

KazTransOil JSC

Consolidated financial statements

*For the year ended 31 December 2024
with the independent auditor's report*

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Independent auditor's report

Consolidated financial statements

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Independent auditor's report

To the Shareholders and Board of Directors of KazTransOil JSC

Opinion

We have audited the consolidated financial statements of KazTransOil JSC and its subsidiaries (hereinafter, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

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

Key audit matters

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

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

Key audit matter

How our audit addressed the key audit matter

Fair value of property, plant and equipment

Property, plant and equipment makes up a significant portion of the Group's assets as at 31 December 2024. In accordance with the accounting policy of the Group, property, plant and equipment is measured at fair value less accumulated depreciation and impairment losses recognized after the date of the revaluation. At each reporting date management of the Group assesses how significantly the fair value of its property, plant and equipment differs from the carrying value.

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

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

For the assessment of the possible changes in fair value of non-specialized assets and all "Batumi Oil Terminal" LLC assets, management of the Group determines the market prices for similar assets.

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

Information about the assessment of the changes in fair value of property, plant and equipment is disclosed in **Note 5** to the consolidated financial statements.

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

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

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

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

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

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

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

Other information included in Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

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

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



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

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

Ernst & Young LLP



Adil Syzdykov
Auditor

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

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

13 March 2025



Rustamzhan Sattarov

Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	6	1,092,284,434	1,084,145,524
Right-of-use assets	7	5,730,642	6,731,336
Intangible assets	8	8,706,512	7,991,075
Investments in joint ventures	9	116,679,065	106,754,214
Advances to suppliers for property, plant and equipment	10	2,999,451	1,507,687
VAT recoverable		11,417,747	15,198,605
Other long-term accounts receivable	12	691,020	721,048
Bank deposits	16	412,163	718,088
Deferred tax assets	34	988,119	-
Other non-current assets		132,853	275,336
		1,240,042,006	1,224,042,913
Current assets			
Inventories	11	8,108,007	8,932,013
Trade and other accounts receivable	12	9,063,837	8,447,028
Advances to suppliers	13	321,816	727,872
Prepayment for income tax		365,186	750,449
VAT recoverable and other prepaid taxes	14	5,670,000	10,955,879
Other current assets	15	6,611,565	5,594,496
Other financial assets	16	37,255,196	22,258,848
Cash and cash equivalents	17	72,643,539	76,672,612
		140,039,146	134,339,197
Total assets		1,380,081,152	1,358,382,110

The accounting policy and explanatory notes on pages 8 through 70 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Equity and liabilities			
Equity			
Share capital	18	61,937,567	61,937,567
Treasury shares repurchased from shareholders	18	(9,549)	(9,549)
Asset revaluation reserve	18	362,625,769	380,639,671
Foreign currency translation reserve	18	53,582,668	46,118,253
Other capital reserves	18	1,205,950	1,244,710
Retained earnings		513,588,632	466,939,672
Total equity		992,931,037	956,870,324
Non-current liabilities			
Loans received	19	46,269,207	47,390,786
Issued debt securities	20	38,897,921	41,302,077
Employee benefit obligations	21	19,295,878	18,045,542
Deferred tax liabilities	34	97,344,310	99,367,910
Provision for asset retirement and land recultivation obligation	25	37,405,274	45,648,971
Contract liabilities to customers	22	30,952,291	31,908,136
Lease liabilities	24	4,462,431	5,102,611
Other non-current accounts payable	23	331,870	-
		274,959,182	288,766,033
Current liabilities			
Loans received	19	6,994,743	-
Issued debt securities	20	6,975,078	72,778
Current part of employee benefit obligations	21	1,348,358	1,185,285
Income tax payable		1,176,536	1,467,774
Trade and other accounts payable	23	28,212,066	34,937,605
Lease liabilities	24	2,512,325	2,420,628
Contract liabilities to customers	22	28,391,963	31,246,778
Other taxes payable	14	1,535,143	7,869,753
Provisions	25	1,498,155	1,303,694
Other current liabilities	26	33,546,566	32,241,458
		112,190,933	112,745,753
Total liabilities		387,150,115	401,511,786
Total equity and liabilities		1,380,081,152	1,358,382,110
Book value per ordinary share (in Tenge)	18	2,559	2,467

Signed and approved for issue on 13 March 2025.

General Director (Chairman of the Management Board)



Kassenov A.G.

Chief Accountant

Akhmedina A.S.

The accounting policy and explanatory notes on pages 8 through 70 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Revenue	27	311,900,130	290,385,624
Cost of sales	28	(263,279,845)	(248,857,819)
Gross profit		48,620,285	41,527,805
General and administrative expenses	29	(17,417,881)	(17,294,048)
Other operating income	30	5,319,912	2,128,447
Other operating expenses	31	(894,494)	(2,510,255)
Impairment of property, plant and equipment, net	6	(368,462)	(4,730,780)
Operating profit		35,259,360	19,121,169
Net foreign exchange gain, net		920,261	642,755
Finance income	32	12,002,158	10,262,467
Finance costs	33	(18,328,637)	(7,010,615)
Share in income of joint ventures	9	19,411,829	16,873,439
Profit before income tax		49,264,971	39,889,215
Income tax expense	34	(7,687,006)	(7,043,878)
Net profit for the year		41,577,965	32,845,337
Basic and diluted earnings per share (in Tenge)	18	108	85

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Other comprehensive income /(loss)			
Other comprehensive income /(loss) to be reclassified to profit or loss in subsequent periods			
Exchange difference from translation of foreign operations of the Group		7,464,415	(833,791)
Total other comprehensive income /(loss) to be reclassified to profit or loss in subsequent periods, net		7,464,415	(833,791)
Other comprehensive income /(loss) not to be reclassified to profit or loss in subsequent periods			
Revaluation and impairment of property, plant and equipment of the Group, net	6	6,035,346	(3,184,948)
Income tax effect	34	(1,207,069)	636,990
		4,828,277	(2,547,958)
Decrease/(charge) of provision for asset retirement and land reclamation obligation of the Group	25	8,939,643	(1,943,919)
Income tax effect	34	(1,787,929)	388,784
		7,151,714	(1,555,135)
Decrease /(charge) of provision for asset retirement and land reclamation obligation of joint ventures		97,410	(934,700)
Income tax effect		(19,482)	186,939
		77,928	(747,761)
Actuarial (loss)/income from employee benefit obligations of the Group	21	(39,511)	1,472,627
Income tax effect	34	1,086	(40,473)
		(38,425)	1,432,154
Actuarial (loss)/income from employee benefit obligations of joint venture		(419)	876
Income tax effect		84	(175)
		(335)	701
Total other comprehensive income /(loss) not to be reclassified to profit or loss in subsequent periods, net		12,019,159	(3,417,999)
Total other comprehensive income /(loss) for the year, net of tax		19,483,574	(4,251,790)
Total comprehensive income for the year, net of tax		61,061,539	28,593,547

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General Director (Chairman of the Management Board)



Kassenov A.G.

Akhmedina A.S.

Chief Accountant

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CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Cash flows from operating activities			
Profit before income tax		49,264,971	39,889,215
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization	28, 29	66,952,468	72,796,495
Share in income of joint ventures	9	(19,411,829)	(16,873,439)
Finance costs	33	18,328,637	7,010,615
Finance income	32	(12,002,158)	(10,262,467)
Revision of estimates and reversal of provision on asset retirement and land reclamation obligation, net	30	(3,649,718)	(987,121)
Amortization of deferred income	22, 30	(3,104,313)	(3,095,896)
Net foreign exchange gain, net		(920,261)	(642,755)
Employee benefit obligations, current services costs	28, 29	745,637	707,377
Impairment of property, plant and equipment, net	6	368,462	4,730,780
Write-off of VAT recoverable	29	175,417	228,373
Charge of expected credit losses, net	29	124,951	374,603
Loss on disposal of property, plant and equipment, net	31	106,525	74,950
Charge of current provisions, net	29	36,137	51,096
Actuarial (income)/loss	30,31	(7,588)	96,799
Write-off of inventory value to net realisable value	31	-	661,271
Others		(139,830)	(73,690)
Operating cash flows before working capital changes		96,867,508	94,686,206
(Increase)/decrease in operating assets			
VAT recoverable and other prepaid taxes		5,449,903	(14,603,823)
Other current assets		(985,065)	243,639
Inventories		1,012,437	(210,905)
Trade and other accounts receivable		(564,410)	(74,167)
Advances to suppliers		283,027	4,025,477
Increase/(decrease) in operating liabilities			
Other taxes payable		(4,383,031)	(16,042)
Contract liabilities to customers		(2,980,275)	1,798,157
Other current and non-current liabilities and employee benefit obligations		(1,389,627)	834,829
Trade and other accounts payable		(862,088)	4,274,883
Cash flows from operating activities		92,448,379	90,958,254
Income taxes paid		(11,063,103)	(11,878,967)
Interest received		9,720,777	8,866,666
Interest paid		(335,278)	(106,944)
Net cash flows from operating activities		90,770,775	87,839,009

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CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Cash flows from investing activities			
Purchase of notes of the National Bank	36	(212,023,702)	(124,071,785)
Proceeds from redemption of notes of the National Bank	36	206,502,941	102,535,718
Purchase of property, plant and equipment and intangible assets		(65,231,790)	(143,350,254)
Purchases of bonds of Samruk Kazyna	36	(10,000,000)	-
Dividends received from joint ventures	9	9,564,571	3,960,351
Proceeds from bonds redemption	16	1,403,403	104,147
Withdrawal of bank deposits		302,246	222,975
Proceeds from disposal of property, plant and equipment and non-current assets held for sale		24,926	570,961
Net cash flows used in investing activities		(69,457,405)	(160,027,887)
Cash flows from financing activities			
Dividends paid	18	(25,000,826)	(15,000,496)
Proceeds from loans	19	21,000,000	11,800,000
Repayment of loans	19	(21,000,000)	-
Payment of lease liabilities	24	(2,498,996)	(2,381,354)
Proceeds from debt securities issued	20	-	70,000,000
Net cash flows (used in)/ received from financing activities		(27,499,822)	64,418,150
Net change in cash and cash equivalents		(6,186,452)	(7,770,728)
Net foreign exchange difference		2,159,739	(720,246)
Change in allowance for expected credit losses		(2,360)	6,048
Cash and cash equivalents at the beginning of the year		76,672,612	85,157,538
Cash and cash equivalents at the end of the year	17	72,643,539	76,672,612

Signed and approved for issue on 13 March 2025.

