

Joint Stock Company “National Company “KazMunayGas”

Interim condensed consolidated financial statements (unaudited)

For the three and six months ended June 30, 2024

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Report on Review of Interim Financial Information

To the Shareholders, Board of Directors and Management of JSC “National Company
“KazMunayGas”

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of JSC “National Company “KazMunayGas” and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 June 2024, the related interim condensed consolidated statement of comprehensive income for the three- and six- month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Ernst & Young LLP



Kairat Medetbayev
Auditor

Auditor Qualification Certificate
No. МФ-0000137 dated 8 February 2013

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

15 August 2024



Rustamzhan Sattarov
General Director
Ernst and 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 COMPREHENSIVE INCOME**For the three and six months ended June 30, 2024**

<i>In millions of tenge</i>	Note	For the three months ended June 30,		For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*	2024 (unaudited)	2023 (unaudited) (restated)*
Revenue and other income					
Revenue from contracts with customers	6	2,012,042	2,055,876	4,239,360	3,943,025
Share in profit of joint ventures and associates, net	7	113,865	208,022	268,190	399,719
Gain from disposal of subsidiary	4	–	–	16,410	–
Finance income	14	108,562	37,500	210,047	75,057
Other operating income		26,234	33,706	30,344	39,520
Total revenue and other income		2,260,703	2,335,104	4,764,351	4,457,321
Costs and expenses					
Cost of purchased oil, gas, petroleum products and other materials	8	(1,074,329)	(1,130,748)	(2,340,139)	(2,162,627)
Production expenses	9	(310,724)	(330,110)	(638,995)	(590,645)
Taxes other than income tax	10	(169,049)	(140,409)	(302,448)	(282,313)
Depreciation, depletion and amortization		(160,109)	(144,045)	(322,422)	(295,937)
Transportation and selling expenses	11	(65,055)	(58,366)	(131,564)	(119,537)
General and administrative expenses	12	(77,935)	(38,968)	(117,469)	(72,208)
Impairment of property, plant and equipment and exploration expenses	13	(16,728)	(138,965)	(16,824)	(139,275)
Finance costs	14	(92,746)	(81,883)	(167,338)	(158,769)
Foreign exchange gain, net	2	55,858	30,949	39,337	23,765
Other expenses		(7,806)	(9,745)	(16,372)	(14,083)
Total costs and expenses		(1,918,623)	(2,042,290)	(4,014,234)	(3,811,629)
Profit before income tax		342,080	292,814	750,117	645,692
Income tax expenses	15	(93,014)	(91,322)	(200,611)	(157,196)
Net profit for the period		249,066	201,492	549,506	488,496

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	For the three months ended June 30,		For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*	2024 (unaudited)	2023 (unaudited) (restated)*
Other comprehensive income/(loss)					
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</i>					
Hedging effect	24	4,947	188	5,101	988
Exchange differences on translation of foreign operations		540,495	17,977	374,680	(223,579)
Net (loss)/gain on hedge of a net investment	21	(137,673)	(6,510)	(93,941)	60,062
Tax effect		(32,392)	(884)	(21,917)	12,816
Net other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods, net of tax		375,377	10,771	263,923	(149,713)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain on defined benefit plans, net of tax		536	237	536	237
Actuarial gain on defined benefit plans of the joint ventures, net of tax		54	356	111	384
Net other comprehensive income not to be reclassified to profit or loss in the subsequent periods, net of tax		590	593	647	621
Net other comprehensive income/(loss) for the period, net of tax		375,967	11,364	264,570	(149,092)
Total comprehensive income for the period, net of tax		625,033	212,856	814,076	339,404
Net profit/(loss) for the period attributable to:					
Equity holders of the Parent Company		256,317	241,179	557,989	522,367
Non-controlling interests		(7,251)	(39,687)	(8,483)	(33,871)
		249,066	201,492	549,506	488,496
Total comprehensive income/(loss) attributable to:					
Equity holders of the Parent Company		632,089	252,507	822,449	373,233
Non-controlling interests		(7,056)	(39,651)	(8,373)	(33,829)
		625,033	212,856	814,076	339,404
Earnings per share** – tenge thousands					
Basic and diluted		0.42	0.40	0.91	0.86

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and reflect adjustments made, refer to Note 5

** The number of ordinary shares as of June 30, 2024 and December 31, 2023 equaled to 610,119,493.

Deputy Chairman of the Management Board



Chief accountant

D.A. Aryssova

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at June 30, 2024**

<i>In millions of tenge</i>	Note	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Assets			
Non-current assets			
Exploration and evaluation assets		191,631	174,187
Property, plant and equipment	16	7,301,769	7,181,206
Investment property		5,696	19,383
Intangible assets		875,598	874,930
Right-of-use assets		104,572	101,765
Investments in joint ventures and associates	18	4,922,243	4,821,427
VAT receivable		28,725	30,360
Advances for non-current assets		71,499	50,954
Other non-current non-financial assets		3,448	4,192
Loans and receivables due from related parties		120,947	94,334
Other non-current financial assets		43,836	23,217
Long-term bank deposits	17	66,767	63,891
Deferred income tax assets		44,145	65,829
		13,780,876	13,505,675
Current assets			
Inventories		376,911	376,444
Trade accounts receivable	19	635,045	561,258
VAT receivable		37,833	60,523
Income tax prepaid		19,693	33,051
Other current non-financial assets	19	158,505	157,257
Loans and receivables due from related parties		92,593	125,569
Other current financial assets	19	94,991	74,870
Short-term bank deposits	17	676,711	997,012
Cash and cash equivalents	20	1,691,809	1,050,873
		3,784,091	3,436,857
Assets classified as held for sale		177	180
		3,784,268	3,437,037
Total assets		17,565,144	16,942,712

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In millions of tenge</i>	Note	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Equity and liabilities			
Equity			
Share capital		916,541	916,541
Additional paid-in capital		1,142	1,142
Other equity		4,191	(910)
Currency translation reserve		4,348,993	4,090,281
Retained earnings		5,450,058	5,486,747
Attributable to equity holders of the Parent Company		10,720,925	10,493,801
Non-controlling interests		(110,583)	(99,404)
Total equity		10,610,342	10,394,397
Non-current liabilities			
Borrowings	21	3,680,128	3,365,736
Lease liabilities	22	89,451	87,880
Other non-current financial liabilities	24	19,477	18,743
Provisions	23	297,580	306,219
Employee benefit liabilities		72,361	70,975
Other non-current non-financial liabilities	24	45,548	37,777
Deferred income tax liabilities		1,244,186	1,126,767
		5,448,731	5,014,097
Current liabilities			
Trade accounts payable	24	599,568	663,930
Borrowings	21	328,447	391,358
Lease liabilities	22	13,287	17,400
Other current financial liabilities	24	150,523	145,953
Provisions	23	50,183	33,576
Employee benefit liabilities		5,571	5,703
Income tax payable		17,884	28,285
Other taxes payable	25	125,445	116,500
Other current non-financial liabilities	24	215,163	131,513
		1,506,071	1,534,218
Total liabilities		6,954,802	6,548,315
Total equity and liabilities		17,565,144	16,942,712
Book value per ordinary share* – tenge thousands		15.955	15.603

* The number of ordinary shares as of June 30, 2024 and December 31, 2023 equaled to 610,119,493. Presentation of Book value per ordinary share is a non-IFRS measure required by KASE.

Deputy Chairman of the Management Board



Chief accountant

[Signature]
D.A. Aryssova

[Signature]
A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For the six months ended June 30, 2024**

<i>In millions of tenge</i>	Note	For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*
Cash flows from operating activities			
Profit before income tax		750,117	645,692
Adjustments:			
Depreciation, depletion and amortization		322,422	295,937
Impairment of property, plant and equipment and exploration expenses	13	16,824	139,275
Realized (gains)/losses from derivatives on petroleum products	9	(4,913)	453
Finance income	14	(210,047)	(75,057)
Finance costs	14	167,338	158,769
Share in profit of joint ventures and associates, net	7	(268,190)	(399,719)
Movements in provisions		1,257	(16,788)
Net foreign exchange gain		(35,308)	(20,802)
Gain on disposal of subsidiary	4	(16,410)	–
(Reversal)/write off of inventories to net realizable value		(2,708)	5,213
Gain on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net		(6,404)	(135)
Other adjustments		7,342	3,215
Operating profit before working capital changes		721,320	736,053
Change in VAT receivable		24,121	(17,294)
Change in inventory		17,501	(42,890)
Change in trade accounts receivable and other current assets		(41,237)	(158,560)
Change in trade and other payables and contract liabilities		(19,109)	97,938
Change in other taxes payable		(27,567)	(54,004)
Cash generated from operating activities		675,029	561,243
Dividends received from joint ventures and associates	18	309,547	174,464
Income taxes paid		(65,508)	(101,934)
Interest received		66,524	63,632
Interest paid	21, 22	(112,159)	(126,561)
Net cash flow from operating activities		873,433	570,844

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Note	For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*
Cash flows from investing activities			
Placement of bank deposits		(607,484)	(920,765)
Withdrawal of bank deposits		950,803	1,476,515
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		(269,532)	(354,129)
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale		718	1,474
Additional contributions to joint ventures without changes in ownership	18	(11,851)	(11,050)
Deferred consideration paid for the acquisition of subsidiary	5, 26	(1,520)	(163,770)
Proceeds from disposal of share in joint venture without losing joint control		4,465	-
Proceeds from disposal of subsidiaries, net of cash disposed	4	8,010	-
Loans given to related parties		(25,620)	(1,999)
Repayment of loans due from related parties		31,441	13,600
Proceeds from sale of notes of the National Bank of RK		183,763	335,047
Acquisition of notes of the National Bank of RK		(174,725)	(270,047)
Other		1,884	920
Net cash flows from investing activities		90,352	105,796
Cash flows from financing activities			
Proceeds from borrowings	21	105,140	287,072
Repayment of borrowings	21	(171,232)	(336,622)
Dividends paid to shareholders	26	(300,002)	(300,002)
Dividends paid to non-controlling interests		(2,509)	(1,515)
Distributions to Samruk-Kazyna		(57)	(153)
Proceeds from the repo agreements		22,074	-
Repayment of the repo agreements		(22,074)	-
Contribution from the related party	5	-	13,821
Other operations		-	(8,962)
Repayment of principal portion of lease liabilities	22	(14,861)	(11,903)
Net cash flows used in financing activities		(383,521)	(358,264)
Effects of exchange rate changes on cash and cash equivalents		60,690	(11,447)
Change in allowance for expected credit losses		(18)	(9)
Net change in cash and cash equivalents		640,936	306,920
Cash and cash equivalents, at the beginning of the period		1,050,873	763,185
Cash and cash equivalents, at the end of the period		1,691,809	1,070,105

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and reflect adjustments made, refer to Note 5.

