable		(3,201,059)	(3,785,522)
Contract liabilities to customers		(1,419,203)	(504,589)
Other taxes payable		6,119,499	924,716
Other current and non-current liabilities and employee benefit obligations		(5,457,024)	(5,626,175)
Cash generated from operating activities		41,575,978	35,478,421
Income taxes paid		(4,575,074)	(3,908,926)
Interest received		4,674,371	4,176,024
Interest paid	12	(160,278)	-
Net cash flows from operating activities		41,514,997	35,745,519

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 (continued)

<i>In thousands of Tenge</i>	Notes	For the six months ended 30 June	
		2024	2023 (unaudited)
Cash flows from investing activities			
Proceeds from redemption of notes of the National Bank	25	111,633,581	-
Purchase of notes of the National Bank	25	(101,597,513)	(5,000,000)
Purchase of property, plant and equipment and intangible assets		(18,835,472)	(69,944,686)
Dividends received from joint ventures	25	8,000,000	1,460,351
Proceeds from bonds redemption	8	1,383,551	80,767
Withdrawal of bank deposits		139,487	120,163
Proceeds from sale of non-current assets held for sale and property, plant and equipment		10,463	-
Net cash flows received from/(used in) investing activities		734,097	(73,283,405)
Cash flows from financing activities			
Dividends paid	10	(25,000,826)	(15,000,496)
Payment of lease liabilities		(1,298,300)	(1,223,064)
Proceeds from debt securities issued	12	-	50,000,000
Proceeds from loans received	11	-	11,800,000
Net cash flows (used in)/received from financing activities		(26,299,126)	45,576,440
Net change in cash and cash equivalents		15,949,968	8,038,554
Net foreign exchange difference		518,790	(463,219)
Change in allowance for expected credit losses		(2,424)	5,676
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		93,138,946	92,738,549

Signed and approved for issue on 26 August 2024.

General Director (Chairman of the Management Board)



(Signature)

Kassenov A.G.

Chief Accountant

(Signature)

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	61,937,567	(9,549)	423,217,162	46,952,044	(188,145)	380,544,246	912,453,325
Net profit for the period	-	-	-	-	-	20,322,272	20,322,272
Other comprehensive loss	-	-	(3,681,644)	(291,489)	-	-	(3,973,133)
Total comprehensive income for the period (unaudited)	-	-	(3,681,644)	(291,489)	-	20,322,272	16,349,139
Amortization of revaluation reserve for property, plant and equipment (unaudited)	-	-	(19,352,680)	-	-	19,352,680	-
Dividends (Note 10) (unaudited)	-	-	-	-	-	(15,000,496)	(15,000,496)
Other operations with shareholder (Note 10) (unaudited)	-	-	-	-	-	22,145,133	22,145,133
As at 30 June 2023 (unaudited)	61,937,567	(9,549)	400,182,838	46,660,555	(188,145)	427,363,835	935,947,101
As at 31 December 2023	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	-	-	-	-	-	19,522,932	19,522,932
Other comprehensive income	-	-	8,082,510	1,001,848	(2,223,920)	-	6,860,438
Total comprehensive income for the period	-	-	8,082,510	1,001,848	(2,223,920)	19,522,932	26,383,370
Amortization of revaluation reserve for property, plant and equipment	-	-	(14,684,840)	-	-	14,684,840	-
Dividends (Note 10)	-	-	-	-	-	(25,000,826)	(25,000,826)
As at 30 June 2024	61,937,567	(9,549)	374,037,341	47,120,101	(979,210)	476,146,618	958,252,868

Signed and approved for issue on 26 August 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the six months ended 30 June 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 June 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 June 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 June 2024 and 31 December 2023 the Company had ownership interest in the following companies:

	Place of incorporation	Principal activities	Ownership	
			30 June 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 2,308 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 – 4,849.39 Tenge per ton for 1,000 kilometers without VAT, from 1 July 2024 – is 4,851.87 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 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 xx August 2024.

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

Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2023 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 six months ended 30 June 2024 and 2023 are as follows:

<i>Tenge</i>	For the six months ended 30 June	
	2024	2023
US Dollars	449.09	451.80
Russian Rubles	4.96	5.89
Euro	485.49	488.19
Georgian Lari	167.83	176.35

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

<i>Tenge</i>	30 June 2024	31 December 2023
US Dollars	471.46	454.56
Russian Rubles	5.53	5.06
Euro	504.79	502.24
Georgian Lari	170.20	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 June 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 June 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 June 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 as at 30 June 2024 was increased for the amount of 8,871,130 thousand Tenge through other comprehensive income (*Notes 4*) (for the six months period ended 30 June 2023: decrease for the amount of 3,890,101 thousand Tenge through other comprehensive loss). Oil price as at 30 June 2024 was 87,798 Tenge per ton (as at 31 December 2023: 84,524 Tenge per ton).

In addition, during the six months period ended 30 June 2024, the Group recognized an impairment of individual property, plant and equipment in the amount of 22,267 thousand Tenge, including through other comprehensive loss - by 17,684 thousand Tenge (*Note 4*), as the carrying amount of these fixed assets exceeded their recoverable amount.

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 is presented below:

<i>As a percentage</i>	31 March 2024	30 June 2024	31 December 2023
Discount rate	9,77%	9,21%	8,77%
Inflation rate	5,38%	5,13%	4,75%
Period of fulfillment of obligations	10,75 years	10,5 years	11 years

<i>As a percentage</i>	31 March 2023	30 June 2023	31 December 2022
Discount rate	10,43%	9,09%	10,46%
Inflation rate	6,6%	5,02%	6,23%
Period of fulfillment of obligations	11,75 years	11,5 years	12 years

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

<i>In thousands of Tenge</i>	(Decrease)/ increase in rate	(Decrease)/ increase in liability
Discount rate	-0.5%	2,262,929
	+0.5%	(2,145,173)
Inflation rate	-0.5%	(2,236,271)
	+0.5%	2,341,500

During the six months periods ended 30 June 2024 and 2023, the provision for asset retirement and land reclamation obligation was reversed in the amount of 661,357 thousand Tenge and 36,605 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).