General Director (Chairman of the Management Board)



 Kassenov A.G.

Chief Accountant


 Akhmedina A.S.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of Tenge</i>	Share capital	Treasury shares repurchased from shareholders	Asset revaluation reserve	Foreign currency translation reserve	Other capital reserves	Retained earnings	Total
As at 31 December 2022	61,937,567	(9,549)	423,217,162	46,952,044	(188,145)	380,544,246	912,453,325
Net profit for the year	-	-	-	-	-	32,845,337	32,845,337
Other comprehensive loss	-	-	(4,850,854)	(833,791)	1,432,855	-	(4,251,790)
Total comprehensive income for the year	-	-	(4,850,854)	(833,791)	1,432,855	32,845,337	28,593,547
Amortization of revaluation reserve for property, plant and equipment	-	-	(37,726,637)	-	-	37,726,637	-
Dividends (Note 18)	-	-	-	-	-	(15,000,496)	(15,000,496)
Other operations with shareholder (Note 18)	-	-	-	-	-	30,823,948	30,823,948
As at 31 December 2023	61,937,567	(9,549)	380,639,671	46,118,253	1,244,710	466,939,672	956,870,324
Net profit for the year	-	-	-	-	-	41,577,965	41,577,965
Other comprehensive income	-	-	12,057,919	7,464,415	(38,760)	-	19,483,574
Total comprehensive income for the year	-	-	12,057,919	7,464,415	(38,760)	41,577,965	61,061,539
Amortization of revaluation reserve for property, plant and equipment	-	-	(30,071,821)	-	-	30,071,821	-
Dividends (Note 18)	-	-	-	-	-	(25,000,826)	(25,000,826)
As at 31 December 2024	61,937,567	(9,549)	362,625,769	53,582,668	1,205,950	513,588,632	992,931,037

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General Director (Chairman of the Management Board)

Chief Accountant



Kassenov A.G.

Akhmedina A.S.

The accounting policy and explanatory notes on pages 8 through 70 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**For the year ended 31 December 2024****1. GENERAL**

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

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

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

As at 31 December 2023 and 2024, 90% of the Company's shares belong to National Company “KazMunayGas” JSC (hereinafter – KMG or the Parent Company), 10% of the Company's shares are in free circulation on the Kazakhstan Stock Exchange (KASE) (hereinafter – KASE). As at 31 December 2023 and 2024, 67.42% of KMG shares belong to the Government of the Republic of Kazakhstan represented by Sovereign Wealth Fund “Samruk-Kazyna” JSC (hereinafter – Samruk-Kazyna), 20% of KMG shares belong to the Ministry of Finance of the Republic of Kazakhstan, 9.58% of KMG shares belong to the Republic State Institution «National Bank of the Republic of Kazakhstan» and 3% of shares are in free circulation of the Astana International Exchange (AIX) and KASE. The Government of the Republic of Kazakhstan is a sole shareholder of Samruk-Kazyna.

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

Organization	Type of control	Place of incorporation	Principal activities	Ownership	
				31 December 2024	31 December 2024
“MunaiTas” NWPC LLP (hereinafter – MunaiTas)	Joint venture	Kazakhstan	Oil transportation	51%	51%
“Kazakhstan-China Pipeline” LLP (hereinafter – KCP)	Joint venture	Kazakhstan	Oil transportation	50%	50%
“Batumi Oil Terminal” (hereinafter – BOT)*	Subsidiary	Georgia	Forwarding, transshipment and storage of oil and oil products and operating of Batumi Sea Port	100%	100%
“Petrotrans Limited” (hereinafter – PTL)	Subsidiary	UAE	Forwarding of oil and oil products	100%	100%
“Main Waterline” LLP (hereinafter – Main Waterline)	Subsidiary	Kazakhstan	Water transportation	100%	100%

* BOT has the exclusive right to manage 100% of the shares of “Batumi Sea Port” LLC (hereinafter – BSP) and exercises control over the BSP's activities.

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

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

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

The Company is the national operator of the Republic of Kazakhstan on the main oil pipeline. The Group operates network of main oil pipelines of 5,338 km and water pipelines of 2,307 km. The Company provides services on oil transportation via main pipelines, a transport expedition of Kazakhstani oil via pipeline networks of other states, services for the operation and maintenance of oil pipelines of other companies, including joint ventures of the Group. Group’s joint ventures MunaiTas and KCP own Kenkiyak-Atyrau, Kenkiyak-Kumkol, and Atasu-Alashankou pipelines mainly used for transportation of Kazakhstani crude oil, and also for transit of Russian oil to China.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL (continued)

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

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

The approved tariff for pumping oil to the domestic market starting from 1 January to 30 June 2023 was 4,355.57 Tenge per ton for 1,000 kilometers without VAT, from 1 July 2023 to 30 June 2024 – 4,849.39 Tenge per ton for 1,000 kilometers without VAT, from 1 July 2024 to 31 August 2024 – 4,851.87 Tenge per ton for 1,000 kilometers without VAT, from 1 September 2024 to 30 November 2024 – 4,396.23 Tenge per ton for 1,000 kilometers without VAT, from 1 December 2024 to 30 November 2025 – is 4,461.76 Tenge per ton for 1,000 kilometers without VAT.

Tariff for pumping oil on export from the Republic of Kazakhstan from 1 June 2022 to 30 June 2023 was 8,830.51 Tenge per ton for 1,000 km without VAT, from 1 July 2023 to 31 December 2024 – 10,150.00 Tenge per ton for 1,000 km without VAT, starting from 1 January 2025 – 11,300.00 Tenge per ton for 1,000 km without VAT.

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

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

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

These consolidated financial statements were approved by Internal Audit Committee of the Company’s Board of Directors on 12 March 2025 and signed by the General Director (Chairman of the Management Board) and the Chief Accountant on 13 March 2025.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group (hereinafter – the consolidated financial statements) have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (hereinafter – IASB).

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

The consolidated financial statements are presented in Tenge and all amounts are rounded to the nearest thousands, except for earnings per basic share, book value per basic share and special cases indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

In preparing the consolidated financial statements, the Group's management considered the current economic and geopolitical situation in the world, taking into account the presence of a number of uncertainties, including the war in Ukraine (*Note 37*). The consolidated financial statements were prepared in accordance with a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**4.1 Interest in a joint venture**

The Group has interests in joint operations in the form of joint ventures.

The Group's investment in its joint ventures is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

4.2 Foreign currency translation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2 Foreign currency translation (continued)***Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction first qualified for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All exchange differences arising from repayment and recalculation of monetary items, are included in consolidated profit or loss and other 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. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Tenge at the rate of exchange prevailing at the reporting date and their income statements are translated at weighted average currency exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange at the reporting date.

Exchange rates

Weighted average currency exchange rates established by the KASE are used as official currency exchange rates in the Republic of Kazakhstan.

Weighted average currency exchange rates for the year ended 31 December 2024 and 2023 are as follows:

<i>Tenge</i>	For the year ended 31 December	
	2024	2023
US Dollars	469.31	456.21
Russian Rubles	5.07	5.41
Euro	507.63	493.22
Georgian Lari	174.34	175.78

As at 31 December the currency exchange rates of KASE are as follows:

<i>Tenge</i>	2024	2023
US Dollars	525.11	454.56
Russian Rubles	4.88	5.06
Euro	546.74	502.24
Georgian Lari	188.89	170.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.3 Current versus non-current classification of assets and liabilities**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- At the end of the reporting period, the Group does not have the right to delay repayment of the obligation for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation models that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For assets and liabilities that are recognised in the consolidated financial statements 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Fair value measurement (continued)

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group and external appraisers also compare changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purposes of the disclosure of the fair value the Group classified assets and liabilities based on their nature, characteristics and risks inherent in them, as well as the applicable level in the fair value hierarchy, as described above.

An analysis of the fair value of property, plant and equipment and additional information about the methods of its definition are provided in *Notes 5.1*.

4.5 Property, plant and equipment

Property, plant and equipment initially are recognized at cost. The subsequent accounting is carried out at fair value, representing the fair value at the revaluation date less subsequent accumulated depreciation (except for land, technological oil and construction in process) and subsequent accumulated impairment losses recognised after the date of the revaluation, if any.

The Group periodically engages independent appraisers to revalue property, plant and equipment to their fair value. According to Accounting Policy property, plant and equipment is revalued at least 1 time in 3 years (except for technological oil, which is revalued during the period when the fair value changes) in order to ensure that fair value of the revalued asset does not significantly differ from its book value.