Deputy Chairman of the Management Board

Chief accountant



A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024

<i>In millions of tenge</i>	Attributable to equity holders of the Parent Company					Total	Non-controlling interests	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2022 (audited)	916,541	1,142	(1,759)	4,209,612	4,803,431	9,928,967	(61,541)	9,867,426
Net profit/(loss) for the period (restated)*	-	-	-	-	522,367	522,367	(33,871)	488,496
Other comprehensive income/(loss)	-	-	988	(150,743)	621	(149,134)	42	(149,092)
Total comprehensive income/(loss) (restated)*	-	-	988	(150,743)	522,988	373,233	(33,829)	339,404
Dividends (Note 26)	-	-	-	-	(300,002)	(300,002)	(1,500)	(301,502)
Distributions to Samruk-Kazyna	-	-	-	-	(45)	(45)	-	(45)
Other operations	-	-	-	-	(17,925)	(17,925)	-	(17,925)
Transactions with Samruk-Kazyna	-	-	-	-	22,145	22,145	-	22,145
Contribution from the related party (Note 5)*	-	-	-	-	13,821	13,821	-	13,821
Reserve for put option of non-controlling interest holder of a subsidiary	-	-	-	-	-	-	(590)	(590)
As at June 30, 2023 (unaudited) (restated)*	916,541	1,142	(771)	4,058,869	5,044,413	10,020,194	(97,460)	9,922,734

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and reflect adjustments made, refer to Note 5.

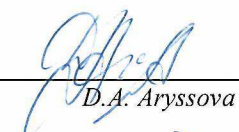
The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

<i>In millions of tenge</i>	Attributable to equity holders of the Parent Company					Total	Non-controlling interests	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2023 (audited)	916,541	1,142	(910)	4,090,281	5,486,747	10,493,801	(99,404)	10,394,397
Net profit/(loss) for the period	-	-	-	-	557,989	557,989	(8,483)	549,506
Other comprehensive income	-	-	5,101	258,712	647	264,460	110	264,570
Total comprehensive income/(loss)	-	-	5,101	258,712	558,636	822,449	(8,373)	814,076
Dividends (Note 26)	-	-	-	-	(300,002)	(300,002)	(2,806)	(302,808)
Distributions to Samruk-Kazyna	-	-	-	-	(9)	(9)	-	(9)
Other operations	-	-	-	-	(2,026)	(2,026)	-	(2,026)
Transactions with Samruk-Kazyna (Note 21)	-	-	-	-	(293,288)	(293,288)	-	(293,288)
As at June 30, 2024 (unaudited)	916,541	1,142	4,191	4,348,993	5,450,058	10,720,925	(110,583)	10,610,342

Deputy Chairman of the Management Board

Chief accountant

D.A. Aryssova



A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)****For the six months ended June 30, 2024**

1. GENERAL

Joint stock company “National Company “KazMunayGas” (further the Company, JSC NC “KazMunayGas” or Parent Company) is oil and gas enterprise of the Republic of Kazakhstan (further RK), which was established on February 27, 2002 as a closed joint stock company pursuant to the Decree No. 811 of the President of the RK dated February 20, 2002 and the resolution of the Government of the RK (further the Government) No. 248 dated February 25, 2002. The Company was formed as a result of the merger of closed joint stock companies “National Oil and Gas Company Kazakhoil” and “National Company Transport Nefti i Gaza”. As the result of the merger, all assets and liabilities, including ownership interest in all entities owned by these companies, have been transferred to the Company. The Company was reregistered as a joint stock company in accordance with the legislation of the RK in March 2004.

Starting from June 8, 2006, the sole shareholder of the Company was joint stock company “Kazakhstan Holding Company for State Assets Management “Samruk”, which in October 2008 was merged with the state-owned Sustainable Development Fund “Kazyna” and formed joint stock company “National Welfare Fund Samruk-Kazyna”, now renamed to joint stock company “Sovereign Wealth Fund Samruk-Kazyna” (further Samruk-Kazyna). The Government is the sole shareholder of Samruk-Kazyna.

On August 7, 2015, the National Bank of RK purchased 9.58% plus one share of the Company from Samruk-Kazyna. From December 8, 2022, 3.00% of shares of the Company are freely available on the Astana International Exchange (further AIX) and the Kazakhstan Stock Exchange (further KASE) stock exchanges. On December 22, 2023, 20.00% of the Company’s shares owned by Samruk-Kazyna were transferred to the Ministry of Finance of the Republic of Kazakhstan.

As at June 30, 2024, the Company has interest in 61 operating companies (as of December 31, 2023: 61) (jointly “the Group”).

The Company has its registered office in the RK, Astana, Dinmukhamed Kunayev, 8.

The principal activity of the Group includes, but is not limited, to the following:

- Participation in the development and implementation of the uniform public policy in the oil and gas sector;
- Representation of the state interests in subsoil use contracts through interest participation in those contracts; and
- Exploration, development, production, oil servicing, processing, petrochemistry, transportation and sale of hydrocarbons and the designing, construction and maintenance of oil pipeline and field infrastructure.

The interim condensed consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries.

These interim condensed consolidated financial statements of the Group were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on August 15, 2024.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three and six months ended June 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The Group has prepared these interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Management of the Group consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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

Foreign currency translation*Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements are measured using the currency of the primary economic environment in which the entities operate (further the functional currency). The interim condensed consolidated financial statements are presented in Kazakhstan tenge (further tenge or KZT), which is the Company’s functional and presentation currency.

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

2. BASIS OF PREPARATION (continued)**Foreign currency translation (continued)***Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment in a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Group Companies

The results and financial position of all of the Group’s subsidiaries, joint ventures and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the date of the transaction); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

Weighted average currency exchange rates established by KASE are used as official currency exchange rates in the RK. The currency exchange rate of KASE as at June 30, 2024 and December 31, 2023 were 471.46 and 454.56 tenge to 1 United States dollar (further US dollar), respectively. These rates were used to translate monetary assets and liabilities denominated in US dollar as at June 30, 2024 and December 31, 2023. The weighted average rate for six months ended June 30, 2024 was 449.09 tenge to 1 US dollar (for the six months ended June 30, 2023: 451.80 tenge to 1 US dollar). The currency exchange rate of KASE as at August 15, 2024 was 478.57 tenge to 1 US dollar. For the six months ended June 30, 2024, the Group had net foreign exchange gain of KZT 39,337 million due to fluctuations in foreign exchange rates to tenge.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Changes in accounting policies and disclosures***New and amended standards and interpretations*

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 December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

The Group presented the list of standards effective and applicable for the Group.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Changes in accounting policies and disclosures (continued)***New and amended standards and interpretations (continued)**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 transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group’s interim condensed consolidated financial statements.

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.

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.

4. LOSS OF CONTROL***Karaton Operating Ltd. (further Karaton)***

On February 21, 2024, the Company and Tatneft PJSC signed a purchase and sale agreement for a 50% share of Karaton, subsidiary of the Company, holder of a contract for the production of hydrocarbons at Karaton subsoil blocks located in Atyrau region. As a result on February 21, 2024, the Group lost control over Karaton.

The sale price of a 50% share in Karaton was 18.2 million US dollars (equivalent to 8,255 million tenge at the date of disposal of subsidiary).

On March 13, 2024, Tatneft PJSC made a payment of cash consideration in the amount of 18.2 million US dollars (equivalent to 8,188 million tenge at the date of payment).

The investment retained in the former subsidiary is accounted as an investment in joint venture accounted for using the equity method and with initial fair value of 8,255 million tenge at the date of loss of control.

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

4. LOSS OF CONTROL (continued)

Karaton Operating Ltd. (further Karaton) (continued)

The Company and Tatneft PJSC have joint control over the Karaton where decisions about the relevant activities of Karaton require unanimous consent.

The net cash flows incurred by Karaton for the period from January 1, 2024 through the date of loss of control are as follows:

In millions of tenge

Investing	(118)
Net decrease in cash and cash equivalents	(118)

At the date of loss of control net assets of Karaton were as follows:

In millions of tenge

Assets	
Exploration and evaluation assets	291
Property, plant and equipment (Note 15)	28
Other assets	21
Cash and cash equivalents	178
Total assets	518
Liabilities	
Trade accounts payable	5
Other liabilities	413
Total liabilities	418
Net assets directly associated with the disposal group	100
Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture (Note 17)*	8,255
Gain from disposal of subsidiary	16,410

* The Group recognized 50% investment in a joint venture for the corresponding share at a fair value of identifiable net assets of Karaton.