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 June 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machinery and equipment	Technological oil	Other	Construction in progress	Total
Gross carrying amount as at 31 December 2023	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	902,071	-	-	80,272	3,196	46,978	-	9,201	163,455	1,205,173
Additions	-	-	-	1,319,924	1,345	999,534	-	200,954	9,438,127	11,959,884
Disposals	-	(24,773)	-	(1,268)	(62,573)	(388,818)	(3)	(203,742)	(8,359)	(689,536)
Additions on asset retirement and land reclamation obligation (Note 16)	-	4,210	-	-	-	-	-	-	-	4,210
Revaluation (through revaluation reserve)	-	-	-	-	-	-	8,871,130	-	-	8,871,130
Transfers from construction in progress	-	-	-	439,013	637,316	4,775,502	-	82,555	(5,934,386)	-
Transfers from non-current assets held for sale	16,231	-	-	-	6,037	-	-	-	-	22,268
Transfers to inventory	-	(157,283)	-	(210,127)	(2,864)	(201,062)	-	(11,671)	(8,262)	(591,269)
Transfers and reclassifications	-	(24,173)	-	(2,515)	-	27,490	-	(802)	-	-
Gross carrying amount as at 30 June 2024	36,169,117	289,709,814	170,808,816	30,493,298	123,258,412	208,073,436	237,894,715	12,985,792	79,707,954	1,189,101,354
Accumulated depreciation and impairment as at 31 December 2023	-	(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	-	-	-	(21,752)	(13,040)	(15,961)	-	(2,769)	-	(53,522)
Depreciation charge	-	(10,129,475)	(3,352,802)	(2,118,979)	(3,725,388)	(11,381,895)	-	(1,383,168)	-	(32,091,707)
Disposals	-	24,773	-	554	62,573	377,189	-	201,297	8,359	674,745
Impairment (through profit and loss)	(3,413)	-	-	-	(1,170)	-	-	-	-	(4,583)
Impairment (through revaluation reserve)	(12,818)	-	-	-	(4,866)	-	-	-	-	(17,684)
Transfers to inventory	-	120,181	-	179,934	1,798	179,272	-	10,693	62	491,940
Transfers from construction in progress	-	-	-	-	(8,809)	(24,077)	-	(410)	33,296	-
Transfers and reclassifications	-	-	-	1,679	-	(1,679)	-	-	-	-
Accumulated depreciation and impairment as at 30 June 2024	(16,231)	(36,893,355)	(8,386,637)	(7,478,901)	(13,395,504)	(42,397,735)	-	(5,097,369)	(1,509,049)	(115,174,781)
As at 30 June 2024										
Gross carrying amount	36,169,117	289,709,814	170,808,816	30,493,298	123,258,412	208,073,436	237,894,715	12,985,792	79,707,954	1,189,101,354
Accumulated depreciation and impairment	(16,231)	(36,893,355)	(8,386,637)	(7,478,901)	(13,395,504)	(42,397,735)	-	(5,097,369)	(1,509,049)	(115,174,781)
Net book value	36,152,886	252,816,459	162,422,179	23,014,397	109,862,908	165,675,701	237,894,715	7,888,423	78,198,905	1,073,926,573
As at 31 December 2023										
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 June 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 June 2024:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated property, plant and equipment still in use was 678,172 thousand Tenge (as at 31 December 2023: 8,712 thousand Tenge);
- Construction in progress included materials and spare parts in the amount of 5,439,711 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 six months ended 30 June 2024, included in the cost of construction in progress amounted to 8,218 thousand Tenge (for six months ended 30 June 2023: 10,681 thousand Tenge).

5. INVESTMENTS IN JOINT VENTURES

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Investments in KCP	82,916,018	81,916,865
Investments in MunaiTas	23,466,593	24,837,349
Total	106,382,611	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	106,754,214
Share in income of joint ventures	8,789,393
Share in other comprehensive income of joint ventures	403,575
Dividends	(9,564,571)
As at 30 June 2024	106,382,611

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 the dividends in the amount of 1,564,571 thousand Tenge based on the 2023 results (*Note 25*) and received on 4 July 2024.

The Company's share in comprehensive income of joint ventures for the three and six months periods ended 30 June 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024	2023 (unaudited)
Share in income of joint ventures				
KCP	4,380,697	3,729,890	8,563,370	8,219,234
MunaiTas	(205,680)	327,537	226,023	1,215,362
Total share in income of joint ventures	4,175,017	4,057,427	8,789,393	9,434,596
Share in other comprehensive income/(loss) of joint ventures				
KCP	435,783	(198,249)	435,783	432,192
MunaiTas	(217,718)	(565,703)	(32,208)	(857,511)
Total share in other comprehensive income/(loss) of joint ventures	218,065	(763,952)	403,575	(425,319)
Total share in comprehensive income of joint ventures	4,393,082	3,293,475	9,192,968	9,009,277

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 June 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Trade accounts receivable from third parties	7,644,895	8,049,946
Trade accounts receivable from related parties (<i>Note 25</i>)	5,502,853	5,216,823
Other accounts receivable from third parties	468,761	506,829
Less: allowance for expected credit losses	(5,545,852)	(5,326,570)
Total	8,070,657	8,447,028