Any revaluation surplus is recorded in other comprehensive income and, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as expense in the statement of comprehensive income, in this case the increase is recognised through profit in the statement of comprehensive income. A revaluation deficit is recognised as expense in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation and impairment as at the revaluation date, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred.

In identifying excess of technological oil the Group assesses whether the transferred item from customers meets the definition of an asset, and if it is so, recognises the transferred asset as property, plant and equipment. At initial recognition such property, plant and equipment is measured at zero cost and revalued at each reporting date.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Further detailed information about the recognized asset retirement and land recultivation obligation is disclosed in *Notes 4.14, 5.9, 25*.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Pipelines	5-42
Transportation assets	10-12
Buildings	5-45
Machinery, transfer devices and equipment	4-30
Other	3-25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.5 Property, plant and equipment (continued)**

According to the Group's accounting policy technological oil, construction in progress and land are not subject to depreciation.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is provided on a straight-line basis over the estimated useful economic life of the assets. Intangible assets are generally amortized over seven-ten years. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognised.

4.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (hereinafter – CGU) fair value less costs to sell and its value in use of the asset (CGU).

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less selling costs, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.7 Impairment of non-financial assets (continued)**

Impairment losses of continuing operations (including impairment on inventories) are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for the previously overvalued property, plant and equipment when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount previously conducted revaluation.

At each reporting date the Group makes an assessment as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised through profit or loss, unless the asset is carried at revalued amount. In the latter case the reversal is treated as a revaluation increase.

Information on impairment of non-financial assets is disclosed in *Notes 5.1, 6*.

4.8 Financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way" trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term bank deposits, trade and other receivables, and investments in bonds, notes of the National Bank, reverse repo transactions.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.8 Financial assets (continued)***Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other accounts receivables, funds in credit institutions (cash and cash equivalents, bank deposits, Notes of the National Bank, bonds of Samruk-Kazyna, reverse repo transactions).

Financial assets measured at fair value through profit or loss

A financial asset should be measured at fair value through profit or loss, except when it is measured at amortised cost or at fair value through other comprehensive income. The Group classifies investments in bonds as financial assets measured at fair value through profit or loss (*Note 16*). The Group does not have financial assets measured at fair value through other comprehensive income.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised (e.g., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4.9 Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (*Note 5.5*);
- Trade and other accounts receivable (*Note 12*);
- Bank deposits (*Note 16*);
- Cash and cash equivalents, reverse repo transactions (*Note 17*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.9 Impairment of financial assets (continued)**

The Group recognises an allowance for expected credit losses (ECLs) for all loans and other debt financial assets that are not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. ECLs are discounted at an approximation of the original effective interest rate for a similar instrument with a similar credit rating.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision model that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For funds in credit institutions (bank deposits, cash and cash equivalents, reverse repo transactions), Notes of the National Bank, bonds of Samruk-Kazyna, the Group calculated ECLs based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. Also it is considered a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

4.10 Financial liabilities***Initial recognition and measurement***

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of the subsequent measurement of financial liabilities of the Group are classified financial liabilities at amortised cost.

Financial liabilities at amortised cost

This category is the most significant for the Group. After initial recognition, such liabilities are measured at amortised cost using the effective interest method. Gains and losses on such financial liabilities are recognized in profit or loss as depreciation is calculated using the effective interest rate. Amortized cost is calculated taking into account discounts or premiums on acquisition, as well as commissions or costs, which are an integral part of the effective interest rate. Depreciation of the effective interest rate is included in finance costs in the statement of profit or loss.

In this category, the Group includes trade and other payables, loans, issued debt securities and lease obligations.

Borrowing and issued debt securities costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such an asset. Other borrowing and issued debt securities costs are recognized as expenses at the time of occurrence. More detailed information is provided in *Notes 19, 20*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.10 Financial liabilities (continued)*****Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income as income or expense.

4.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.12 Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of inventories is determined by using of FIFO basis.

4.13 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand, cash at banks, short-term deposits and other short-term highly liquid investments (reverse repo transactions) with a maturity of three months or less. For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash, short-term deposits and other short-term highly liquid investments as defined above, net of outstanding bank overdrafts.

4.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss excluding any reimbursement.

The Group records a provision on asset retirement and land reclamation obligation. Provisions on asset retirement and land reclamation obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the asset retirement and land reclamation obligation. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of comprehensive income as a finance cost.

The estimated future costs on asset retirement and land reclamation obligation are reviewed annually and adjusted as appropriate. Changes in expected future costs or in the applicable discount rate change the amount of the revaluation reserve for an asset previously recognized in relation to that asset, so that:

- a decrease in a liability is recognized in other comprehensive income and recorded as an increase in the revaluation reserve for an asset, and it is recognized in profit or loss to the extent that it reverses the revaluation decrease previously recognized in profit or loss.;
- an increase in a liability should be recognized in profit or loss, while it should be recognized in other comprehensive income and reduce the amount of the asset revaluation reserve in the amount of the previously accumulated credit balance in the account of the asset revaluation reserve of the corresponding asset.

When the related asset reaches the end of its useful life, all subsequent changes to the liability are recognized in profit or loss as incurred. (*Notes 5.9, 25*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.15 Employee benefits**

The Group provides long-term employee benefits to employees before, on and after retirement, in accordance with the Collective agreements between the Group's companies and its employees and Company's Rule of social support of non-working pensioners and disabled people. The Collective agreement provides for one-off retirement payments, financial aid for employees' disability, anniversaries and funeral. The entitlement to benefits is usually conditional on the employee remaining in service up to retirement age.

The expected costs of the benefits associated with one-off retirement payments are accrued over the period of employment using the same accounting methodology as used for defined benefit post-employment plans with defined payments on the end of labor activity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

Other movements are recognised in the current period, including current service cost, any past services cost and the effect of any curtailments or settlements.

The most significant assumptions used in accounting for defined benefit obligations are discount rate, mortality rate, future increase of salary and financial aid. The discount rate is used to determine the net present value of future liabilities and each year the unwinding of the discount on those liabilities is charged to the consolidated statement of comprehensive income as interest cost. The mortality assumption, future increase of salary and financial aid are used to project the future stream of benefit payments, which is then discounted to arrive at a net present value of liabilities.

The results of the revaluation of employee benefits obligations, including actuarial gains and losses, are recognized by the Group as follows:

- Remuneration after termination of employment through other comprehensive income. In subsequent periods, the revaluation results will not be reclassified to profit or loss;
- Other long-term benefits through profit or loss.

Net interest is calculated by applying the discount rate to the net defined benefit obligations. The Group recognises the following changes in the net defined benefit obligation under "cost of sales", "administration expenses" and "finance expenses" in consolidated statement of comprehensive income (by function):

- Service costs comprising current service costs, past-service costs;
- Net interest expense or income.

Employee benefits except for one-time severance payments, post-employment benefits are considered as other long-term employee benefits.

The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for the defined benefit plan.

These obligations are valued by independent qualified actuaries on an annual basis. More information is disclosed in *Notes 5.8, 21*.

4.16 Revenue and other income recognition

The Group's activities mainly relates to the transportation of oil and water through main pipelines on the territory of the Republic of Kazakhstan, as well as to the transshipment of oil and oil products in Georgia.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The Group has concluded that it is acting as a principal in all of its revenue arrangements (as it typically controls the goods or services before transferring them to the customer), except for transportation expedition contract where the Group is acting as an agent for which the Group recognizes revenue commission for its services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.16 Revenue and other income recognition (continued)**

In the consolidated financial statements, the Group generally recognizes revenue for the following types:

Transportation of crude oil and water, transshipment of oil and petroleum products and transportation by rail

Revenue from rendering of transportation and transshipment services is recognized at a point in time on the basis of actual volumes of oil and water transported during the reporting period.

Rendering of pipeline operation and maintenance services

Revenues from pipeline operation and maintenance services are recognized over time, as the buyer simultaneously receives and benefits from the performance of the Group's contractual obligations.

Seaport services

The seaport's services include BSP services for transshipment of dry cargo, and revenue from ship maintenance in the port. Revenue is recognized at the time the services are rendered.

Oil and petroleum products storage services

Oil and petroleum products storage services are related to the storage of transported oil before it is shipped to the recipient. Revenue is recognized at the time of providing services based on the actual volume and storage period of oil and petroleum products.

Oil transportation coordination services

Provision of freight forwarding services is related to the transportation of Kazakh oil through the territory of the Russian Federation. Revenue is recognized at the time the services are provided.

Rendering of other services

Revenue from rendering of other services is recognized as services are provided.

Fees for undelivered oil volumes

Income from fees for undelivered oil volumes is recognized for nominated and non-delivered oil volumes under oil transportation contracts on "ship or pay" terms.

Interest income

For all financial instruments measured at amortized cost, interest income or expense are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statement of comprehensive income.

In preparing to adopt IFRS 15, the Group is considering the following:

Variable consideration

IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue.

The variable consideration is absent in contracts with customers, due to the absence of discounts, credit payment, concessions in price, incentives, bonuses for results or other similar items. This update will have no effect on revenue recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.16 Revenue and other income recognition (continued)***Principal versus agent considerations*

IFRS 15 requires assessment of whether the Group controls a specified good or service before it is transferred to the customer / customer's buyer.

The Group determined that it acts as a principal for all contracts under which revenue is recognized (since it controls the promised service before it is transferred to customer or to customer's buyer), except for contracts on oil transportation coordination services where Group determined that it does not control the services before they are accepted by the customer's buyer. Hence, Group is an agent, rather than principal in these contracts on oil transportation coordination services.