The business of Karaton represented in the Group’s *Exploration and production of oil and gas* segment.

5. ACQUISITIONS UNDER COMMON CONTROL

Acquisition of subsidiary under common control

Polimer Production LLP (further Polimer)

In December 2023, the Company acquired 99.9% and 0.1% interest in Polimer from Samruk-Kazyna Ondeu LLP (further SKO), subsidiary of Samruk-Kazyna, and JSC UK MEZ HimPark Taraz, the third party, for consideration of 1,520 million tenge which was paid in January 2024.

The Group has control over Polimer and recognized Polimer as a subsidiary. The acquisition accounted for as an acquisition of the subsidiary from the parties under common control and accounted for under the pooling of interest method based on the carrying value of assets and liabilities of Polimer based on accounting books of transferring entities.

In these interim condensed consolidated financial statements the comparative interim condensed consolidated statement of comprehensive income for the three and six months ended June 30, 2023 and interim condensed consolidated statement of cash flows for the six months ended June 30, 2023, as well as the related notes were restated, as if the acquisition has occurred from the beginning of the earliest period presented.

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

5. ACQUISITIONS UNDER COMMON CONTROL (continued)

Acquisition of subsidiary under common control (continued)

Polimer Production LLP (further Polimer) (continued)

<i>In millions of tenge</i>	For the three months ended June 30, 2023	For the six months ended June 30, 2023
Impact on the results:		
Revenue and other income		
Revenue from contracts with customers	145	373
Finance income	4	9
Other operating income	1	2
Total revenue and other income	150	384
Costs and expenses		
Cost of purchased oil, gas, petroleum products and other materials	(208)	(365)
Production expenses	(177)	(359)
Taxes other than income tax	(22)	(42)
Depreciation, depletion and amortization	(19)	(43)
Transportation and selling expenses	(13)	(14)
General and administrative expenses	(55)	(121)
Finance costs	(1,990)	(2,269)
Foreign exchange loss, net	(16)	(24)
Other expenses	(146)	(194)
Total costs and expenses	(2,646)	(3,431)
Loss before income tax	(2,496)	(3,047)
Income tax expenses	-	(1)
Net loss for the period	(2,496)	(3,048)
Total comprehensive loss for the period, net of tax	(2,496)	(3,048)
Net loss for the period attributable to:		
Equity holders of the Parent Company	(2,496)	(3,048)
	(2,496)	(3,048)
Total comprehensive loss attributable to:		
Equity holders of the Parent Company	(2,496)	(3,048)
	(2,496)	(3,048)

The net cash flows effect for the six months ended June 30, 2023 were as follows:

<i>In millions of tenge</i>	For the six months ended June 30, 2023
Operating	(749)
Investing	(13)
Financing	672
Net decrease in cash and cash equivalents	(89)

The business of Polimer represented in the Group’s *Other* segment in these interim condensed consolidated financial statements.

During the six months ended June 30, 2023, Samruk-Kazyna Odeu LLP, a previous shareholder of Polimer, made a contribution to the share capital of Polimer for 13,821 million tenge. Due to the acquisition of Polimer under common control the Group recognized this as contribution from the related party in the interim condensed consolidated statement of changes in equity.

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

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Type of goods and services				
Sales of crude oil and gas	1,198,370	1,103,228	2,603,994	2,100,649
Sales of refined products	578,855	739,111	1,192,890	1,434,740
Refining of oil and oil products	69,647	66,694	128,909	129,879
Oil transportation services	58,334	54,458	119,166	106,348
Other revenue	106,836	92,385	194,401	171,409
	2,012,042	2,055,876	4,239,360	3,943,025
Geographical markets				
Kazakhstan	395,888	380,883	769,840	715,449
Other countries	1,616,154	1,674,993	3,469,520	3,227,576
	2,012,042	2,055,876	4,239,360	3,943,025
Timing of revenue recognition				
At a point in time	1,955,084	2,003,003	4,134,688	3,848,141
Over time	56,958	52,873	104,672	94,884
	2,012,042	2,055,876	4,239,360	3,943,025

7. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
Joint ventures				
Tengizchevroil LLP	53,182	133,492	140,833	262,489
PETROSUN LLP	10,734	11,424	20,539	20,979
Mangistau Investments B.V. Group (MMG)	8,507	9,876	18,211	20,534
KazGerMunay LLP	6,267	6,641	12,436	11,704
Kazakhstan – China Pipeline LLP	5,020	4,457	9,850	9,624
KazRosGas LLP	7,524	9,658	4,411	5,589
Kazakhoil-Aktobe LLP	1,159	2,258	3,209	4,485
Valseira Holdings B.V. Group (PKOP)	(4,672)	3,487	(30)	10,292
Teniz Service LLP	31	5,594	(483)	4,786
Ural Group Limited	(1,900)	(2,747)	(3,055)	(5,543)
Kazakhstan Petrochemical Industries Inc LLP	(4,832)	518	(5,210)	518
Other	902	719	2,351	2,185
	81,922	185,377	203,062	347,642
Associates				
Caspian Pipeline Consortium	27,414	19,164	57,765	45,817
PetroKazakhstan Inc.	5,209	1,611	7,556	3,381
Other	(680)	1,870	(193)	2,879
	31,943	22,645	65,128	52,077
	113,865	208,022	268,190	399,719

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

8. COST OF PURCHASED OIL, GAS, PETROLEUM PRODUCTS AND OTHER MATERIALS

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Purchased oil for resale	832,024	810,341	1,852,892	1,538,780
Cost of oil for refining	42,121	174,226	130,082	343,214
Materials and supplies	162,421	127,669	309,157	227,394
Purchased petroleum products for resale	37,763	12,306	48,008	36,404
Purchased gas for resale	–	6,206	–	16,835
	1,074,329	1,130,748	2,340,139	2,162,627

9. PRODUCTION EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Payroll	145,121	119,982	286,100	238,747
Repair and maintenance	52,313	47,383	96,655	88,396
Transportation costs	35,127	35,717	77,256	57,453
Energy	25,463	31,044	54,458	66,347
Short-term lease expenses	23,042	27,803	52,149	63,487
Environmental protection	1,264	4,466	2,027	9,377
Write off of inventories to net realizable value	4,039	4,950	39	4,896
Realized (gains)/losses from derivatives on petroleum products	(4,744)	197	(4,913)	453
Others	29,099	58,568	75,224	61,489
	310,724	330,110	638,995	590,645

10. TAXES OTHER THAN INCOME TAX

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Mineral extraction tax	38,939	33,737	72,371	67,684
Rent tax on crude oil export	45,238	30,105	68,196	64,306
Excise	29,215	27,391	60,012	55,045
Export customs duty	32,962	28,108	56,517	53,858
Social tax	12,137	10,347	24,483	20,896
Property tax	8,381	8,311	16,445	15,592
Other taxes	2,177	2,410	4,424	4,932
	169,049	140,409	302,448	282,313

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

11. TRANSPORTATION AND SELLING EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Transportation	48,989	43,943	100,099	91,683
Payroll	5,297	4,706	10,379	8,899
Other	10,769	9,717	21,086	18,955
	65,055	58,366	131,564	119,537

12. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Payroll	22,236	18,328	42,454	35,889
Expenses for trust management	20,952	–	20,952	–
Accrual of expected credit losses for trade receivables and other current financial assets	6,161	2,642	6,793	2,597
Consulting services	3,146	3,861	5,784	6,529
Maintenance	2,150	1,420	4,038	3,035
Social payments	1,128	1,037	2,558	2,036
Communication	560	496	1,092	1,051
VAT that could not be offset	624	216	1,001	669
Other	20,978	10,968	32,797	20,402
	77,935	38,968	117,469	72,208

For the six months ended June 30, 2024, the total payroll amounted to 338,933 million tenge (for the six months ended June 30, 2023: 283,535 million tenge) and was included in production expenses, transportation and selling expenses and general and administrative expenses in the interim condensed consolidated financial statements.

For the six months ended 30 June 2024, the Group recognized remuneration to JSC NC QazaqGaz, a subsidiary of Samruk-Kazyna, for the services of trust management of a 50% interest in KazRosGaz LLP, a joint venture, in the amount of 20,952 million tenge as trust management expenses in these interim condensed consolidated financial statements.

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

13. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND EXPLORATION EXPENSES

	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<i>In millions of tenge</i>				
Impairment charge				
Property, plant and equipment (Note 16)	15,243	98,660	15,251	98,937
	15,243	98,660	15,251	98,937
For the following CGUs impairment losses were recognised				
KMGI CGU (KMG International N.V.)	–	98,655	–	98,655
Seawater desalination plant	15,248	–	15,248	–
Others	(5)	5	3	282
	15,243	98,660	15,251	98,937
Exploration expenses (impairment and disposal)				
Jenis project	–	40,244	–	40,244
Other	1,485	61	1,573	94
	1,485	40,305	1,573	40,338
	16,728	138,965	16,824	139,275

Impairment of property, plant and equipment

As part of the Comprehensive Plan for the Social and Economic Development of Mangistau region for 2021-2025, in order to provide drinking water to the population of the city of Zhanaozen, Ak Su KMG LLP, a subsidiary of Ozenmunaigas JSC, began construction of a seawater desalination plant and supply infrastructure in Zhanaozen city. The Group estimates that the recoverable amount of this property is nil and, accordingly, as at 30 June 2024, recognized an impairment charge for construction costs incurred in the amount of 15,248 million.