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Tenge	6,291,192	5,449,296
US Dollars	1,757,837	1,669,503
Russian Rubles	3,241	881,851
Other currency	18,387	446,378
Total	8,070,657	8,447,028

7. VAT AND OTHER TAXES

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Current VAT recoverable	1,938,965	1,488,075
Taxes and payments in other countries	987,236	8,996,651
Property tax	14,648	434,160
Other taxes prepaid	47,523	36,993
Total	2,988,372	10,955,879

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
VAT payable	1,609,500	6,530
Personal income tax	776,056	646,191
Social tax	630,585	513,359
Property tax	712	3,004
Taxes and payments in other countries	-	6,672,486
Other taxes	58,000	28,183
Total	3,074,853	7,869,753

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. OTHER CURRENT ASSETS

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Other current financial assets		
Notes of the National Bank (Note 25)	11,519,346	21,579,104
Dividends receivable (Note 5)	1,564,571	-
Investments in bonds	-	646,608
Other	124,303	33,136
	13,208,220	22,258,848
Other current non-financial assets		
Due for oil transportation coordination services	4,098,760	5,224,762
Prepaid insurance	734,194	229,031
Deferred expenses from third parties	165,904	117,518
Other	471	23,185
	4,999,329	5,594,496
Total	18,207,549	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 six months period ended 30 June 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 3,638 thousand Tenge (during the six months period ended 30 June 2023, repurchase – by 80,767 thousand Tenge). At the same time, the Company recognized income from revision the fair value of the bonds in the amount of 736,943 thousand Tenge (during the six months period ended 30 June 2023, a loss from the revision of the fair value – by 116,376 thousand Tenge) (Note 22).

9. CASH AND CASH EQUIVALENTS

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Time deposits with banks – Tenge	54,910,456	26,135,995
Time deposits with banks – US	8,778,845	6,290,971
Time deposits with banks – other currency	66,412	-
Current accounts with banks – Tenge	11,087,452	11,361,093
Current accounts with banks – US Dollars	8,452,335	6,845,219
Current accounts with banks – Georgian Lari	2,055,094	732,751
Current accounts with banks – other currency	33,014	38,721
Reverse repo transactions	7,766,396	25,276,421
Other current accounts with banks	12,065	11,685
Cash on hand	-	455
Less: Allowance for expected credit losses	(23,123)	(20,699)
Total	93,138,946	76,672,612

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

9. CASH AND CASH EQUIVALENTS (continued)

As at 30 June 2024:

- For time deposits with maturity less than 3 months in Tenge interests accrued at rates from 13% to 14.55% 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 11.75% 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 3.65% 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 11% per annum (as at 31 December 2023: from 10.6% to 11% per annum).

Reverse repo transactions

As at 30 June 2024, reverse repo transactions consist of financial instruments with an average yield of 13.4% and maturity from 3 to 15 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 six months period ended 30 June 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 six months period ended 30 June 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 six months period ended 30 June 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 June 2024 asset revaluation reserve was equal to 374,037,341 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 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Net profit attributable to ordinary equity holders of the Parent of the Group	8,778,537	11,502,785	19,522,932	20,322,272
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)	23	30	51	53

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 June 2024	31 December 2023
Total assets	1,344,750,380	1,358,382,110
Less: intangible assets	(7,629,032)	(7,991,075)
Less: total liabilities	(386,497,512)	(401,511,786)
Net assets for calculation of book value per ordinary share	950,623,836	948,879,249
Number of ordinary shares	384,628,099	384,628,099
Book value per ordinary share (in Tenge)	2,472	2,467

11. LOANS RECEIVED

Movements in loans received for six months ended 30 June 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023 (unaudited)
As at 1 January	47,390,786	29,760,793
Including:		
Long term part	47,390,786	29,760,793
Received	-	11,800,000
Interest accrued	3,132,854	2,700,904
Additional expenses	-	(82,600)
As at 30 June	50,523,640	44,179,097
Including:		
Long term part	47,294,178	44,179,097
Current term part	3,229,462	-

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LOANS RECEIVED (continued)

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.

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 June 2024, the nominal interest rate on loans averaged 17.25% (as at 31 December 2023: 18.38%), the effective interest rate - averaged 14.88% (as at 31 December 2023: 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 30 June 2024, the Group complies with all non-financial covenants. There are no financial covenants under the terms of the agreement.

Refinancing loans

On 10 June 2024, Main Waterline entered into a loan agreement with the Eurasian Development Bank for the provision of a credit for 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.

12. ISSUED DEBT SECURITIES

Movements in issued debt securities for six months ended 30 June 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023 (unaudited)
As at 1 January	41,374,855	-
Including:		
Long term part	41,302,077	-
Short term part	72,778	-
Received	-	50,000,000
Discount recognition (<i>Note 10</i>)	-	(22,145,133)
Discount amortization	2,166,172	503,099
Interest accrued	175,000	44,444
Repayment of interest	(160,278)	-
As at 30 June	43,555,749	28,402,410
Including:		
Long term part	40,763,077	28,357,966
Short term part	2,792,672	44,444

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%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. ISSUED DEBT SECURITIES (continued)

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 June 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 June 2024 and 31 December 2023 are as follows:

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Non-current portion of employee benefit obligations	20,956,474	18,045,542
Current portion of employee benefit obligations	1,243,680	1,185,285
Total	22,200,154	19,230,827

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

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
At the beginning of the period	19,543,369	19,403,183	19,230,827	19,143,274
Interest cost (<i>Note 22</i>)	547,796	364,094	1,032,636	728,190
Current services cost (<i>Notes 19, 20</i>)	228,911	179,067	404,646	358,132
Actuarial gain through profit and loss (<i>Note 21</i>)	(110,265)	–	(110,265)	–
Actuarial loss through other comprehensive loss	2,286,771	–	2,286,771	–
Benefits paid	(296,428)	(263,692)	(644,461)	(546,944)
At the end of the period	22,200,154	19,682,652	22,200,154	19,682,652