Advances received from customers

Advance payments received from customers are contractual liabilities. The contractual liabilities are the liabilities to transfer to the buyer the goods or services for which the Group has received compensation from the buyer. If the buyer pays compensation before the Group transfers the product or service to the buyer, the contractual obligation is recognized at the time the payment is made or at the time the payment becomes payable (whichever is earlier). Contractual liabilities are recognized as revenue when the Group fulfills its contractual liabilities.

Under IFRS 15, the Group must determine whether there is a significant financing component in its contracts.

The Group receives only short-term advances from its customers. They are presented as part of contract liabilities to customers. The Group determined that the length of time between the delivery of the services to the customer by the Group and the time when the customer pays for such services is relatively short. Therefore, the Group has concluded that given contracts do not contain significant financing component.

In accordance with the requirements for the consolidated financial statements, the Group has detailed information on revenue recognized under contracts with customers in categories reflecting how economic factors influence the nature, size, timing and uncertainty of revenue and cash flows. Disclosure of detailed revenue is discussed in *Note 27*.

The recognition and measurement requirements in IFRS 15 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property and equipment and intangible assets), when that disposal is not in the ordinary course of business. These changes did not affect to the consolidated financial statements of the Group.

4.17 Taxes*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised in other comprehensive income is recognised in equity and not in the statement of comprehensive income. Management of the Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.17 Taxes (continued)***Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Value added tax (VAT)

Tax authorities allow VAT repayments on sales and acquisitions to be made on a net basis. VAT recoverable represents VAT on acquisitions in the domestic market, less VAT on sales in the domestic market. Export sales are zero rated.

Revenue, expenses and assets are recognized after deduction of VAT, except for instances, where amount of VAT is recognized as a part of costs for asset acquisitions or as a part of expenses; in this case, VAT is recognized, respectively, as part of the cost of acquiring the asset or as part of the expense item.

Due to specifics of tax legislation and the Group's operations a certain part of input VAT can be carried over into subsequent years. Such portion of VAT is classified as long-term asset and assessed for impairment and considered as a corporate asset allocated to existing CGU. Receivables and payables are stated including VAT.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.17 Taxes (continued)***Value added tax (VAT) (continued)*

The net amount of sales tax recoverable from or payable to, the taxation authority is included as part of VAT recoverable, other taxes prepaid and other taxes payable in the statement of financial position.

4.18 Changes in accounting policies and disclosures

The applied accounting policy is in line with the accounting policy applied in the previous reporting year, with the exception of the acceptance of the following new IFRS effective from 1 January 2024.

New standards, interpretations and amendments to existing standards and interpretations

Some standards and amendments are applied for the first time in 2024. The nature and the impact of each new standard or amendment are described below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

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

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

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.18 Changes in accounting policies and disclosures (continued)***Standards issued but not yet effective*

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group is a publicly accountable entity, it does not meet the criteria for applying IFRS 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.18 Changes in accounting policies and disclosures (continued)***Standards issued but not yet effective (continued)**Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 regarding the derecognition of financial liabilities settled through electronic transfer, classification of financial assets and disclosure of information. The amendments are effective for annual periods beginning on or after January 1, 2026. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 - "Contracts Referring to Electricity Dependent on Natural Resources"

In December 2024, the IASB issued "Contracts Referring to Electricity Dependent on Natural Resources" (amendments to IFRS 9 and IFRS 7) for contracts for the purchase or sale of renewable electricity having certain characteristics. The amendments are effective for annual periods beginning on or after 1 January 2026. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk management and policies (*Note 38*);
- Sensitivity analyses disclosures (*Note 38*).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

The Group accounts for property, plant and equipment at revalued amounts, representing their fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Group performed a revaluation of property, plant and equipment at the end of 2022. The Group has engaged independent external appraisers to determine the fair value of its property, plant and equipment.

The valuation methods used by the Group in assessment and analyses of the fair value of property, plant and equipment are considered from the perspective of the highest and best use of the valued asset. The highest and best use of the Group's assets, except BOT, is their use in operating activities.

The highest and best use of the BOT's assets is their sale. Accordingly, the fair value of BOT's property, plant and equipment is determined using a comparative approach (market approach). The inputs used to determine their fair value belong to the 2nd level in the fair value hierarchy (unquoted observable inputs).

The highest and best use of the Main Waterline's assets is their use in conjunction with the assets of oil production companies in the region.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Estimates and assumptions (continued)****5.1 Fair value measurement of the Group's property, plant and equipment (continued)**

The Group's property, plant and equipment, except for BOT, are mainly presented by specialized assets and inputs used in determining their fair value are Level 3 inputs in the fair value hierarchy (unobservable inputs).

The initial inputs used for determining the fair value of non-specialized assets (office buildings, land, vehicles, and certain other non-specialized assets) belong to Level 2 in the fair value hierarchy (unquoted observable inputs).

The methodology used in valuation of the specialized assets of the Group's companies, except BOT, was initially based depreciable replacement cost ("cost method"). In accordance with international valuation standards, when determining the value of property, plant and equipment using a cost-based approach for specialized assets, it is necessary to consider the economic obsolescence test. For determining the amount of economic obsolescence of specialized fixed assets of the Group's companies (except for BOT and the Main Waterline), the appraiser conducts an economic obsolescence test using discounted future cash flows under the income approach. If the value of a specialized asset, determined on the basis of the cost approach, is greater than the income approach, it is necessary to make an adjustment for economic obsolescence.

The fair value of assets is defined as the value of the business, adjusted for the fair value of net working capital. The Group's management has identified two cash-generating units (CGUs) — CGU Oil Transportation (Company) and BSP CGU. The Company's cash flow forecasting is based on forecasts of oil volume turnover according to customers' requests and on expected future oil transportation tariffs. Forecasting BSP's cash flows is based on expected tariffs and volumes of seaport services. Cash flows in the post-forecast period are determined based on the extrapolation of forecast data using a long-term growth rate.

In the course of an independent assessment conducted in 2022, the results obtained in terms of income approach of the CGU Oil Transportation (Company) and BSP CGU were lower than those determined by the residual replacement cost and, therefore, an adjustment for economic obsolescence was made.

According to the results of the independent appraisal in 2022, the carrying value of property, plant and equipment of the Group (excluding technological oil) increased by 135,460,032 thousand tenge, including the net revaluation through the asset revaluation reserve in the amount of 148,348,617 thousand tenge, and the net markdown through profit and loss was recognized in the amount of 12,888,585 thousand tenge.

The Group performed an analysis of property, plant and equipment at the end of 2023 and determined that there were no significant differences between the carrying amount of the Group's property, plant and equipment (with the exception of the Company) and the amount which would have been determined using fair value as at 31 December 2023.

According to the analysis of the fair value of the Company's assets (CGU Oil Transportation) using discounted future cash flows as at 31 December 2023, the Group recognized a decrease in the carrying amount of Company's the property, plant and equipment by 12,179,036 thousand tenge, including through the asset revaluation reserve by 7,638,849 thousand tenge and through profit and loss by 4,540,187 thousand tenge (*Note 6*). This decrease in the fair value of CGU assets was due to a decrease in the projected volume of oil volume turnover and a change in the discount rate (WACC).

As at 31 December 2024, the Group performed a fair value analysis of property, plant and equipment and determined that there were no significant differences between the carrying amount of the Group's property, plant and equipment and the amount which would have been determined using their fair value as at 31 December 2024.

The main assumptions used to estimate the fair value of CGU as at 31 December 2024 and 2023:

	Cash-generating units			
	Oil Transportation (Company)		BSP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Discount rate (WACC)	16.96%	17.43%	13.9%	13.9%
Long-term growth rate	4%	4%	2%	2%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Estimates and assumptions (continued)****5.1 Fair value measurement of the Group's property, plant and equipment (continued)**

Sensitivity analysis of value of property plant and equipment for the change in the discount rate and long-term growth rate is as follows:

<i>In millions of Tenge</i>	(Decrease)/ increase in rate	(Decrease)/increase in value of property, plant and equipment	
		Oil transportation (Company) CGU	BSP CGU
Discount rate (WACC)	-0.5%	25,050	1,237
	+0.5%	(23,152)	(1,136)
Long-term growth rate	-0.5%	(15,761)	(723)
	+0.5%	17,026	786

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

In addition, during 2024, the Group recognized a decrease in the fair value of individual fixed assets in the total amount of 368,462 thousand tenge (in 2023: 979,515 thousand tenge, including 788,922 thousand tenge through the revaluation reserve and 190,593 thousand tenge through profit and loss (*Note 6*)).

5.2 Revaluation of technological oil

Technological oil is revalued at each reporting date, due to the fact that fluctuations are quite frequent and significant. Technological oil of the Company was revalued on each reporting date of interim periods and on 31 December 2024 and 2023.

Input data for determining the fair value of technological oil refer to Level 2 in the fair value hierarchy (unquoted observable inputs).