Detailed information on impairment of KMGI CGU and Jenis project is presented in the Group’s annual consolidated financial statements for the year ended December 31, 2023.

14. FINANCE INCOME / FINANCE COSTS

Finance income

	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
<i>In millions of tenge</i>				
Interest income on bank deposits, financial assets, loans and bonds, loan commitments	56,927	36,897	95,682	69,648
Amortization of issued financial guarantees	202	–	1,264	–
Total interest income	57,129	36,897	96,946	69,648
Recognition of a change in the fair value of a financial instrument due to its modification (Note 21)	–	–	59,769	–
Derecognition of loan (Note 21)	47,911	156	47,911	4,289
Revaluation of financial assets at fair value through profit or loss	3,209	284	4,829	527
Other	313	163	592	593
	108,562	37,500	210,047	75,057

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

14. FINANCE INCOME / FINANCE COSTS (continued)

Finance costs

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Interest expense on loans and bonds	70,836	69,284	133,327	135,883
Interest expense on lease liabilities (Note 22)	2,059	2,132	4,121	3,302
Unwinding of discount on payables to Samruk-Kazyna for exercising the option with a right to buy back shares of KMG Kashagan B.V.	–	1,618	–	3,224
Total interest expense	72,895	73,034	137,448	142,409
Discount on long-term accounts receivable	8,741	–	8,741	–
Unwinding of discount on asset retirement obligations, for environmental obligation and other provisions (Note 23)	5,038	3,062	9,400	6,178
Unwinding of discount on employee benefits obligations	1,830	1,391	3,191	2,450
Other	4,242	4,396	8,558	7,732
	92,746	81,883	167,338	158,769

15. INCOME TAX EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited) (restated)	2024 (unaudited)	2023 (unaudited) (restated)
Current income tax				
Corporate income tax	35,997	9,136	70,361	44,052
Withholding tax on dividends and interest income	26,395	21,302	33,475	21,788
Alternative mineral extraction tax	330	(159)	330	–
Excess profit tax	151	–	151	(278)
Deferred income tax				
Corporate income tax	37,426	57,010	92,638	68,251
Alternative mineral extraction tax	10,025	–	10,025	–
Withholding tax on dividends	(17,310)	4,033	(6,369)	23,383
	93,014	91,322	200,611	157,196

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**16. PROPERTY, PLANT AND EQUIPMENT**

<i>In millions of tenge</i>	Oil and gas assets	Pipelines	Refinery assets	Buildings and improvements	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Net book value as at December 31, 2022 (audited)	4,598,235	266,566	1,075,385	235,465	268,052	74,540	115,090	360,668	6,994,001
Foreign currency translation	(86,677)	(942)	(6,630)	(2,802)	(744)	(610)	(1,790)	(3,876)	(104,071)
Change in estimate	979	(486)	–	(218)	–	–	–	–	275
Additions	11,279	58	754	974	1,778	3,560	1,021	242,722	262,146
Disposals	(7,876)	(214)	(367)	(532)	(1,829)	(462)	(1,033)	(2,414)	(14,727)
Depreciation charge	(172,509)	(5,418)	(51,949)	(7,679)	(13,974)	(4,804)	(4,937)	–	(261,270)
Accumulated depreciation and impairment on disposals	7,392	213	354	332	1,783	445	858	1,443	12,820
(Impairment)/reversal of impairment (Note 13)	–	(28)	(84,204)	(14,475)	134	(495)	108	23	(98,937)
Transfers from investment property	–	–	–	213	–	–	–	–	213
Other changes	–	(4)	–	–	5	(3)	–	43	41
Transfers	95,888	108	20,286	10,204	6,150	801	2,019	(135,456)	–
Net book value as at June 30, 2023 (unaudited) (restated)	4,446,711	259,853	953,629	221,482	261,355	72,972	111,336	463,153	6,790,491
At cost	6,896,982	410,784	2,754,016	569,619	656,564	224,386	256,505	512,333	12,281,189
Accumulated depreciation and impairment	(2,450,271)	(150,931)	(1,800,387)	(348,137)	(395,209)	(151,414)	(145,169)	(49,180)	(5,490,698)
Net book value as at June 30, 2023 (unaudited) (restated)	4,446,711	259,853	953,629	221,482	261,355	72,972	111,336	463,153	6,790,491

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**16. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In millions of tenge</i>	Oil and gas assets	Pipelines	Refinery assets	Buildings and improvements	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Net book value as at December 31, 2023 (audited)	4,657,324	261,762	1,008,653	241,607	375,242	78,113	114,754	443,751	7,181,206
Foreign currency translation	136,407	1,507	10,160	2,627	2,002	916	2,961	7,304	163,884
Change in estimate	(9,951)	(858)	5,070	(380)	(8)	–	–	–	(6,127)
Additions	14,967	6	56,773	262	2,393	3,760	1,159	187,117	266,437
Disposals	(12,649)	(25)	(1,504)	(742)	(3,786)	(1,023)	(1,011)	(322)	(21,062)
Depreciation charge	(196,838)	(5,309)	(50,654)	(8,082)	(15,583)	(6,630)	(5,184)	–	(288,280)
Accumulated depreciation and impairment on disposals	12,130	25	1,503	683	3,767	1,005	879	7	19,999
Loss of control over subsidiaries	–	–	–	–	–	–	(28)	–	(28)
Reversal of impairment/(impairment) (Note 13)	–	–	–	–	1	1	3	(15,256)	(15,251)
Transfers to investment property	–	–	–	74	–	–	–	–	74
Other changes	(241)	(4)	–	1	21	–	441	699	917
Transfers	68,899	9	20,014	20,452	10,869	1,548	2,025	(123,816)	–
Net book value as at June 30, 2024 (unaudited)	4,670,048	257,113	1,050,015	256,502	374,918	77,690	115,999	499,484	7,301,769
At cost	7,799,702	419,381	2,995,914	641,149	798,904	241,025	270,559	586,161	13,752,795
Accumulated depreciation and impairment	(3,129,654)	(162,268)	(1,945,899)	(384,647)	(423,986)	(163,335)	(154,560)	(86,677)	(6,451,026)
Net book value as at June 30, 2024 (unaudited)	4,670,048	257,113	1,050,015	256,502	374,918	77,690	115,999	499,484	7,301,769

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

16. PROPERTY, PLANT AND EQUIPMENT (continued)

For the six months ended June 30, 2024, the Group capitalized to the carrying amount of property, plant and equipment borrowing costs in the amount of 1,215 million tenge related to the construction of those property, plant and equipment at the range of capitalized interest rate from 6.67 to 12.81% (for the six months ended June 30, 2023: 4,122 million tenge at the range of capitalized interest rate from 6.93 to 19.25%).

As at June 30, 2024, the initial cost of fully depreciated but still in use property, plant and equipment was 382,214 million tenge (December 31, 2023: 370,497 million tenge).

As at June 30, 2024, property, plant and equipment with the net book value of 145,266 million tenge (December 31, 2023: 168,214 million tenge) were pledged as collateral to secure borrowings of the Group.

Capital commitments are disclosed in *Note 28*.

17. BANK DEPOSITS

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Denominated in US dollar	737,914	1,055,456
Denominated in tenge	5,765	5,628
Less: allowance for expected credit losses	(201)	(181)
	743,478	1,060,903

As at June 30, 2024, the weighted average interest rate for long-term bank deposits was 3.09% in US dollars and 6.15% in tenge (December 31, 2023: 2.73% in US dollars and 6.23% in tenge).

As at June 30, 2024, the weighted average interest rate for short-term bank deposits was 5.53% in US dollars and 1.03% in tenge (December 31, 2023: 5.65% in US dollars and 1.38% in tenge).

Bank deposits have maturities as detailed below:

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Maturities under 1 year	676,711	997,012
Maturities between 1 and 2 years	211	279
Maturities over 2 years	66,556	63,612
	743,478	1,060,903

As at June 30, 2024, bank deposits include those pledged as collateral of 66,767 million tenge (December 31, 2023: 63,891 million tenge), which are represented mainly by 63,411 million tenge at restricted bank accounts designated as a liquidation fund per requirements of subsoil use contracts (December 31, 2023: 60,573 million tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**18. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

<i>In millions of tenge</i>	Main activity	Place of business	June 30, 2024		December 31, 2023	
			Carrying value	Percentage ownership	Carrying value	Percentage ownership
Joint ventures						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	3,682,133	20.00%	3,598,510	20.00%
Mangistau Investments B.V. Group (MMG)	Oil and gas development and production	Kazakhstan	179,378	50.00%	203,614	50.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	92,038	50.00%	93,258	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	76,692	50.00%	69,479	50.00%
Kazakhstan-China Pipeline LLP	Oil transportation	Kazakhstan	55,209	50.00%	53,358	50.00%
Valsera Holdings B.V. Group (PKOP)	Oil refining	Kazakhstan	37,939	50.00%	41,515	50.00%
Petrosun LLP	Sale of liquid gas and oil products	Kazakhstan	30,978	49.00%	31,740	49.00%
KazGerMunay LLP	Oil and gas exploration and production	Kazakhstan	27,344	50.00%	36,506	50.00%
Kazakhoil-Aktobe LLP	Production and sale of crude oil	Kazakhstan	21,251	50.00%	18,042	50.00%
Ural Group Limited	Oil and gas exploration and production	Kazakhstan	9,057	50.00%	7,641	50.00%
Karaton	Oil and gas development and production	Kazakhstan	8,257	50.00%	–	–
Teniz Services LLP	Design, construction and operation of infrastructure facilities, offshore oil operations support	Kazakhstan	7,727	48.996%	8,210	48.996%
Other			64,919		58,345	
Associates						
Caspian Pipeline Consortium	Transportation of liquid hydrocarbons	Kazakhstan/Russia	471,943	20.75%	451,913	20.75%
PetroKazakhstan Inc.	Exploration, production and processing of oil and gas	Kazakhstan	102,877	33.00%	94,887	33.00%
Other			54,501		54,409	
			4,922,243		4,821,427	

All of the above joint ventures and associates are strategic for the Group’s business.