14. CONTRACT LIABILITIES TO CUSTOMERS

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Deferred income from related parties (<i>Note 25</i>)	21,926,730	23,326,309
Deferred income from third parties	8,762,137	8,581,827
Total	30,688,867	31,908,136

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Advances received from related parties (<i>Note 25</i>)	17,251,143	18,196,317
Advances received from third parties	9,067,636	9,544,255
Current part of deferred income from related parties (<i>Note 25</i>)	2,799,157	2,799,157
Current part of deferred income from third parties	732,311	707,049
Total	29,850,247	31,246,778

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONTRACT LIABILITIES TO CUSTOMERS (continued)

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 six months periods ended 30 June 2024 and 2023 is recognized by the Group as revenue from the provision of water transportation services in the amount of 1,399,579 thousand Tenge.

Revenue recognized in respect of contracts with customers

For the six months ended 30 June 2024, the revenue in the amount of 26,289,864 thousand Tenge was recognized by the Group in respect of contract liabilities to customers as at the beginning of the reporting period (for the six months ended 30 June 2023: 25,540,301 thousand Tenge).

15. TRADE AND OTHER ACCOUNTS PAYABLE

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Accounts payable to third parties for goods and services	22,498,597	31,775,737
Accounts payable to related parties for goods and services (Note 25)	1,142,518	1,260,755
Other accounts payable to third parties	1,425,597	1,901,113
Total	25,066,712	34,937,605

As at 30 June 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 14,629,126 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 June 2024 and 31 December 2023 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Tenge	23,030,009	32,767,590
Georgian Lari	1,918,373	1,966,882
US Dollars	111,919	194,612
Russian Roubles	5,940	6,248
Euro	471	2,273
Total	25,066,712	34,937,605

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. PROVISION FOR ASSET RETIREMENT AND LAND RECULTIVATION OBLIGATION

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

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
At the beginning of the period	44,453,312	43,135,919	45,648,971	40,664,979
Charge for the period through asset (Note 4)	-	-	4,210	-
Revision of estimates through other comprehensive (income)/loss	553,164	(1,057,105)	(745,222)	180,306
Revision of estimates through profit and loss (Note 21)	118,126	(1,191,599)	(669,481)	(982,443)
Reversal through profit and loss (Notes 3, 21)	(578,422)	(35,605)	(661,357)	(35,605)
Unwinding of discount (Note 22)	1,047,863	1,082,924	2,016,922	2,107,297
At the end of the period	45,594,043	41,934,534	45,594,043	41,934,534

17. OTHER CURRENT LIABILITIES

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

<i>In thousands of Tenge</i>	30 June 2024	31 December 2023
Other current non-financial liabilities		
Liabilities for oil transportation coordination services to related parties (Note 25)	6,409,775	7,401,666
Liabilities for oil transportation coordination services to third parties	4,302,797	5,505,172
Liabilities for pension contributions and social insurance	1,337,356	1,229,758
	12,049,928	14,136,596
Other current financial liabilities		
Provisions for vacations and other employee benefits	9,063,270	11,215,283
Employee salary	5,861,169	5,650,919
Liabilities for oil transportation coordination services to third parties	486,837	376,867
Other	625,000	861,793
	16,036,276	18,104,862
Total other current liabilities	28,086,204	32,241,458

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

Revenue for the three and six months ended 30 June 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For three months ended 30 June 2024 (unaudited)					For six months ended 30 June 2024				
	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	53,842,135	-	-	-	53,842,135	110,209,602	-	-	-	110,209,602
Pipeline operation and maintenance services	7,443,520	-	-	-	7,443,520	15,118,385	-	-	-	15,118,385
Water transportation	-	-	5,205,030	-	5,205,030	-	-	10,663,635	-	10,663,635
Oil, oil products and gas transshipment and railway shipment	-	4,607,892	-	-	4,607,892	-	8,965,184	-	-	8,965,184
Seaport services	-	-	-	2,051,512	2,051,512	-	-	-	3,877,892	3,877,892
Oil storage services	68,113	323,524	-	-	391,637	88,529	620,193	-	-	708,722
Oil transportation coordination services	228,869	-	-	-	228,869	467,471	-	-	-	467,471
Fees for undelivered oil volumes	42,043	-	-	-	42,043	74,911	-	-	-	74,911
Others	4,254	-	2,897	615,463	622,614	17,990	-	5,448	899,976	923,414
Total for segments	61,628,934	4,931,416	5,207,927	2,666,975	74,435,252	125,976,888	9,585,377	10,669,083	4,777,868	151,009,216
Geographic regions*										
Kazakhstan	53,623,743	2,434,364	5,207,927	-	61,266,034	109,786,669	4,909,003	10,669,083	-	125,364,755
Russia	6,950,969	-	-	-	6,950,969	14,193,375	-	-	-	14,193,375
Georgia	-	193,338	-	2,607,266	2,800,604	-	655,223	-	4,710,056	5,365,279
Uzbekistan	1,054,222	-	-	-	1,054,222	1,996,844	-	-	-	1,996,844
Others	-	2,303,714	-	59,709	2,363,423	-	4,021,151	-	67,812	4,088,963
Total revenue under contracts with customers	61,628,934	4,931,416	5,207,927	2,666,975	74,435,252	125,976,888	9,585,377	10,669,083	4,777,868	151,009,216
Timing of revenue recognition										
At a point in time	54,185,414	4,931,416	5,207,927	2,666,975	66,991,732	110,858,503	9,585,377	10,669,083	4,777,868	135,890,831
Over time	7,443,520	-	-	-	7,443,520	15,118,385	-	-	-	15,118,385
Total revenue under contracts with customers	61,628,934	4,931,416	5,207,927	2,666,975	74,435,252	125,976,888	9,585,377	10,669,083	4,777,868	151,009,216