The following judgments were taken into account by the Group's management when determining fair value of technological oil:

- Technological oil is an integral part of the process of operating the pipeline without which the transportation is not possible and, accordingly, the object of valuation is a specialized asset;
- Tariffs are being closely monitored by CRNM and the Government (except export tariffs and transit through the territory of Kazakhstan) to ensure they will not adversely affect general price index in the country, and thus may be set at the level which will not allow to recover cost of oil, if it was valued at international market price;
- And if the Group needs to buy additional oil to fill in new parts of pipeline, it would use the terms of the transportation agreements, according to which the oil extracting entities, upon the request of the Group, provide oil to fill the system of the Group's main pipelines;
- For the oil extracting entities there is an internal or tolling price for oil, which is delivered to the refineries of the KMG Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)**Estimates and assumptions (continued)****5.2 Revaluation of technological oil (continued)**

Taking into account all these factors as at 31 December 2024 the fair value of the Group's technological oil was determined based on the price of 85,863 Tenge per ton (as at 31 December 2023: 84,524 Tenge per ton). Other comprehensive income from the effect of the change in fair value of the technological oil during 2024 was equal to 3,628,263 thousand Tenge (during 2023: 1,262,334 thousand Tenge). In addition, during 2024 other comprehensive income from the revaluation of technological oil surplus in the amount of 2,468,218 thousand Tenge (during 2023: 3,980,489 thousand Tenge) and a loss from the write-off of oil shortage in the amount of 22,049 thousand Tenge (during 2023: 7,717 thousand Tenge). During 2024 as a result of revaluation technological oil the net other comprehensive income was equal to 6,096,481 thousand Tenge (during 2023: 5,242,823 thousand Tenge) (*Note 6*).

The volume of oil in the pipeline as at 31 December 2024 amounted to 2,738 thousand tons (31 December 2023: 2,710 thousand tons). According to the results of stock count of oil held at the end of 2024 the surpluses in the amount of 28,746 tons (for 2023: 47,093 tons).

5.3 Useful lives of items of property, plant and equipment

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

5.4 Reserves for the impairment of advances to suppliers

The Group recognized reserve for the impairment of long-term and short-term advances to suppliers. In estimating the reserve historical and anticipated suppliers performance are considered. Changes in the economy, industry and specific characteristics may affect the reserves recorded in the consolidated financial statements.

As at 31 December 2024 and 2023 these reserves have been created for the amount of 999,094 thousand Tenge and 872,104 thousand Tenge, respectively (*Notes 10, 13*).

5.5 Allowances for financial assets

The Group recognises allowances for expected credit losses for trade accounts receivable and funds in credit institutions (cash and cash equivalents, bank deposits), reverse repo transactions, Notes of the National Bank and bonds of Samruk-Kazyna.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated expected credit losses based on lifetime of these financial instruments. The Group used a provision model that is prepared taking into account historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For funds in credit institutions (bank deposits, cash and cash equivalents), reverse repo transactions and Notes of the National Bank, investments in bonds, the Group calculated expected credit losses based on the 12-month period. The 12-month expected credit losses is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit losses.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. Also it is considered a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

As at 31 December 2024 and 2023 allowance for expected credit losses was created in the amount of 6,268,983 thousand Tenge and 5,476,500 thousand Tenge, respectively (*Notes 12, 16, 17*). The main amount of the accrued reserve is related to overdue accounts receivable of consumers of oil transshipment services (BOT and PTL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Estimates and assumptions (continued)****5.6 Deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The amount of recognized deferred tax assets as at 31 December 2024 was 26,934,819 thousand Tenge (as at 31 December 2023: 24,805,588 thousand Tenge) (*Note 34*).

5.7 Tax provision

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of inspections by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax inspections and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the country.

5.8 Employee benefits

The cost of defined long-term employee benefits to employees before, on and after retirement and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

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

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

As the estimated discount rate, the Group uses risk-free rates on government securities of the Republic of Kazakhstan or US Treasury bonds (adjusted for country risk and inflation rate of the Republic of Kazakhstan), with maturities corresponding to the expected duration of the employee benefits obligation.

The mortality rate is based on publicly available mortality tables. Increase in future salary and pension is based on expected future inflation rates for the respective country.

Principal actuarial assumptions used for valuation of employee benefit obligations as at 31 December 2024 and 2023 were as follows:

	2024	2023
Discount rate	11.42%	10.93%
Future financial aid increase	7.09%	7.15%
Future salary increase	6.02%	5.63%
Mortality rate	4.32%	5.44%

As at 31 December 2024 the average period of post-retirement benefit obligations were 18.1 years (as at 31 December 2023: 17.98 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Estimates and assumptions (continued)****5.8 Employee benefits (continued)**

Sensitivity analysis of employee benefit obligations for the change in significant estimates as at 31 December 2024 is as follows:

<i>In thousands of Tenge</i>	(Decrease)/ increase in rate	Increase/ (decrease) in obligation
Discount rate	-0.5% +0.5%	1,270,481 (1,161,936)
Future financial aid increase	-1.0% +1.0%	(2,351,951) 2,559,276
Future salary increase	-1.0% +1.0%	(219,487) 255,316
Life duration	-1 year +1 year	(208,049) 206,970

5.9 Asset retirement and land reclamation obligation

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

<i>As a percentage</i>	2024	2023
Discount rate	9.99%	8.77%
Inflation rate	5.34%	4.75%
Period of fulfillment of obligations	16 years	11 years

As at 31 December 2024, the Group revised its estimates for asset retirement and land reclamation obligation. At the same time, taking into account that the Group conducts regular diagnostics and maintains its production facilities, periodically modernizing and reconstructing them, which leads to a regular extension of their actual service life, as well as taking into account forecasts of oil production and distribution in the Republic of Kazakhstan, the deadline for fulfilling obligations was extended until the end of 2040 (31 December 2023: until the end of 2034).

As the estimate discount rates the Group uses risk-free rates of US Treasury bonds, with maturities corresponding to the expected duration of the asset retirement and land reclamation obligation adjusted for country risk and inflation rate of the Republic of Kazakhstan.

As at 31 December 2024 the carrying amount of the asset retirement and land reclamation obligation was 37,405,274 thousand Tenge (31 December 2023: 45,648,971 thousand Tenge) (Note 25) and includes the corresponding provisions for oil pipelines, oil pumping stations (OPS) and landfills.

Provisions for oil pipelines

According to the Law of the Republic of Kazakhstan *About the Main Pipeline* which came into force on 4 July 2012, the Group has a legal obligation to decommission its oil pipelines at the end of their operating life and to restore the land to its original condition. Activities on land reclamation are carried out when replacing the pipelines at the end of their useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Estimates and assumptions (continued)****5.9 Asset retirement and land recultivation obligation(continued)***Provisions for OPS*

In accordance with the amendments made to the Environmental Code of the Republic of Kazakhstan, after the termination of the operation of facilities that have a negative impact on the environment, the operators (owners) of facilities are obliged to ensure the elimination of the consequences of the operation of facilities in accordance with the requirements of the legislation of the Republic of Kazakhstan. As part of the elimination of the consequences of the operation of facilities that have a negative impact on the environment, work should be carried out to bring land plots into a condition that ensures the safety and (or) human health, environmental protection and suitable for their further use for their intended purpose, in accordance with the procedure provided for by the land legislation of the Republic of Kazakhstan. According to the Environmental Code of the Republic of Kazakhstan, the objects of the Group belong to category II, which have a moderate negative impact on the environment. Accordingly, in 2022, the Group created a reserve for decommissioning and recultivation of the OPS lands.

Provisions for landfills

The provisions for landfills are created in 2013 in accordance with the requirements of Environmental Code of the Republic of Kazakhstan.

Assessing the cost of rehabilitation of the environment is subject to potential changes in environmental requirements and interpretations of the law. Furthermore uncertainties in the estimates of these costs include potential changes in regulatory requirements, alternative disposal and recovery of damaged land and levels of discount and inflation rates, and the time, when such obligations will be due.

Sensitivity analysis of asset retirement and land recultivation obligation for the change in significant assumptions as at 31 December 2024 is as follows:

<i>In thousands of Tenge</i>	(Decrease)/ increase in rate	(Decrease)/ increase
Discount rate	-0.5%	2,731,457
	+0.5%	(2,532,210)
Inflation rate	-0.5%	(2,651,527)
	+0.5%	2,842,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. PROPERTY, PLANT AND EQUIPMENT**

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

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machinery, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
Gross carrying amount as at 1 January 2023	35,758,195	288,748,783	63,679,340	25,773,334	114,694,800	184,827,500	223,788,482	11,777,797	28,277,398	977,325,629
Foreign currency translation	(431,820)	-	-	(71,546)	(154,172)	(98,805)	-	7,295	(36,278)	(785,326)
Additions	4,760	4,898	-	3,137,346	711,631	2,514,859	-	678,899	174,798,655	181,851,048
Capitalized costs on debt financial instruments (Notes 19, 20)	-	-	-	-	-	-	-	-	8,218,340	8,218,340
Disposals	(80,983)	(298,912)	-	(8,520)	(1,233,742)	(136,438)	(7,717)	(204,101)	(12,429)	(1,982,842)
Additions related to asset retirement and land reclamation obligation (Note 25)	-	36,142	-	-	-	-	-	-	-	36,142
Revaluation (through asset revaluation reserve) (Note 5.2)	-	-	-	-	-	-	5,242,823	-	-	5,242,823
Transfers to inventory	-	(1,268,199)	-	(92,744)	(16,292)	(83,078)	-	(907)	(125,100)	(1,586,320)
Transfers from construction-in-progress	663	3,886,503	107,129,476	210,878	8,712,720	16,182,881	-	651,605	(136,774,726)	-
Transfers and reclassifications	-	(1,197,382)	-	(80,749)	(38,990)	(393,107)	-	(1,291)	1,711,519	-
Gross carrying amount as at 31 December 2023	35,250,815	289,911,833	170,808,816	28,867,999	122,675,955	202,813,812	229,023,588	12,909,297	76,057,379	1,168,319,494
Foreign currency translation	3,765,747	-	-	973,647	1,305,154	1,038,358	-	61,268	493,226	7,637,400
Additions	-	-	-	3,064,768	91,265	2,722,048	-	1,104,344	52,844,680	59,827,105
Disposals	-	(57,833)	-	(11,193)	(202,299)	(544,535)	(22,049)	(526,777)	(12,382)	(1,377,068)
Additions related to asset retirement and land reclamation obligation (Note 25)	-	54,820	-	-	189,057	-	-	-	-	243,877
Revaluation (through asset revaluation reserve) (Note 5.2)	-	-	-	-	-	-	6,096,481	-	-	6,096,481
Transfers from non-current assets held for sale	16,231	-	-	-	6,037	-	-	-	-	22,268
Transfers to inventory	-	(157,283)	-	(212,826)	(26,313)	(472,395)	-	(12,015)	(15,481)	(896,313)
Transfers from construction-in-progress	-	4,311,262	-	3,121,907	5,581,990	16,974,250	-	413,859	(30,403,268)	-
Transfers and reclassifications	-	(24,173)	-	(483)	-	35,444	-	(27,612)	16,824	-
Gross carrying amount as at 31 December 2024	39,032,793	294,038,626	170,808,816	35,803,819	129,620,846	222,566,982	235,098,020	13,922,364	98,980,978	1,239,873,244