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

18. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

As at June 30, 2024, the Group’s share in unrecognized losses of joint ventures and associates was equal to 2,265 million tenge (December 31, 2023: 7,145 million tenge).

The following table summarizes the movements in the investments of joint ventures and associates during the six months ended June 30:

<i>In millions of tenge</i>	2024 (unaudited)	2023 (unaudited)
On January 1 (audited)	4,821,427	4,947,403
Share in profits of joint ventures and associates, net (Note 7)	268,190	399,719
Recognition of investment in Karaton (Note 4)	8,255	–
Disposal of share in joint venture without losing joint control	(6,393)	–
Dividends received	(309,547)	(174,464)
Change in dividends receivable	(31,658)	(43,201)
Other changes in the equity of the joint venture	8,072	4,589
Additional contributions without change in ownership	11,851	11,050
Disposals, net	–	(8,621)
Eliminations and adjustments*	(2,102)	–
Foreign currency translation	154,148	(103,914)
On June 30 (unaudited)	4,922,243	5,032,561

* *Equity method eliminations and adjustments represent capitalized borrowing costs on the loans provided by the Company and subsidiaries to joint ventures.*

19. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT FINANCIAL AND NON-FINANCIAL ASSETS

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Trade accounts receivable		
Trade accounts receivable	674,453	593,448
Less: allowance for expected credit losses	(39,408)	(32,190)
Total trade accounts receivable	635,045	561,258
Other current financial assets		
Other receivables	117,071	97,771
Dividends receivable	22,874	20,952
Less: allowance for expected credit losses	(44,954)	(43,853)
	94,991	74,870
Other current non-financial assets		
Advances paid and prepaid expenses	108,170	91,769
Taxes receivable, other than VAT	46,261	63,188
Other	4,681	5,659
Less: impairment allowance	(607)	(3,359)
	158,505	157,257
Total other current assets	253,496	232,127

As at June 30, 2024 and December 31, 2023 the above assets were non-interest bearing.

As at June 30, 2024, trade accounts receivable of 167,356 million tenge are pledged as collateral (December 31, 2023: 197,546 million tenge).

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

19. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT FINANCIAL AND NON-FINANCIAL ASSETS (continued)

As of June 30, 2024 and December 31, 2023, trade accounts receivable is denominated in the following currencies:

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
US dollars	393,165	364,490
Tenge	153,646	121,165
Romanian Leu	84,660	68,896
Euro	1,437	3,324
Other currency	2,137	3,383
	635,045	561,258

20. CASH AND CASH EQUIVALENTS

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Term deposits with banks – US dollar	1,254,091	580,214
Term deposits with banks – tenge	141,243	124,702
Term deposits with banks – other currencies	53,166	76,316
Current accounts with banks – US dollar	146,511	120,787
Current accounts with banks – tenge	13,522	13,321
Current accounts with banks – other currencies	19,325	10,409
The contracts of reverse repo with original maturities of three months or less	53,732	116,091
Cash in transit	6,862	5,463
Cash-on-hand and cheques	3,418	3,613
Less: allowance for expected credit losses	(61)	(43)
	1,691,809	1,050,873

Term deposits with banks are made for various periods of between one day and three months, depending on the immediate cash requirements of the Group.

As at June 30, 2024, the weighted average interest rate for term deposits with banks was 4.75% in US dollars, 14.18% in tenge and 5.46% in other currencies (December 31, 2023: 5.40% in US dollars, 15.45% in tenge and 5.99% in other currencies).

21. BORROWINGS

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Fixed interest rate borrowings and bonds	3,544,766	3,253,754
Weighted average nominal interest rates	6.30%	5.36%
Floating interest rate borrowings and bonds	463,809	503,340
Weighted average nominal interest rates	8.82%	8.93%
	4,008,575	3,757,094

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

21. BORROWINGS (continued)

As at June 30, 2024 and December 31, 2023, borrowings and bonds are denominated in the following currencies:

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
US dollar	3,040,275	3,018,895
Tenge	919,410	700,223
Euro	36,391	24,850
Other currencies	12,499	13,126
	4,008,575	3,757,094

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Current portion	328,447	391,358
Non-current portion	3,680,128	3,365,736
	4,008,575	3,757,094

As at June 30, 2024 and December 31, 2023, the bonds comprised:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective interest rate	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Bonds					
KASE 2023	70 billion KZT	2033	11.74% (0.50% nominal interest rate)	43,556	41,375
KASE 2022	751.6 billion KZT	2035	12.105% (9.30% nominal interest rate)	639,185	392,158
Bonds LSE 2020	750 million USD	2033	3.50%	355,784	343,005
AIX 2019	56 billion KZT	2024	5.00%	-	19,800
Bonds LSE 2018	1.5 billion USD	2048	6.375%	698,974	673,677
Bonds LSE 2018	1.25 billion USD	2030	5.375%	589,043	569,892
Bonds LSE 2017	1.25 billion USD	2047	5.75%	573,342	552,309
Bonds LSE 2017	1 billion USD	2027	4.75%	471,699	454,062
Total				3,371,583	3,046,278

On March 20, 2024, the coupon rate of the bonds placed in 2022 by the Company and purchased by Samruk-Kazyna was increased from 3.00% to 9.30%. In accordance with IFRS 9 the increase in the nominal rate led to a significant modification of the financial instrument, namely the derecognition of bonds with a coupon rate of 3.00% and the recognition of bonds with a coupon rate of 9.30%.

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within finance income in these interim condensed consolidated financial statements in the amount of 59,769 million tenge (*Note 14*).

The difference of 293,288 million tenge between the fair value of the bond derecognized and the fair value of the newly recognized bond was presented as a transaction with Samruk-Kazyna in the interim condensed consolidated statement of changes in equity.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**21. BORROWINGS (continued)**

As at June 30, 2024 and December 31, 2023, the borrowings comprised:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective interest rate	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Loans					
The Syndicate of banks (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank, Alpha Bank, Garanti Bank, OTP Bank, Intesa Sanpaolo)	551.8 million USD ¹	2026	SOFR O/N + 2.50% SOFR 1M + 2.50% SOFR 1M + 2.75% EURIBOR O/N + 2.50% ROBOR 1M + 2.00% 20.54%	179,987	141,506
Halyk bank JSC (Halyk bank)	110 billion KZT	2025	(11.00% nominal interest rate)	74,940	94,999
Bank of Tokyo-Mitsubishi UFJ, Ltd (London Branch)	200 million USD	2024	COF ² (5.83%) + 1.50% 19.63% - 20.54% (7.00% - 7.99%)	69,905	62,800
Development bank of Kazakhstan JSC	130 billion KZT	2026	nominal interest rate) Key Rate of National	62,553	80,992
Halyk bank	66.7 billion KZT	2032	Bank of RK + 2.50%	50,524	47,391
Cargill	100 million USD	2026	SOFR 3M + 2.80% 17.40% - 18.20%	47,328	46,176
Halyk bank JSC	38 billion KZT	2024-2025	(17.25%-18.75% nominal interest rate)	35,691	31,487
The Syndicate of banks (BCR, Raiffeisen Bank, OTP, Alpha, Garanti)	83 million EUR	2029	EURIBOR 6M + 3.00%	29,226	24,844
BCP	171.3 million USD	2024	COF (5.8439%) + 2.00% SOFR 1M + 2.50%	19,757	37,893
Banca Transilvania	57.96 million EUR	2024	EURIBOR 1M + 2.5%	15,080	15,710
EBRD	34 million KZT	2028	6M CPI + 4.00%	12,962	11,822
OTP Bank	119 million RON	2030	ROBOR 3M + 1.10%	9,673	10,964
ING Bank NV	250 million USD	2024	COF (5.55%) + 1.80%	9,452	13,839
Lukoil Kazakhstan Upstream	-	After the start of commercial mining	O/N SOFR + 2.85%	-	47,363
Credit Agricole	150 million USD	2025	COF (5.57%) + 2.00%	-	26,936
Other	-	-	-	19,914	16,094
Total				636,992	710,816

¹ 275.9 million USD with revolving credit facility² Cost of funding

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

21. BORROWINGS (continued)

During the six months ended June 30, 2024, KMG International N.V. (further – KMGI) received Syndicated loan for the total amount of 80.5 million US dollars (equivalent to 36,148 million tenge).

During the six months ended June 30, 2024, Atyrau Oil Refinery LLP (further –Atyrau refinery) and Pavlodar Oil Refinery LLP partially repaid Development bank of Kazakhstan JSC loan for the total amount 23,728 million tenge, including interest.

During the six months ended June 30, 2024, Atyrau refinery partially repaid Halyk bank loan for the total amount of 19,202 million tenge.

During the six months ended June 30, 2024, KMGI partially repaid BCP loan for the total amount of 44.0 million US dollars (equivalent to 19,749 million tenge).