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

	For three months ended 30 June 2023 (unaudited)					For six months ended 30 June 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
<i>In thousands of Tenge</i>										
Crude oil transportation	48,682,726	-	-	-	48,682,726	97,680,122	-	-	-	97,680,122
Pipeline operation and maintenance services	6,301,552	-	-	-	6,301,552	12,712,449	-	-	-	12,712,449
Oil, oil products and gas transshipment and railway shipment	-	6,239,113	-	-	6,239,113	-	11,107,051	-	-	11,107,051
Water transportation	-	-	4,461,846	-	4,461,846	-	-	9,133,692	-	9,133,692
Seaport services	-	-	-	2,052,236	2,052,236	-	-	-	3,865,149	3,865,149
Oil storage services	27,680	440,072	-	-	467,752	69,862	845,317	-	-	915,179
Fees for undelivered oil volumes	418,776	-	-	-	418,776	710,960	-	-	-	710,960
Oil transportation coordination services	229,461	-	-	-	229,461	344,717	-	-	-	344,717
Others	2,690	-	883	205,889	209,462	13,953	-	1,107	430,114	445,174
Total for segments	55,662,885	6,679,185	4,462,729	2,258,125	69,062,924	111,532,063	11,952,368	9,134,799	4,295,263	136,914,493
Geographic regions*										
Kazakhstan	48,397,871	4,246,262	4,462,729	-	57,106,862	97,539,823	7,611,475	9,134,799	-	114,286,097
Russia	6,792,097	-	-	-	6,792,097	13,387,452	-	-	-	13,387,452
Georgia	-	1,106,312	-	2,237,987	3,344,299	-	1,876,777	-	4,246,017	6,122,794
Uzbekistan	472,917	-	-	-	472,917	604,788	-	-	-	604,788
Others	-	1,326,611	-	20,138	1,346,749	-	2,464,116	-	49,246	2,513,362
Total revenue under contracts with customers	55,662,885	6,679,185	4,462,729	2,258,125	69,062,924	111,532,063	11,952,368	9,134,799	4,295,263	136,914,493
Timing of revenue recognition										
At a point in time	49,361,333	6,679,185	4,462,729	2,258,125	62,761,372	98,819,614	11,952,368	9,134,799	4,295,263	124,202,044
Over time	6,301,552	-	-	-	6,301,552	12,712,449	-	-	-	12,712,449
Total revenue under contracts with customers	55,662,885	6,679,185	4,462,729	2,258,125	69,062,924	111,532,063	11,952,368	9,134,799	4,295,263	136,914,493

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. REVENUE (continued)

For the six months ended 30 June 2024 the revenue from the four major customers amounted to 29,027,948 thousand Tenge, 16,936,145 thousand Tenge, 9,353,858 thousand Tenge and 6,665,064 thousand Tenge (for the six months ended 30 June 2023: 26, 567,752 thousand Tenge, 15,394,707 thousand Tenge, 9,425,816 thousand Tenge and 6,876,421 thousand Tenge, respectively).

19. COST OF SALES

Cost of sales for the three and six months ended 30 June 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Personnel costs	27,550,310	22,854,786	54,999,097	46,465,143
Depreciation and amortization	16,296,439	17,519,741	32,697,074	35,940,163
Taxes other than income tax	3,570,293	3,062,634	7,187,503	6,156,939
Security services	3,461,059	3,279,727	6,922,348	6,562,682
Electric energy	2,667,660	2,339,595	5,565,957	4,821,991
Repair and maintenance	2,664,706	1,821,057	4,761,037	3,524,014
Materials and fuel	2,206,413	1,942,798	4,188,914	3,367,078
Railway services	1,928,159	2,200,093	3,879,239	4,879,892
Gas expenses	757,744	678,337	1,979,169	1,857,586
Food and accomodation	767,370	603,482	1,546,789	1,235,851
Insurance	351,093	306,523	672,236	611,306
Environmental protection	467,858	95,714	542,740	153,437
Production services	325,225	272,190	459,679	410,038
Business trip expenses	283,333	281,456	455,935	449,987
Labour protection, safety	230,029	190,933	412,655	367,144
Post-employment benefits (Note 13)	216,287	168,323	382,301	336,644
Social sphere expenses	269,480	247,363	346,389	367,622
Outstaffing services	142,953	124,879	285,523	269,744
Communication services	92,075	91,340	183,527	169,530
Other	371,021	383,869	620,460	723,635
Total	64,619,507	58,464,840	128,088,572	118,670,426

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three and six months ended 30 June 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Personnel costs	2,807,765	1,939,333	5,320,729	4,011,276
Depreciation and amortization	333,324	397,329	669,802	783,719
Repair and maintenance	123,600	127,995	249,325	251,581
Office maintenance	111,589	94,298	218,010	211,878
Outstaffing services	77,562	69,489	158,745	142,755
Business trip expenses	71,184	74,239	133,577	140,534
Auditing and consulting services	93,215	102,973	130,734	142,237
Write-off VAT recoverable	29,631	94,138	99,323	130,210
Social sphere expenses	79,125	141,668	94,065	189,672
Taxes other than income tax	56,025	58,465	80,539	116,386
Information services	35,939	34,639	78,456	69,609
Charge of allowance for expected credit losses, net	(11,924)	42,370	76,076	53,201
Insurance and security	35,852	27,686	63,715	48,197
Communication services	23,667	23,329	46,571	45,817
Bank costs	11,867	11,927	25,065	23,986
Post-employment benefits (Note 13)	12,624	10,744	22,345	21,488
Materials and fuel	5,426	5,409	13,085	16,359
Charge/(reversal) of short-term provision	–	(453)	–	67,770
Other	304,205	117,830	463,667	310,852
Total	4,200,676	3,373,408	7,943,829	6,777,527