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machinery, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
Accumulated depreciation and impairment as at 1 January 2023	-	-	(1,021,999)	(213,245)	(382,770)	(1,068,551)	-	(43,137)	-	(2,729,702)
Foreign currency translation	-	-	-	12,021	10,964	18,870	-	858	-	42,713
Depreciation charge	-	(21,324,798)	(4,011,836)	(5,397,433)	(7,559,599)	(27,956,926)	-	(3,955,157)	-	(70,205,749)
Disposals	15,852	260,986	-	8,416	329,147	106,556	5,786	203,279	-	930,022
Transfers to inventory	-	802,227	-	75,210	6,286	62,744	-	830	-	947,297
Impairment (through profit and loss)	-	(2,218,829)	-	(4,049)	(458,202)	(557,030)	-	(5,484)	(1,487,186)	(4,730,780)
Impairment (through asset revaluation reserve)	(15,852)	(4,428,420)	-	(1,257)	(1,652,428)	(2,136,247)	(5,786)	(124,201)	(63,580)	(8,427,771)
Accumulated depreciation and impairment as at 31 December 2023	-	(26,908,834)	(5,033,835)	(5,520,337)	(9,706,602)	(31,530,584)	-	(3,923,012)	(1,550,766)	(84,173,970)
Foreign currency translation	-	-	-	(172,698)	(135,674)	(211,646)	-	(16,279)	-	(536,297)
Depreciation charge	-	(21,058,743)	(6,575,570)	(4,271,853)	(7,265,202)	(22,541,943)	-	(2,856,095)	-	(64,569,406)
Disposals	-	57,834	-	9,308	138,144	508,945	18,044	512,917	8,457	1,253,649
Transfers to inventory	-	153,043	-	212,400	24,760	465,273	-	11,266	69	866,811
Impairment (through profit and loss)	(3,413)	(32,857)	-	(27,670)	(4,937)	(28,030)	-	(351)	(271,204)	(368,462)
Impairment (through asset revaluation reserve)	(12,818)	(5)	-	(2,032)	(6,889)	(5,403)	(18,044)	(6)	(15,938)	(61,135)
Transfers from construction-in-progress	-	(65,550)	-	-	(46,666)	(122,273)	-	(1,847)	236,336	-
Transfers and reclassifications	-	-	-	483	-	(730)	-	247	-	-
Accumulated depreciation and impairment as at 31 December 2024	(16,231)	(47,855,112)	(11,609,405)	(9,772,399)	(17,003,066)	(53,466,391)	-	(6,273,160)	(1,593,046)	(147,588,810)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In thousands of Tenge</i>	Land	Oil pipelines	Water pipelines	Transportation assets	Buildings and constructions	Machinery, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
As at 31 December 2024										
Gross carrying amount	39,032,793	294,038,626	170,808,816	35,803,819	129,620,846	222,566,982	235,098,020	13,922,364	98,980,978	1,239,873,244
Accumulated depreciation and impairment	(16,231)	(47,855,112)	(11,609,405)	(9,772,399)	(17,003,066)	(53,466,391)	–	(6,273,160)	(1,593,046)	(147,588,810)
Net book value	39,016,562	246,183,514	159,199,411	26,031,420	112,617,780	169,100,591	235,098,020	7,649,204	97,387,932	1,092,284,434
As at 31 December 2023										
Gross carrying amount	35,250,815	289,911,833	170,808,816	28,867,999	122,675,955	202,813,812	229,023,588	12,909,297	76,057,379	1,168,319,494
Accumulated depreciation and impairment	–	(26,908,834)	(5,033,835)	(5,520,337)	(9,706,602)	(31,530,584)	–	(3,923,012)	(1,550,766)	(84,173,970)
Net book value	35,250,815	263,002,999	165,774,981	23,347,662	112,969,353	171,283,228	229,023,588	8,986,285	74,506,613	1,084,145,524

The carrying value of each revalued class of property, plant and equipment that would have been recognized in the consolidated financial statements had the assets been carried at cost less any accumulated depreciation and any accumulated impairment loss is as follows:

<i>In thousands of Tenge</i>	Land	Pipelines	Transportation assets	Buildings and constructions	Machinery, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
As at 31 December 2024	29,149,643	173,580,237	23,092,843	79,936,801	277,336,732	30,270,415	4,134,418	98,612,032	716,113,121
As at 31 December 2023	25,383,825	185,440,267	18,934,819	81,675,140	276,530,986	30,270,415	3,904,078	76,050,941	698,190,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

As at 31 December 2024 and 2023 construction in progress mainly includes the following production facilities:

- Replacement of pipeline sections of main oil pipelines;
- Replacement, reconstruction and construction of the objects of main oil pipelines and main waterline (pumping stations, communication lines, oil reservoirs, power supply and other).

As at 31 December 2024:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated plant and equipment still in use were 730,589 thousand Tenge (as at 31 December 2023: 8,712 Tenge);
- Construction in progress included materials and spare parts in the amount of 2,090,987 thousand Tenge (as at 31 December 2023: 4,206,770 thousand Tenge), which were acquired for construction works.

Depreciation for the year ended 31 December 2024, included in the cost of construction in progress amounted to 20,015 thousand Tenge (for the year ended 31 December 2023: 22,037 thousand Tenge).

Under the agreement of construction of the supply oil pipeline during 2024, the oil pipeline for the amount 824,757 thousand Tenge were received free of charge and put into operation (*Note 22*).

7. RIGHT-OF-USE ASSETS

Right-of-use assets as at 31 December 2023 and 2024 are as follows:

<i>In thousands of Tenge</i>	Right-of-use assets				Total
	Land and other assets	Transportation assets	Buildings and constructions	Machinery, equipment and transfer devices	
Net book value as at 1 January 2023	69,072	363,070	325,020	159,903	917,065
Additions (<i>Note 24</i>)	684	7,514,228	130,734	-	7,645,646
Modification of contracts (<i>Note 24</i>)	-	283,158	72,159	4,210	359,527
Disposals	-	-	(135,330)	(114,694)	(250,024)
Amortization charge	(2,260)	(1,739,267)	(157,394)	(41,957)	(1,940,878)
Net book value as at 31 December 2023	67,496	6,421,189	235,189	7,462	6,731,336
Additions (<i>Note 24</i>)	-	-	739,457	851,313	1,590,770
Modification of contracts (<i>Note 24</i>)	-	(432,902)	3,572	-	(429,330)
Disposals	-	(397,450)	(17,202)	-	(414,652)
Amortization charge	(2,056)	(1,522,262)	(215,702)	(7,462)	(1,747,482)
Net book value as at 31 December 2024	65,440	4,068,575	745,314	851,313	5,730,642

Additions for 2024 and 2023 are related with the conclusion of long-term lease agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**8. INTANGIBLE ASSETS**

Intangible assets as at 31 December 2023 and 2024 are as follows:

<i>In thousands of Tenge</i>	Licenses	Software	Right for land use	Capital expenditures in progress and other	Total
Net book value as at 1 January 2023	510,406	568,259	7,245,562	191,105	8,515,332
Additions	74,404	18,286	–	149,195	241,885
Transfers from capital expenditures in progress	38,858	105,950	–	(144,808)	–
Amortization charge	(193,433)	(192,592)	(281,938)	(3,942)	(671,905)
Disposals	(21,702)	(103,005)	–	(3)	(124,710)
Accumulated depreciation on disposal	17,701	103,005	–	2	120,708
Foreign currency translation	(3,194)	–	(87,041)	–	(90,235)
Net book value as at 31 December 2023	423,040	499,903	6,876,583	191,549	7,991,075
Additions	449,514	18,589	–	162,901	631,004
Transfers from capital expenditures in progress	–	63,327	–	(63,327)	–
Amortization charge	(167,825)	(201,909)	(279,698)	(6,163)	(655,595)
Disposals	(19,058)	(145,373)	–	–	(164,431)
Accumulated depreciation on disposal	19,058	145,373	–	–	164,431
Foreign currency translation	19,674	–	710,086	10,268	740,028
Net book value as at 31 December 2024	724,403	379,910	7,306,971	295,228	8,706,512
As at 31 December 2024					
At cost	2,377,157	4,795,312	12,089,067	342,900	19,604,436
Accumulated amortization and impairment	(1,652,754)	(4,415,402)	(4,782,096)	(47,672)	(10,897,924)
Net book value	724,403	379,910	7,306,971	295,228	8,706,512
As at 31 December 2023					
At cost	1,880,659	4,858,769	10,921,698	233,059	17,894,185
Accumulated amortization and impairment	(1,457,619)	(4,358,866)	(4,045,115)	(41,510)	(9,903,110)
Net book value	423,040	499,903	6,876,583	191,549	7,991,075