During the six months ended June 30, 2024, KMGI fully repaid Credit Agricole loan for the total amount of 59.3 million US dollars (equivalent to 26,612 million tenge).

During the six months ended June 30, 2024, based on the notification of the Ministry of Energy of the RK on the termination of the subsoil use contract of the Zhenis project, the Company derecognized the loan received from Lukoil Kazakhstan Upstream (carry-financing) in the amount of 47,902 million tenge (*Note 14*).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**21. BORROWINGS (continued)**

Changes in liabilities arising from financing activities for the six months ended June 30:

<i>In millions of tenge</i>	2024 (unaudited)				2023 (unaudited) (restated)			
	Short-term loans	Long-term loans	Bonds	Total	Short-term loans	Long-term loans	Bonds	Total
On January 1 (audited)	214,457	496,360	3,046,277	3,757,094	173,053	699,610	3,281,723	4,154,386
Received in cash	48,929	56,211	–	105,140	72,355	164,717	50,000	287,072
Repayment of principal in cash	(62,805)	(86,747)	(21,680)	(171,232)	(26,167)	(76,001)	(234,454)	(336,622)
Interest accrued (Note 14)	11,082	20,305	101,940	133,327	8,574	33,144	94,165	135,883
Interest paid*	(10,588)	(16,904)	(84,077)	(111,569)	(8,432)	(29,134)	(88,037)	(125,603)
Effect of loan modification	–	–	233,519	233,519	–	–	–	–
Effect of initial loan recognition	–	–	–	–	–	–	(22,145)	(22,145)
Foreign currency translation	6,012	7,850	93,941	107,803	(2,517)	(2,659)	(60,062)	(65,238)
Foreign exchange (gain)/loss	(757)	376	1,663	1,282	(301)	(48,190)	(1,728)	(50,219)
Derecognition of loan (Note 14)	–	(47,911)	–	(47,911)	–	(4,289)	–	(4,289)
Other	–	1,122	–	1,122	–	2,797	534	3,331
On June 30 (unaudited)	206,330	430,662	3,371,583	4,008,575	216,565	739,995	3,019,996	3,976,556
Current portion	206,330	76,547	45,570	328,447	216,565	177,164	58,476	452,205
Non-current portion	–	354,115	3,326,013	3,680,128	–	562,831	2,961,520	3,524,351

* The repayment of the interest is classified in the interim condensed consolidated statement of cash flows as operating cash flows.

Covenants

The Group is required to comply with financial and non-financial covenants under the terms of loan agreements. Under the terms of some loan agreements, failure to comply with financial covenants may result in the repayment of these long-term loans upon demand. As of June 30, 2024 and December 31, 2023, the Group complied with all financial and non-financial covenants.

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

21. BORROWINGS (continued)

Hedge of net investment in the foreign operations

As at June 30, 2024, certain bonds denominated in foreign currency were designated as hedge instruments for the net investment in foreign operations. These bonds are being used to hedge the Group’s exposure to the US dollar foreign exchange risk on these investments. For the six months ended June 30, 2024, a loss of 93,941 million tenge (for the six months ended June 30, 2023: a gain of 60,062 million tenge) on the translation of these bonds was transferred to other comprehensive income and offset against translation gains of the net investments in foreign operations.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the US Dollars bonds. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the fixed rate bonds. As at June 30, 2024 and December 31, 2023, there was no ineffective portion of the hedge.

22. LEASE LIABILITIES

<i>In millions of tenge</i>	Minimum lease payments		Present value of minimum lease payments	
	June 30, 2024 (unaudited)	December 31, 2023 (audited)	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Within one year	17,935	19,767	13,287	17,400
Two to five years inclusive	48,279	49,777	25,654	26,128
After five years	87,092	89,424	63,797	61,752
	153,306	158,968	102,738	105,280
Less: amounts representing finance costs	(50,568)	(53,688)	-	-
Present value of minimum lease payments	102,738	105,280	102,738	105,280
Less: amounts due for settlement within 12 months	(17,935)	(19,767)	(13,287)	(17,400)
Amounts due for settlement after 12 months	135,371	139,201	89,451	87,880

As at June 30, 2024, interest calculation was based on effective interest rates ranging from 2.95% to 21.00% (December 31, 2023: from 2.95% to 20.65%).

The table below shows the changes in lease liabilities for the six months ended June 30:

<i>In millions of tenge</i>	2024 (unaudited)	2023 (unaudited)
On January 1 (audited)	105,280	81,554
Additions of leases	6,386	41,140
Interest accrued (Note 14)	4,121	3,302
Repayment of principal	(14,861)	(11,903)
Interest paid	(590)	(958)
Foreign exchange (gain)/loss	(2,305)	581
Foreign currency translation	3,259	(1,658)
Other	1,448	697
On June 30 (unaudited)	102,738	112,755

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

23. PROVISIONS

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental obligation	Provision for taxes	Other	Total
As at January 1, 2023 (audited)	128,872	81,353	10,923	48,397	269,545
Foreign currency translation	(1,063)	(1,325)	1	(375)	(2,762)
Change in estimate	177	(524)	–	(58)	(405)
Unwinding of discount (Note 14)	5,207	891	–	80	6,178
Provision for the period	863	–	67	19,004	19,934
Recovered	(36)	–	–	(28,307)	(28,343)
Use of provision	(137)	(1,541)	(12)	(1,114)	(2,804)
As at June 30, 2023 (unaudited) (restated)	133,883	78,854	10,979	37,627	261,343
As at January 1, 2024 (audited)	208,705	77,061	6,974	47,055	339,795
Foreign currency translation	2,485	2,256	4	888	5,633
Change in estimate	(4,944)	523	–	94	(4,327)
Unwinding of discount (Note 14)	8,484	820	–	96	9,400
Provision for the period	209	–	30	4,214	4,453
Recovered	(678)	–	(3,783)	(136)	(4,597)
Use of provision	(793)	(1,200)	–	(601)	(2,594)
As at June 30, 2024 (unaudited)	213,468	79,460	3,225	51,610	347,763

Current portion and long-term portion are segregated as follows:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental obligation	Provision for taxes	Other	Total
Current portion	2,531	2,368	3,225	42,059	50,183
Long-term portion	210,937	77,092	–	9,551	297,580
As at June 30, 2024 (unaudited)	213,468	79,460	3,225	51,610	347,763
Current portion	1,742	5,540	10,979	11,366	29,627
Long-term portion	132,141	73,314	–	26,261	231,716
As at June 30, 2023 (unaudited) (restated)	133,883	78,854	10,979	37,627	261,343

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

24. TRADE ACCOUNTS PAYABLE AND OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Trade accounts payable	599,568	663,930
Other financial liabilities		
Due to employees	86,718	72,970
Other trade payables	38,294	42,562
Derivative financial instruments	185	114
Loan commitment	44	11,074
Other	44,759	37,976
	170,000	164,696
Current portion	150,523	145,953
Non-current portion	19,477	18,743
	170,000	164,696
Other non-financial liabilities		
Contract liabilities	246,680	153,962
Other	14,031	15,328
	260,711	169,290
Current portion	215,163	131,513
Non-current portion	45,548	37,777
	260,711	169,290

As at June 30, 2024 and December 31, 2023, trade accounts payable were denominated in the following currencies:

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
US dollars	418,652	444,674
Tenge	111,810	153,016
Romanian leu	54,448	51,244
Euro	6,928	8,157
Other currency	7,730	6,839
Total	599,568	663,930

As at June 30, 2024 and December 31, 2023, trade accounts payable and other financial liabilities were not interest bearing.

Derivative financial instruments

The Group uses different commodity derivatives as a part of price risk management in trading of crude oil and petroleum products.

Statement of financial position:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Derivative financial asset (in other financial assets)	3,230	–
Derivative financial liability	–	(114)
Derivative financial asset/(liability), net	3,230	(114)

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

24. TRADE ACCOUNTS PAYABLE AND OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES (continued)

Derivative financial instruments (continued)

Statement of comprehensive income:

	For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited)
Realized (gains)/losses from derivatives on petroleum products in production expenses (Note 9)	(4,913)	453

A movement in derivatives assets/(liabilities) is shown below:

	For the six months ended June 30,	
	2024 (unaudited)	2023 (unaudited)
On January 1 (audited)	(114)	(917)
Hedge Reserve	5,101	988
Inventory	(1,912)	108
Translation difference	155	22
On June 30 (unaudited)	3,230	201

Derivative financial instruments are initially measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognized in profit or loss as they arise.

The Group has the following hedge transactions that qualify for fair value hedge:

Transaction	Hedged item	Risk hedged	Hedging instrument
Commodity purchase / sell at fixed price	Base operating stock (BOS) – meaning crude oil, feedstock, diesel, gasoline and jet Priced operational stock above or below BOS	Commodity price risk	Future
Foreign exchange risk related to a firm commitment	Firm commitment not denominated in the functional currency of the Group	Change in foreign exchange rate	Currency forward
Fair value risk related to fixed interest rates	Receivable or liability at fixed interest rate	Interest related fair value risk	Swap

The Group has the following hedge transactions that qualify for cash flow hedge:

Transaction	Hedged item	Risk hedged	Hedging instrument
Forecasted commodity purchase / sell	Forecasted refinery margin basket	Commodity price risk	Swap

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

25. OTHER TAXES PAYABLE

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
VAT	39,081	23,233
Mineral Extraction Tax	38,299	30,485
Rent tax on crude oil export	31,979	37,557
Social tax	6,074	7,620
Individual income tax	4,504	9,424
Excise tax	1,597	1,537
Withholding tax from non-residents	27	1,957
Other	3,884	4,687
	125,445	116,500

26. RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties

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. Outstanding balances are mainly unsecured and interest free and settlement occurs in cash. The Group recognizes allowances for expected credit losses on amounts owed by related parties.