21. OTHER OPERATING INCOME AND EXPENSES

Other operating income/expenses for the three and six months ended 30 June 2024 and 2023 are as follows:

Other operating income

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Income from revision of estimates and reversal of asset retirement and land reclamation obligation, net (Note 16)	460,296	1,227,204	1,330,838	1,018,048
Income from fines and penalties	9,324	188,372	637,329	371,581
Amortization of deferred income	72,858	72,984	146,069	146,944
Actuarial gain (Note 13)	110,265	–	110,265	–
Income from inventory recognition	13,222	–	13,235	1,026
Income from disposal of non-current assets held for sale	–	–	9,889	–
Income from reimbursement of insurance payment	–	–	–	17,261
Other income	62,069	12,321	65,124	10,029
Total	728,034	1,500,881	2,312,749	1,564,889

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. OTHER OPERATING INCOME AND EXPENSES (continued)

Other operating expenses

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Expenses for liquidation of emergencies and accidents	168,965	16,223	168,965	19,084
Loss on disposal of property, plant and equipment and intangible assets, net	–	17,827	13,923	35,362
Expenses for liquidation of idle production facilities	11,545	34,499	6,498	43,218
Impairment of property, plant and equipment	–	–	4,583	–
Other expenses	15,339	45,385	19,541	48,167
Total	195,849	113,934	213,510	145,831

22. FINANCE INCOME AND EXPENSES

Finance income/expenses for the three and six months ended 30 June 2024 and 2023 are as follows:

Finance income

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Interest income on bank deposits, current accounts and reverse repo transactions	2,158,601	2,322,642	4,179,756	4,782,077
Income from notes of the National Bank (Note 25)	526,021	4,588	989,578	4,588
Income from revision of bond's fair value (Note 8)	1,819	–	736,943	–
Unwinding of discount on long-term receivables	39,188	42,954	78,380	85,912
Other finance income	5,822	5,982	12,125	12,502
Total	2,731,451	2,376,166	5,996,782	4,885,079

Finance expenses

<i>In thousands of Tenge</i>	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Interest on loans received (Note 11)	1,399,164	–	3,132,854	–
Amortization of discount on issued debt securities (Note 12)	1,097,036	–	2,166,172	–
Unwinding of discount on asset retirement and land reclamation obligation reserve (Note 16)	1,047,863	1,082,924	2,016,922	2,107,297
Interest cost on employee benefit obligations (Note 13)	547,796	364,094	1,032,636	728,190
Unwinding of discount on lease liabilities	336,233	343,248	686,336	371,278
Interest on issued debt securities (Note 12)	87,500	–	175,000	–
Expenses from the fair value revision of bonds (Note 8)	–	116,376	–	116,376
Other finance expenses	1,032	2,955	894	5,066
Total	4,516,624	1,909,597	9,210,814	3,328,207

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. INCOME TAX EXPENSE

Income tax expenses for the three and six months ended 30 June 2024 and 2023 are as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<i>In thousands of Tenge</i>				
Current income tax expense	3,243,132	3,327,156	6,351,927	6,088,791
Adjustments of the past periods	–	–	(66,376)	81,315
Deferred income tax benefit	(3,050,622)	(1,309,653)	(2,957,520)	(2,533,864)
Income tax expense	192,510	2,017,503	3,328,031	3,636,242

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

	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<i>In thousands of Tenge</i>				
At the beginning of the period	102,620,160	98,128,061	99,367,910	107,509,698
Charged to other comprehensive loss/(income)	(1,302,290)	7,343,344	1,856,882	(814,082)
Charged to profit and loss	(3,050,622)	(1,309,653)	(2,957,520)	(2,533,864)
Currency translation	74	–	50	–
At the end of the period	98,267,322	104,161,752	98,267,322	104,161,752

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 June 2024 and 2023:

	For the three months ended 30 June 2024 (unaudited)					For the three months ended 30 June 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	61,628,934	4,931,416	5,207,927	2,666,975	-	74,435,252	55,662,885	6,679,185	4,462,729	2,258,125	-	69,062,924
Intersegmental	312,455	-	29,485	-	(341,940)	-	247,281	-	20,384	-	(267,665)	-
Total revenue <i>(Note 18)</i>	61,941,389	4,931,416	5,237,412	2,666,975	(341,940)	74,435,252	55,910,166	6,679,185	4,483,113	2,258,125	(267,665)	69,062,924
Financial results												
Depreciation and amortization <i>(Notes 19, 20)</i>	(13,481,859)	(277,806)	(2,573,981)	(296,117)	-	(16,629,763)	(15,015,104)	(261,672)	(2,307,242)	(333,052)	-	(17,917,070)
Interest income <i>(Note 22)</i>	2,278,122	30,932	326,727	48,841	-	2,684,622	2,061,870	48,489	146,686	70,185	-	2,327,230
Share in income of joint ventures <i>(Note 5)</i>	4,175,017	-	-	-	-	4,175,017	4,057,427	-	-	-	-	4,057,427
Income tax (expense)/benefits <i>(Note 23)</i>	(1,799,227)	-	1,606,717	-	-	(192,510)	(2,188,505)	-	171,002	-	-	(2,017,503)
Segment profit/(loss) for the period	5,832,408	826,302	(3,057,852)	1,008,547	4,169,132	8,778,537	8,498,652	2,244,483	(566,361)	755,371	570,640	11,502,785