9. INVESTMENTS IN JOINT VENTURES

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

<i>In thousands of Tenge</i>	KCP	MunaiTas	Total
As at 1 January 2023	67,061,202	27,526,984	94,588,186
Share in income of joint ventures	15,985,553	887,886	16,873,439
Share in other comprehensive income/(loss) of joint ventures	1,370,110	(2,117,170)	(747,060)
Dividends	(2,500,000)	(1,460,351)	(3,960,351)
As at 31 December 2023	81,916,865	24,837,349	106,754,214
Share in income of joint ventures	18,270,988	1,140,841	19,411,829
Share in other comprehensive income/(loss) of joint ventures	120,415	(42,822)	77,593
Dividends	(8,000,000)	(1,564,571)	(9,564,571)
As at 31 December 2024	92,308,268	24,370,797	116,679,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**9. INVESTMENTS IN JOINT VENTURES (continued)**

The following tables below show summarized financial information about joint ventures, including the Group's proportionate share:

<i>In thousands of Tenge</i>	KCP			
	31 December 2024		31 December 2023	
	50%	100%	50%	100%
Assets and liabilities of joint venture				
Current assets	24,796,382	49,592,764	24,776,898	49,553,796
Non-current assets	92,110,094	184,220,188	99,245,331	198,490,662
Current liabilities	(6,610,107)	(13,220,214)	(23,384,217)	(46,768,434)
Non-current liabilities	(17,988,101)	(35,976,202)	(18,721,147)	(37,442,294)
Net book value of investment / net assets	92,308,268	184,616,536	81,916,865	163,833,730

Additional information

Cash and cash equivalents	19,551,677	39,103,354	11,918,434	23,836,868
Short-term financial liabilities, net of trade and other payables and provisions	-	-	(16,421,448)	(32,842,896)
Long-term financial liabilities, net of trade and other payables and provisions	-	-	-	-

As at 31 December 2023 short-term financial liabilities of KCP were represented by liabilities under loan agreement from 27 June 2018 with the Industrial and Commercial Bank of China Limited jointly with Industrial and Commercial Bank of China in Almaty JSC, acting as an agent. The loan amount was 540 million US Dollars (equivalent to 191,756,400 thousand Tenge at the date of attraction), the loan period is 6 years with the possibility of early repayment.

The Company along with the second participant of KCP did not guarantee the loan.

As at 31 December 2023 total payable under loan including interest equaled to 73,000 thousand US Dollars (equivalent to 32,842,896 thousand Tenge). On 1 February 2024 KCP fully repaid the loan ahead of schedule.

<i>In thousands of Tenge</i>	MunaiTas			
	31 December 2024		31 December 2023	
	51%	100%	51%	100%
Assets and liabilities of joint venture				
Current assets	10,709,209	20,998,449	9,811,784	19,238,792
Non-current assets	21,056,664	41,287,576	21,394,656	41,950,306
Current liabilities	(2,011,413)	(3,943,947)	(1,676,284)	(3,286,831)
Non-current liabilities	(5,383,663)	(10,556,202)	(4,692,807)	(9,201,582)
Net book value of investment / net assets	24,370,797	47,785,876	24,837,349	48,700,685

Additional information

Cash and cash equivalents	6,493,793	12,732,927	6,678,854	13,095,792
Short-term financial liabilities, net of trade and other payables and provisions	-	-	-	-
Long-term financial liabilities, net of trade and other payables and provisions	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**9. INVESTMENTS IN JOINT VENTURES (continued)**

<i>In thousands of Tenge</i>	KCP			
	For the year ended 31 December			
	2024		2023	
	50%	100%	50%	100%
Information on profit or loss and other comprehensive income of joint venture for the year				
Revenue	43,969,602	87,939,204	43,421,318	86,842,636
Income from continuing operations for the year	18,270,988	36,541,976	15,985,553	31,971,106
Other comprehensive income	120,415	240,830	1,370,110	2,740,220
Total comprehensive income	18,391,403	36,782,806	17,355,663	34,711,326
Dividends	(8,000,000)	(16,000,000)	(2,500,000)	(5,000,000)
Additional information				
Depreciation and amortization	(8,361,129)	(16,722,258)	(8,453,558)	(16,907,116)
Interest income	1,343,847	2,687,694	292,482	584,964
Interest expense	(166,673)	(333,346)	(1,813,858)	(3,627,716)
Income on exchange differences	571,683	1,143,366	288,249	576,498
Income tax expense	(4,581,747)	(9,163,494)	(4,020,586)	(8,041,172)

<i>In thousands of Tenge</i>	MunaiTas			
	For the year ended 31 December			
	2024		2023	
	51%	100%	51%	100%
Information on profit or loss and other comprehensive income/(loss) of joint venture for the year				
Revenue	7,227,078	14,170,741	6,750,903	13,237,065
Income from continuing operations for the year	1,140,841	2,236,943	887,886	1,740,953
Other comprehensive loss	(42,822)	(83,965)	(2,117,170)	(4,151,314)
Total comprehensive income/(loss)	1,098,019	2,152,978	(1,229,284)	(2,410,361)
Dividends	(1,564,571)	(3,067,786)	(1,460,351)	(2,863,433)
Additional information				
Depreciation and amortization	(1,789,587)	(3,508,994)	(2,008,572)	(3,938,376)
Interest income	1,003,703	1,968,045	920,765	1,805,422
Income tax expense	(388,136)	(761,051)	(214,402)	(420,396)

10. ADVANCES TO SUPPLIERS FOR PROPERTY, PLANT AND EQUIPMENT

Advances to suppliers for property, plant and equipment as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Advances to third parties for property, plant and equipment and construction services	3,997,907	2,379,153
Less: impairment allowance	(998,456)	(871,466)
Total	2,999,451	1,507,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**10. ADVANCES TO SUPPLIERS FOR PROPERTY, PLANT AND EQUIPMENT (continued)**

Movement in reserve for impairment of advances given to suppliers for property, plant and equipment was as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	871,466	886,028
Foreign currency translation	126,990	(14,562)
As at 31 December	998,456	871,466

11. INVENTORIES

Inventories as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Spare parts	3,092,176	3,136,918
Fuel	2,062,586	1,877,121
Goods	1,091,248	1,646,436
Construction materials	831,511	725,096
Overalls	515,353	866,352
Chemical reagents	204,869	195,104
Other	310,264	484,986
Total	8,108,007	8,932,013

12. TRADE AND OTHER ACCOUNTS RECEIVABLE

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Other accounts receivable from third parties	721,169	848,669
Less: allowance for expected credit losses	(30,149)	(127,621)
Total	691,020	721,048

Movement in allowance for expected credit losses related to other long-term accounts receivable is as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	127,621	77,818
(Reversal) /charge for the year, net (Note 29)	(97,472)	49,803
As at 31 December	30,149	127,621

Current trade and other accounts receivable as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Trade accounts receivable from third parties	8,509,216	8,049,946
Trade accounts receivable from related parties (Note 36)	6,221,489	5,216,823
Other accounts receivable from third parties	548,325	506,829
Less: allowance for expected credit losses	(6,215,193)	(5,326,570)
Total	9,063,837	8,447,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**12. TRADE AND OTHER ACCOUNTS RECEIVABLE (continued)**

Movement in allowance for expected credit losses related to trade and other receivables is as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	5,326,570	6,206,768
Charge for the year, net (Note 29)	222,423	324,800
Currency translation	667,782	(81,560)
Used when write-off	(1,582)	(1,123,438)
As at 31 December	6,215,193	5,326,570

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Tenge	7,606,307	6,170,344
US Dollar	2,138,482	1,669,503
Russian Ruble	5,867	881,851
Other currency	4,201	446,378
Total	9,754,857	9,168,076

Information on the Group's exposure to credit risk from trade and other accounts receivable using the estimated reserves model is provided:

<i>In thousands of Tenge</i>	Trade and other accounts receivable					Total
	Unexpired	Past due payments				
		Less than 30 days	From 31 to 60 days	From 61 to 90 days	More than 91 days	
As at 31 December 2024						
Expected credit loss rate	0.48%	1.69%	6.36%	12.98%	97.01%	
Estimated total gross carrying amount at default	9,187,275	310,264	85,765	41,796	6,375,099	16,000,199
Expected credit losses	(44,521)	(5,253)	(5,452)	(5,425)	(6,184,691)	(6,245,342)
	9,142,754	305,011	80,313	36,371	190,408	9,754,857

<i>In thousands of Tenge</i>	Trade and other accounts receivable					Total
	Unexpired	Past due payments				
		Less than 30 days	From 31 to 60 days	From 61 to 90 days	More than 91 days	
As at 31 December 2023						
Expected credit loss rate	2.01%	2.40%	4.37%	3.93%	95.88%	
Estimated total gross carrying amount at default	8,663,455	208,268	116,469	143,531	5,490,544	14,622,267
Expected credit losses	(174,125)	(5,001)	(5,084)	(5,643)	(5,264,338)	(5,454,191)
	8,489,330	203,267	111,385	137,888	226,206	9,168,076