Transactions balances

The following table provides the balances of transactions with related parties as at June 30, 2024 and December 31, 2023:

<i>In millions of tenge</i>	As at	Due from related parties*	Due to related parties*	Cash and deposits placed with related parties	Borrowings payable to related parties
Samruk-Kazyna entities	June 30, 2024 (unaudited)	136,701	1,842	57,936	682,741
	December 31, 2023 (audited)	93,745	4,392	5,911	453,333
Associates	June 30, 2024 (unaudited)	19,917	11,586	-	-
	December 31, 2023 (audited)	8,681	2,962	-	-
Other state-controlled parties	June 30, 2024 (unaudited)	38,990	498	-	62,553
	December 31, 2023 (audited)	46,897	1,419	-	80,992
Joint ventures	June 30, 2024 (unaudited)	162,768	265,359	-	-
	December 31, 2023 (audited)	173,119	235,725	-	-

* The amounts are mainly classified as «Loans and receivables due from related parties», «Trade accounts receivables» and «Trade accounts payables»

Due from/to related parties

Samruk-Kazyna entities

During the six months ended June 30, 2024, the Company sold investment property to Samruk-Kazyna with a carrying value of 13,503 million tenge. According to the terms of the purchase and sale agreement, the sales price was 22,872 million tenge with deferred payment until June 2027. The difference between the sales price, which is the fair value, and the nominal amount of the debt of Samruk-Kazyna in the amount of 8,741 million tenge is reflected in these interim condensed consolidated financial statements as finance expenses (Note 14).

During the six months ended June 30, 2023, payable due to Samruk-Kazyna for exercising the option with a right to buy back shares of KMG Kashagan B.V. was fully repaid for 364 million US dollars (equivalent to 163,770 million tenge).

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

26. RELATED PARTY DISCLOSURES (continued)

Cash and deposits placed with related parties

Samruk-Kazyna entities

As at June 30, 2024, the Group has current accounts and time deposits consisting of cash in tenge and dollars on the accounts of Kazpost JSC, subsidiary of Samruk-Kazyna in the total amount of 57,936 million tenge.

Transactions turnover

The following table provides the total amount of transactions, which have been entered into with related parties during the six months ended June 30, 2024 and 2023:

<i>In millions of tenge</i>	During the six months ended June 30,	Sales to related parties*	Purchases from related parties*	Interest earned from related parties	Interest incurred to related parties
Samruk-Kazyna entities	2024 (unaudited)	88,341	49,710	63,028	39,308
	2023 (unaudited)	103,017	16,600	1,394	21,323
Associates	2024 (unaudited)	19,754	45,396	82	–
	2023 (unaudited)	5,998	39,492	101	–
Other state-controlled parties	2024 (unaudited)	965	23,179	4,030	5,290
	2023 (unaudited)	5	11,199	4,115	6,685
Joint ventures	2024 (unaudited)	231,845	966,823	12,014	–
	2023 (unaudited)	218,360	885,301	8,930	–

* The amounts are mainly classified as «Revenue from contracts with customers», «Cost of purchased oil, gas, petroleum products and other materials», «Production expenses», «Transportation and selling expenses» and «General and administrative expenses»

Key management employee compensation

For the six months ended June 30, 2024 and 2023, total compensation to key management personnel (members of the Boards of directors and Management boards of the Group) included in general and administrative expenses was equal to 2,798 million tenge and 2,886 million tenge, respectively. Compensation to key management personnel mainly consists of contractual salary and performance bonus based on operating results.

Dividends

During the six months ended June 30, 2024, based on the decision of Shareholders, the Company declared and paid-off dividends for 2023 of 491.71 tenge per common share in the total of 300,002 million tenge (during the six months ended June 30, 2023: declared dividends for 2022 of 491.71 tenge per common share in the total of 300,002 million tenge).

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

Information on the carrying amounts and fair values of certain financial instruments of the Group as at June 30, 2024 and December 31, 2023 disclosed below:

<i>In millions of tenge</i>			June 30, 2024 (unaudited)					December 31, 2023 (audited)		
	Carrying amount	Fair value	Fair value by level of assessment			Carrying amount	Fair value	Fair value by level of assessment		
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Bonds receivable from Samruk-Kazyna	21,403	14,693	–	14,693	–	20,963	16,797	–	16,797	–
National Bank of RK notes	34,689	34,689	–	34,689	–	43,708	43,708	–	43,708	–
Loans given and receivables from related parties at fair value through profit and loss	113,203	113,203	–	–	113,203	99,901	99,901	–	–	99,901
Loans given to related parties at amortized cost	34,781	36,937	–	23,239	13,698	48,299	48,502	–	–	48,502
Fixed interest rate borrowings	3,544,766	3,335,736	2,512,901	822,835	–	3,253,754	3,051,997	2,452,370	599,627	–
Floating interest rate borrowings	463,809	463,809	–	463,809	–	503,340	503,340	–	503,340	–

For all other financial instruments, the carrying amount is approximately equal to the fair value.

The fair value of bonds receivable from the Samruk-Kazyna and other debt instruments have been calculated by discounting the expected future cash flows at market interest rates.

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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

There were no transfers between Level 1 and Level 2 during the reporting period, and no transfers into or out of Level 3 category.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the six months ended June 30, 2024 there were no changes in the Group’s valuation processes, valuation techniques, and types of inputs used in the fair value measurements.

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

27. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy are shown below:

	Valuation technique	Significant unobservable inputs	Range	
			as of June 30, 2024 (unaudited)	as of December 31, 2023 (audited)
Loans given to related parties at amortized cost	Discounted cash flow method	Interest/discount rate	15.39%-17.40%	7.1%-19.01%

28. CONTINGENT LIABILITIES AND COMMITMENTS

In addition to the contingent liabilities and commitments disclosed in the consolidated financial statements of the Group for the year ended December 31, 2023, the following changes have taken place during the six months ended June 30, 2024:

The civil litigation at KMGI

Faber Invest & Trade Inc. (further Faber), the non-controlling shareholder of KMGI subsidiaries, resumed several previous civil filings in 2020, one of which challenged the increase in the Rompetrol Rafinare Constanta, the KMGI subsidiary, share capital in 2003-2005. The hearings have been held periodically. As of June 30, 2024, all Faber claims were dismissed and the case was closed.

Civil legal dispute between the National Mineral Resources Agency (NAMR) and Oilfield Exploration Business Solutions S.A (OEBS), subsidiary of KMGI, at the Focsani field

On December 17, 2019 OEBS has been noticed by the NAMR that a Request for Arbitration would have been filed in to ICC Paris for an alleged breach by OEBS of the Concession Agreement as regards the exploration block near Focsani. Starting from that period, OEBS was in dispute with NAMR. On July 29, 2022 the Court decided to oblige OEBS to pay 10.1 million U.S. dollars from a total NAMR claim of 20 million U.S. dollars. In 2022, the Group recognized a provision in the amount of 10.1 million dollars (equivalent to 4,673 million tenge).

On May 23, 2024, the court dismissed the appeal filed by OEBS, and obliged OEBS to pay 10.1 million U.S. dollars.

Kazakhstan local market obligation

The Government requires oil companies in the RK to supply a portion of the products to meet the Kazakhstan domestic energy requirement on an annual basis, mainly to maintain oil products supply balance on the local market and to support agricultural producers during the spring and autumn sowing and harvest campaigns.

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such supplies will take precedence over market sales and will generate substantially less revenue than crude oil sold on the export market, which may materially and adversely affect the Group’s business, prospects, consolidated financial position and performance.

During the six months ended June 30, 2024 in accordance with its obligations, the Group delivered to the Kazakhstan market 3,995 thousand tons of crude oil in the total amount of 401,993 million tenge, including its share in the joint ventures and associates in the total volume of 1,337 thousand tons of 123,909 million tenge (2023: 7,619 thousand tons in total amount of 735,130 million tenge, including its share in the joint ventures and associates of 2,639 thousand tons of 251,085 million tenge).

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

28. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Commitments under subsoil use contracts

As at June 30, 2024, the Group had the following commitments (net of VAT) related to a minimal working program in accordance with terms of licenses, production sharing agreements and subsoil use contracts, signed with the Government, including its share in joint ventures and associate:

<i>In millions of tenge</i>	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenditures, including joint ventures and associates	Operational expenditures of joint ventures and associates
Year				
2024	199,585	30,216	49,289	35,276
2025	269,637	7,690	20,598	11,650
2026	291,917	10,933	18,413	12,330
2027	363,211	6,344	18,726	13,026
2028-2049	333,010	7,316	41,390	13,567
Total	1,457,360	62,499	148,416	85,849

As at December 31, 2023 commitments (net of VAT) related to a minimal working program included:

<i>In millions of tenge</i>	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenditures, including joint ventures and associates	Operational expenditures of joint ventures and associates
Year				
2024	342,291	25,633	76,014	69,296
2025	262,118	7,690	22,549	11,650
2026	285,609	10,933	20,392	12,330
2027	352,313	6,344	18,876	13,026
2028-2049	340,207	7,316	41,345	13,567
Total	1,582,538	57,916	179,176	119,869

Oil supply commitments

As of June 30, 2024, KMG Kashagan B.V., subsidiary of Coöperatieve KazMunaiGaz U.A. had commitments under the oil supply agreements in the total amount of 3.6 million tons. (December 31, 2023: 3.0 million tons). The monetary equivalent is determined based on the market prices at the moment of realization.