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 six months ended 30 June 2024 and 2023:

	For the six months ended 30 June 2024					For the six months ended 30 June 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	125,976,888	9,585,377	10,669,083	4,777,868	-	151,009,216	111,532,063	11,952,368	9,134,799	4,295,263	-	136,914,493
Intersegmental	547,929	-	53,086	-	(601,015)	-	424,747	-	37,611	-	(462,358)	-
Total revenue (Note 18)	126,524,817	9,585,377	10,722,169	4,777,868	(601,015)	151,009,216	111,956,810	11,952,368	9,172,410	4,295,263	(462,358)	136,914,493
Financial results												
Depreciation and amortization (Notes 19, 20)	(27,018,032)	(538,010)	(5,213,096)	(597,738)	-	(33,366,876)	(30,924,966)	(521,829)	(4,615,200)	(661,887)	-	(36,723,882)
Interest income (Note 22)	4,426,665	53,891	94,309	594,469	-	5,169,334	4,330,440	94,426	247,042	114,757	-	4,786,665
Share in income of joint ventures (Note 5)	8,789,393	-	-	-	-	8,789,393	9,434,596	-	-	-	-	9,434,596
Income tax (expense)/benefits (Note 23)	(4,170,380)	-	842,349	-	-	(3,328,031)	(3,799,438)	-	163,196	-	-	(3,636,242)
Segment profit/(loss) for the period	16,618,297	1,207,154	(5,558,797)	1,703,399	5,552,879	19,522,932	16,658,984	2,593,785	(568,718)	1,067,601	570,620	20,322,272

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 June 2024 and 31 December 2023:

	As at 30 June 2024						As at 31 December 2023					
	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>												
Other disclosures												
Total assets	1,108,053,082	50,412,275	243,482,892	22,820,547	(80,018,416)	1,344,750,380	1,119,093,212	55,052,218	245,176,165	22,675,271	(83,614,756)	1,358,382,110
Total liabilities	242,191,315	1,386,092	132,097,067	12,985,422	(2,162,384)	386,497,512	250,668,161	9,829,406	128,223,724	12,949,051	(158,556)	401,511,786
Investments in joint ventures (Note 5)	106,382,611	-	-	-	-	106,382,611	106,754,214	-	-	-	-	106,754,214
Capital expenditures, including:	10,494,655	838,002	525,365	151,343	-	12,009,365	75,616,816	4,377,336	101,289,761	1,205,763	-	182,489,676
Property, plant and equipment	10,445,174	838,002	525,365	151,343	-	11,959,884	75,443,689	4,353,613	101,285,329	1,165,160	-	182,247,791
Intangible assets	49,481	-	-	-	-	49,481	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 six months ended 30 June 2024 and 2023 and also the related balances as at 30 June 2024 and 31 December 2023.

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

<i>In thousands of Tenge</i>	Note	30 June 2024	31 December 2023
Trade and other accounts receivable from related parties			
Trade accounts receivable from joint ventures of the Company		1,524,029	1,811,110
Trade accounts receivable from entities under common control of KMG		2,042,523	2,542,252
Trade accounts receivable from entities under common control of Samruk-Kazyna		1,936,301	863,461
Total trade accounts receivable from related parties	6	5,502,853	5,216,823
Less: allowance for expected credit losses		(8,165)	(8,748)
Total trade and other accounts receivable from related parties		5,494,688	5,208,075

Other current financial assets from related parties are as follows:

<i>In thousands of Tenge</i>	Note	30 June 2024	31 December 2023
Notes of the National Bank	8	11,519,346	21,579,104
Dividends receivable from entities joint ventures of the Company	8	1,564,571	-
Total other current financial assets from related parties		13,083,917	21,579,104

At the end of six months period ended 30 June 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 June 2024, the Notes of the National Bank are represented by financial instruments with a yield of 13.2% 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 June 2024	31 December 2023
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 June 2024	31 December 2023
Contract liabilities to customers to related parties			
Non-current part of deferred income under contracts with entities under common control of KMG		21,926,730	23,326,309
Total non-current contract liabilities to customers to related parties	14	21,926,730	23,326,309
Advances received from entities under common control of KMG		17,014,306	17,988,087
Advances received from entities under common control of Samruk-Kazyna		236,837	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	20,050,300	20,995,474
Total contract liabilities to customers to related parties		41,977,030	44,321,783

Trade accounts payable to related parties are as follows:

<i>In thousands of Tenge</i>	Note	30 June 2024	31 December 2023
Trade accounts payable to related parties for goods and services			
Trade accounts payable to entities under common control of KMG		1,043,964	1,025,772
Trade accounts payable to entities under common control of Samruk-Kazyna		98,554	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	1,142,518	1,260,755

Other current liabilities to related parties are as follows:

<i>In thousands of Tenge</i>	Note	30 June 2024	31 December 2023
Current liabilities for oil transportation coordination services to related parties			
Liabilities for oil transportation coordination services to entities under common control of KMG		6,409,775	7,401,666
Total current liabilities for oil transportation coordination services to related parties	17	6,409,775	7,401,666
Employee benefits obligation of key management personnel			
Employee benefits obligation of key management personnel		78,223	67,453
Total employee benefits obligation of key management personnel		78,223	67,453
Total other current liabilities to related parties		6,487,998	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:

	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<i>In thousands of Tenge</i>				
Sales to related parties				
Revenue from main activities with entities under common control of KMG	38,967,233	36,928,736	79,715,075	74,352,093
Revenue from main activities with joint ventures of the Company	4,040,426	3,926,045	8,060,008	7,809,722
Revenue from main activities with entities under common control of Samruk-Kazyna	3,401,174	2,373,933	7,003,697	4,892,520
Other income from entities under common control of KMG	1,329	14,311	1,329	14,311
Other income from entities under common control of Samruk-Kazyna	634	–	1,071	–
Total	46,410,796	43,243,025	94,781,180	87,068,646