Other contractual commitments

As at June 30, 2024, the Group, had other capital commitments related to acquisition and construction of long-term assets of approximately 140,474 million tenge, net of VAT, including its share in joint ventures commitments of 14,431 million (as at December 31, 2023: 166,049 million tenge, net of VAT, including its share in joint ventures commitments of 15,465 million tenge).

As at June 30, 2024, the Group had commitments in the total amount of 90,757 million tenge (as at December 31, 2023: 93,919 million tenge) under the investment programs approved by the joint order of Ministry of Energy of RK and Committee on Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy of RK to facilitate production units.

29. SEGMENT REPORTING

The Group’s operating segments have their own structure and management according to the type of the produced goods and services provided. Moreover, all segments are strategic directions of the business which offer different types of the goods and services in different markets. The functions have been defined as the operating segments of the Group because they are segments a) that engage in business activities from which revenues are generated and expenses incurred; b) whose operating results are regularly reviewed by the Group’s chief operating decision makers to make decisions.

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

29. SEGMENT REPORTING (continued)

The Group’s activity consists of three main operating segments: exploration and production of oil and gas, oil transportation, refining and trading of crude oil and refined products. The Group presents the Company’s activities separately in Corporate segment, since the Company performs not only the functions of the parent company, but also carries out operational activities. The remaining operating segments have been aggregated and presented as other operating segment due to their insignificance.

Disaggregation of revenue by types of goods and services is presented in *Note 6* to these interim condensed consolidated financial statements.

For the six months ended June 30, 2024 and 2023 disaggregated revenue mainly represents sales and services made to the external parties by the following operating segments:

<i>In millions of tenge</i>	For the six months ended June 30, 2024 (unaudited)					
	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Total
Sales of crude oil and gas	426,038	–	2,177,956	–	–	2,603,994
Sales of refined products	2,268	–	739,163	444,816	6,643	1,192,890
Refining of oil and oil products	–	–	128,909	–	–	128,909
Oil transportation services	–	115,886	753	2,435	92	119,166
Other revenue	13,027	25,975	71,076	908	83,415	194,401
Total	441,333	141,861	3,117,857	448,159	90,150	4,239,360

<i>In millions of tenge</i>	For the six months ended June 30, 2023 (unaudited) (restated)					
	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Total
Sales of crude oil and gas	422,327	–	1,678,322	–	–	2,100,649
Sales of refined products	2,405	–	999,456	427,267	5,612	1,434,740
Refining of oil and oil products	–	–	129,879	–	–	129,879
Oil transportation services	–	103,552	882	1,822	92	106,348
Other revenue	7,793	24,412	64,886	822	73,496	171,409
Total	432,525	127,964	2,873,425	429,911	79,200	3,943,025

Segment performance is evaluated based on revenues, net profit and EBITDA, which are measured on the same basis as in the consolidated financial statements.

EBITDA is a supplemental non-IFRS financial measure used by management to evaluate segments performance, and is defined as earnings before depreciation, depletion and amortization, impairment of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale, exploration expenses, impairments of joint ventures and associates, finance income and expense, income tax expenses.

EBITDA, % is calculated as EBITDA of each reporting segment divided by the total EBITDA.

Geographic information

The Group’s property, plant and equipment are located in the following countries:

<i>In millions of tenge</i>	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Kazakhstan	6,712,630	6,627,783
Other countries	589,139	553,423
	7,301,769	7,181,206

Eliminations and adjustments in the tables below represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments that may not necessarily comply with market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**29. SEGMENT REPORTING (continued)**

The following represents information about profit and loss for the six months ended June 30, 2024 and assets and liabilities as at June 30, 2024 of operating segments of the Group:

<i>In millions of tenge</i>	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
Revenues from sales to external customers	441,333	141,861	3,117,857	448,159	90,150	–	4,239,360
Revenues from sales to other segments	776,463	81,757	99,642	53,899	83,526	(1,095,287)	–
Total revenue	1,217,796	223,618	3,217,499	502,058	173,676	(1,095,287)	4,239,360
Cost of purchased oil, gas, petroleum products and other materials	(25,824)	(8,962)	(2,778,706)	(285,300)	(27,658)	786,311	(2,340,139)
Production expenses	(292,233)	(128,047)	(187,963)	(122,848)	(130,145)	222,241	(638,995)
Taxes other than income tax	(212,908)	(10,912)	(8,594)	(64,503)	(5,531)	–	(302,448)
Transportation and selling expenses	(105,512)	(10,967)	(49,729)	(6,240)	(29)	40,913	(131,564)
General and administrative expenses	(12,974)	(7,827)	(26,719)	(53,912)	(21,151)	5,114	(117,469)
Share in profit of joint ventures and associates, net	177,671	68,229	22,984	–	(694)	–	268,190
EBITDA	746,016	125,132	188,772	(30,745)	(11,532)	(40,708)	976,935
EBITDA, %	76%	13%	19%	(3%)	(1%)	(4%)	
Depreciation, depletion and amortization	(227,140)	(21,542)	(66,544)	(1,881)	(5,315)	–	(322,422)
Finance income	15,713	6,284	18,750	232,301	6,892	(69,893)	210,047
Finance costs	(21,216)	(9,843)	(55,207)	(115,830)	(2,483)	37,241	(167,338)
(Impairment)/reversal of impairment of property, plant and equipment, intangible assets and exploration expenses	(16,826)	(1)	–	–	3	–	(16,824)
Income tax expenses	(106,929)	(7,600)	(30,471)	(52,813)	(2,798)	–	(200,611)
Profit/(loss) for the period	236,782	44,551	34,403	347,016	(13,280)	(99,966)	549,506
Other segment information							
Investments in joint ventures and associates	4,126,316	557,510	128,451	–	109,966	–	4,922,243
Capital expenditures	179,617	12,155	78,325	(2,362)	13,899	–	281,634
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	(12,955)	(7,647)	(50,265)	(40,915)	(9,159)	–	(120,941)
Assets of the segment	12,060,139	1,490,537	3,359,083	1,768,501	481,848	(1,594,964)	17,565,144
Liabilities of the segment	1,754,042	360,373	1,898,574	4,827,222	160,578	(2,045,987)	6,954,802

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**29. SEGMENT REPORTING (continued)**

The following represents information about profit and loss for the six months ended June 30, 2023 and assets and liabilities as at December 31, 2023 of operating segments of the Group:

<i>In millions of tenge</i>	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
Revenues from sales to external customers	432,525	127,964	2,873,425	429,911	79,200	–	3,943,025
Revenues from sales to other segments	664,189	95,592	93,894	37,053	62,404	(953,132)	–
Total revenue	1,096,714	223,556	2,967,319	466,964	141,604	(953,132)	3,943,025
Cost of purchased oil, gas, petroleum products and other materials	(21,516)	(8,696)	(2,497,087)	(295,552)	(15,882)	676,106	(2,162,627)
Production expenses	(261,835)	(135,602)	(197,915)	(105,804)	(111,881)	222,392	(590,645)
Taxes other than income tax	(199,712)	(9,413)	(7,710)	(60,728)	(4,750)	–	(282,313)
Transportation and selling expenses	(96,318)	(3,182)	(44,963)	(5,786)	(15)	30,727	(119,537)
General and administrative expenses	(17,960)	(6,954)	(25,705)	(14,065)	(10,285)	2,761	(72,208)
Share in profit of joint ventures and associates, net	296,842	56,842	34,171	–	11,864	–	399,719
EBITDA	796,215	116,551	228,110	(14,971)	10,655	(21,146)	1,115,414
EBITDA, %	71%	10%	20%	(1%)	1%	(1%)	
Depreciation, depletion and amortization	(201,542)	(19,819)	(68,035)	(1,802)	(4,739)	–	(295,937)
Finance income	5,624	5,037	21,220	60,031	7,359	(24,214)	75,057
Finance costs	(12,101)	(4,316)	(57,031)	(96,254)	(2,843)	13,776	(158,769)
Reversal of impairment/(impairment) of property, plant and equipment, intangible assets and exploration expenses	(40,314)	(553)	(98,655)	–	247	–	(139,275)
Income tax expenses	(109,484)	(9,470)	(16,057)	(21,715)	(470)	–	(157,196)
Net profit for the period	358,111	27,516	63,633	68,139	12,774	(41,677)	488,496
Other segment information							
Investments in joint ventures and associates	4,056,464	536,576	129,442	–	98,945	–	4,821,427
Capital expenditures	152,663	77,256	30,373	34,352	6,851	–	301,495
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	(14,486)	(7,365)	(50,362)	(35,150)	(10,850)	–	(118,213)
Assets of the segment	11,568,853	1,475,597	3,093,384	1,863,189	428,372	(1,486,683)	16,942,712
Liabilities of the segment	1,627,121	370,240	1,844,841	4,549,994	136,991	(1,980,872)	6,548,315

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

30. SUBSEQUENT EVENTS**Dividends received**

In July 2024, Company received dividends from associate Caspian Pipeline Consortium in the amount of 7,993 million tenge.

Environmental issues

On July 17, 2024, Atyrau Refinery received a protocol on an administrative offense from the Department of Ecology of the Atyrau Region (hereafter - Department of Ecology) regarding exceeding environmental emission standards. Atyrau Refinery does not agree with the conclusions of the Department of Ecology and on July 22, 2024 sent a petition to the Department of Ecology. The case is being considered by the Specialized Court for Administrative Offenses of the city of Atyrau.