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

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

	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<i>In thousands of Tenge</i>				
Purchases from related parties				
Purchases of services from entities under common control of KMG	2,738,571	2,487,260	5,463,953	5,020,614
Purchases of services from entities under common control of Samruk-Kazyna	292,142	280,994	886,981	1,208,601
Purchases of inventory entities under common control of KMG and Samruk-Kazyna	(65)	–	381	162
Total	2,838,162	2,768,254	6,351,315	6,229,377

Other non-operational income and expenses from related parties is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<i>In thousands of Tenge</i>				
Other non-operational income and expenses from related parties				
Finance income from operations with KMG	(1,184,536)	–	(2,341,172)	–
Finance income from state controlled parties	526,021	4,588	989,578	4,588
Finance income from entities under common control of Samruk-Kazyna	115,641	–	201,517	–
Foreign exchange gain from entities under common control of Samruk-Kazyna	457,271	–	352,731	–
Total	(85,603)	4,588	(797,346)	4,588

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS (continued)

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

<i>In thousands of Tenge</i>	Notes	For the six months ended 30 June	
		2024	2023 (unaudited)
Cash flows to related parties			
Purchases of notes of the National Bank		(101,597,513)	(5,000,000)
Proceeds from redemption of notes of the National Bank		111,633,581	–
Dividends paid to the KMG	10	(22,501,182)	(13,500,710)
Dividends received from joint ventures of the Company	5	8,000,000	1,460,351
Interest on notes of the National Bank		1,013,035	–
Total		(3,452,079)	(17,040,359)

Total accrued compensation to key management personnel for the six months ended 30 June 2024 amounts to 180,873 thousand Tenge (for the six months ended 30 June 2023: 161,853 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 six months ended 30 June 2024 there were no significant changes, except for the following:

Contractual commitments to acquire property, plant and equipment

As at 30 June 2024 the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 47,774,743 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 June 2024 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services amounted to 696,228 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 June 2024, the balance of obligation under the investment program to be fulfilled was 90.8 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 443,371 thousand Tenge). As a result of the appeals conducted by BOT during 2022, in December 2022 BOT received a ruling from the Dispute Resolution Board under the Ministry of Finance of Georgia (hereinafter – Board), according to which the Board returned the tax audit report to the Revenue Service for the review of the taxes and fines accruals in the amount of 2,124 thousand Georgian Lari (equivalent to 361,505 thousand Tenge). The remaining part of BOT appeal was dismissed. By an order dated 20 November 2023, the Revenue Service refused to satisfy BOT's complaint about the cancellation of illegal tax charges. On 7 December 2023, BOT sent a complaint to the Board against the order of the Revenue Service dated 20 November 2023. On 26 March 2024, the Board returned the inspection report to the Revenue Service for review. By an order dated 15 May 2024, the Revenue Service refused to satisfy BOT's complaint about the cancellation of illegal tax charges. On 3 June 2024, BOT sent a complaint to the Board against the order of the Revenue Service dated 15 May 2024.

As at 30 June 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 June 2024 is 5.3 million US dollars (equivalent to 2,499 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. 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. By decision dated 19 March 2024, the court satisfied the contractor's claim in full. On 26 April 2024 MunaiTas filed an appeal against the decision of the court of first instance. On 24 June 2024 court of appeal issued a ruling according to which the decision of the court of first instance was left unchanged. As of 30 June 2024, MunaiTas recognized the obligation to return the amounts of bank guarantees to the contractor. 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 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 against the decision of the court of first instance. On 28 June 2024, the court of appeal issued a ruling according to which the decision of the court of first instance was left unchanged. 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 30 June 2024, MunaiTas had not accrued any provisions for this proceeding.

On 31 July and 9 August 2024, MunaiTas filed a petitions to the Supreme Court of the Republic of Kazakhstan for a cassation review of the judicial acts.

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 will be applied from 1 September 2024 (*Note 28*).

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 June 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 six months of 2024 amounted to 3.2 million tons (for the 6 months of 2023: 3.4 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 June 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 June 2024					31 December 2023				
	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	43,555,749	42,019,565	–	42,019,565	–	41,374,855	41,128,054	–	41,128,054	–
Loans received with a floating interest rate	50,523,640	50,416,683	–	50,416,683	–	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.

28. SUBSEQUENT EVENTS

On 1 July 2024, Main Waterline received a loan amounting 21,000,000 thousand Tenge from Eurasian Development Bank which was directed to early repayment of loans under an agreement with JSC “Halyk Bank of Kazakhstan” in the amount of 9,300,000 thousand Tenge and 11,700,000 thousand Tenge for the first and second tranches, respectively (*Note 11*).

On 31 July 2024, by order of CRNM approved the following tariffs for pumping oil to the domestic market: from 1 September 2024 to 31 August 2025 in the amount of 4,396.23 Tenge per ton for 1,000 kilometers without VAT, from 1 September 2025 to 31 December 2025 – 4,915.21 Tenge per ton for 1,000 kilometers without VAT.

On 2 August 2024, by order of the department of CRNM for the Atyrau region, the order issued by him on 19 June 2024, which approved for the period from 1 July 2024 to 30 June 2029 the tariffs of the Main Waterline for a regulated water supply service through main pipelines using the stimulating method of tariff regulation, was declared invalid. On 5 August 2024, the management of the Main Waterline sent an appeal to the CRNM against the order dated 2 August 2024.