13. ADVANCES TO SUPPLIERS

Advances to suppliers as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Advances to third parties	321,437	727,486
Advances to related parties (Note 36)	1,017	1,024
	322,454	728,510
Less: impairment allowance	(638)	(638)
Total	321,816	727,872

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**14. VAT AND OTHER TAXES**

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Current VAT recoverable	4,308,457	1,488,075
Taxes and payments in other governments	967,253	8,996,651
Property tax	361,151	434,160
Other taxes prepaid	33,139	36,993
Total	5,670,000	10,955,879

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Personal income tax	824,557	646,191
Social tax	670,720	513,359
VAT payable	7,935	6,530
Property tax	3,537	3,004
Taxes and payments in other governments	-	6,672,486
Other taxes	28,394	28,183
Total	1,535,143	7,869,753

15. OTHER CURRENT ASSETS

Other current non-financial assets as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Other current non-financial assets		
Due for oil transportation coordination services	6,001,971	5,224,762
Deferred expenses from third parties	366,261	117,518
Prepaid insurance	242,808	229,031
Other	525	23,185
	6,611,565	5,594,496

16. OTHER FINANCIAL ASSETS

Non-current assets:

Bank deposits as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Long-term bank deposits – Tenge	412,745	719,698
Less: allowance for expected credit losses	(582)	(1,610)
Total	412,163	718,088

As at 31 December 2024 and 2023 long-term bank deposits comprised restricted bank deposits with interest from 2% to 3.5% per annum maturing in 2028 and in 2030, arranged for the purpose of preferential lending rates for the Company's employees for the purchase of residential property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**16. OTHER FINANCIAL ASSETS (continued)***Current assets:*

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Other current financial assets		
Notes of the National Bank (<i>Note 36</i>)	27,226,874	21,579,104
Bonds of Samruk Kazyna (<i>Note 36</i>)	10,018,063	-
Due from employees	7,628	13,752
Investments in bonds	-	646,608
Other	2,631	19,384
Total	37,255,196	22,258,848

Investments in bonds

In December 2017, in accordance with the Decision of the Government of the Republic of Kazakhstan dated 7 November 2017, the Group purchased bonds of “Special Financial Company DSFK” LLP (hereinafter – DSFK bonds) using the funds placed with RBK Bank JSC. The nominal amount of the bonds was 5,019,520 thousand Tenge, the number of bonds is 5,019,520 thousand units. DSFK bonds carry coupon interest of 0.01% per annum and mature in 15 years. In order to secure these bonds, the Company was provided with a financial guarantee in the amount of 1,379,913 thousand Tenge with a claim period of five years from the date of issue of the bonds. At the end of 2017, the Company recognized an impairment charge for the non-guaranteed amount of bonds in the amount of 3,639,607 thousand tenge.

During 2024, the Company received compensation under the financial guarantee in the amount of 1,379,913 thousand Tenge, which was offset against of the repurchase of 1,379,913 thousand bonds from the Company and the issuer repurchased bonds in the amount of 23,490 thousand Tenge (during 2023, repurchase – by 104,147 thousand Tenge). At the same time, the Company recognized income from revision the fair value of the bonds in the amount of 756,795 thousand Tenge (*Note 32*) (during 2023, a loss from the revision of the fair value – by 58,893 thousand Tenge) (*Note 33*).

17. CASH AND CASH EQUIVALENTS

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Time deposits with banks – Tenge	43,061,484	26,135,995
Time deposits with banks – US Dollar	13,145,153	6,290,971
Time deposits with banks – Rubles	1,800,779	-
Current accounts with banks – US Dollar	5,896,985	6,845,219
Current accounts with banks – Georgian Lari	2,362,470	732,751
Current accounts with banks – Tenge	59,165	11,361,093
Current accounts with banks – other currency	40,159	38,721
Reverse repo transactions	6,289,809	25,276,421
Other current accounts with banks	10,594	11,685
Cash in hand	-	455
Less: allowance for expected credit losses	(23,059)	(20,699)
Total	72,643,539	76,672,612

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**17. CASH AND CASH EQUIVALENTS (continued)**

As at 31 December 2024:

- Time deposits with maturity less than 3 months in Tenge interests ranged from 13.75% to 15.05% per annum (as at 31 December 2023: from 14.25% to 15.8% per annum);
- Time deposits with maturity less than 3 months placed in US Dollars interests ranged from 3% to 4% per annum (as at 31 December 2023: from 2.5% to 3% per annum);
- Time deposits with maturity less than 3 months placed in rubles interests at the rate 5% per annum (as at 31 December 2023: none);
- Interests for current accounts placed in US Dollars ranged from 3.65% to 3.9% per annum (as at 31 December 2023: from 0.25% to 3.65% per annum);
- Interests for current accounts placed in Georgian Lari ranged from 9.4% to 10.5% per annum (as at 31 December 2023: from 10.6% to 11% per annum);
- Interests for current accounts placed in Tenge ranged from 6.75% to 12,5% per annum (as at 31 December 2023: from 7% to 13% per annum).

Reverse repo transactions

In order to manage free liquidity, at the end of 2024 and 2023 the Group placed funds in such financial instruments as autorepo (secured by government securities of the Republic of Kazakhstan). As at 31 December 2024 the average yield is 15% with maturity of 5 to 9 days (as at 31 December 2023: an average yield - 15.9%, with a maturity of 5 to 8 days).

18. EQUITY**Share capital**

As at 31 December 2024 and 2023 the Company's share capital comprised of 384,635,600 common shares authorized, issued and fully paid in the amount of 62,503,284 thousand Tenge, except for 1 share, which was authorized but not issued and not paid.

As at 31 December 2024 and 2023 the share capital was equal to 61,937,567 thousand Tenge, net of consulting costs related to the issuance of shares in the amount of 565,717 thousand Tenge.

Treasury shares repurchased from shareholders

In 2016 based on request of a minority shareholder and the subsequent decision of the Board of Directors, the Company repurchased the announced common shares in the amount of 7,500 units for 9,549 thousand Tenge.

Asset revaluation reserve

Revaluation reserve was formed based on revaluation and devaluation of property, plant and equipment of the Group and share in the asset revaluation reserve of the joint ventures.

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Revaluation reserve for property, plant and equipment of the Group	331,632,882	346,822,740
Share in the asset revaluation reserve of the joint ventures	30,992,887	33,816,931
Total	362,625,769	380,639,671

Foreign currency translation reserve

As at 31 December 2024 foreign currency translation reserve was equal to 53,582,668 thousand Tenge (as at 31 December 2023: 46,118,253 thousand Tenge). Change in foreign currency translation reserve is due to the translation of the operations of the foreign subsidiaries as a result of changes in exchange rates (*Note 4.2*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. EQUITY (continued)****Other capital reserves**

As at 31 December 2024 other capital reserves represent an income amounted to 1,205,950 thousand Tenge (as at 31 December 2023: 1,244,710 thousand Tenge). Change in this reserve is due to recognition of actuarial gains and losses from revaluation of the Group's and joint ventures' employee benefits obligations under defined benefit plans. Actuarial loss from revaluation of the Group's employee benefits obligations under defined benefit plans amounted to 39,511 thousand Tenge (*Note 21*), income tax effect of which amounted to 1,086 thousand Tenge (*Note 34*). During 2023 actuarial gains from revaluation of the Group's employee benefits obligations under defined benefit plans amounted to 1,472,627 thousand Tenge (*Note 21*), income tax effect of which amounted to 40,473 thousand Tenge (*Note 34*).

Retained earnings**Dividends**

During 2024 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 23 May 2024 in the amount of 25,000,826 thousand Tenge based on the results of 2023 (calculated as 65 Tenge per 1 share), from which 22,501,182 thousand Tenge was paid to KMG (*Note 36*) and 2,499,644 thousand Tenge – to minority shareholders.

During 2023 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 24 May 2023 in the amount of 15,000,496 thousand Tenge based on the results of 2022 (calculated as 39 Tenge per 1 share), from which 13,500,710 thousand Tenge was paid to KMG (*Note 36*) and 1,499,786 thousand Tenge – to minority shareholders.

Other operation with shareholder

During the year ended 31 December 2023 the retained earnings of the Group was increased by the discount on the Group's debt securities issued in the amount of 30,823,948 thousand Tenge (*Note 20*).

Earnings per share

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

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

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

<i>In thousands of Tenge</i>	2024	2023
Net profit for the period attributable to ordinary equity holders of the Parent of the Group	41,577,965	32,845,337
Weighted average number of ordinary shares for the year for basic and diluted earnings per share	384,628,099	384,628,099
Basic and diluted earnings per share, in relation to profit for the year attributable to ordinary equity holders of the Company, as a Parent company of the Group (in Tenge)	108	85

Book value per ordinary share

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Total assets	1,380,081,152	1,358,382,110
Less: intangible assets (<i>Note 8</i>)	(8,706,512)	(7,991,075)
Less: total liabilities	(387,150,115)	(401,511,786)
Net assets for calculation of book value per ordinary share	984,224,525	948,879,249
Number of ordinary shares	384,628,099	384,628,099
Book value per ordinary share (in Tenge)	2,559	2,467

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**19. LOANS RECEIVED**

Movements in loans received for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	47,390,786	29,760,793
Including:		
Long-term part	47,390,786	29,760,793
Short-term part	-	-
Received from related parties (<i>Note 36</i>)	21,000,000	-
Received from third parties	-	11,800,000
Repayment of principal amount	(21,000,000)	-
Interest accrued on loans received from third parties	4,765,885	5,912,593
Interest accrued on loans received from related parties (<i>Note 36</i>)	1,128,279	-
Additional costs	(21,000)	(82,600)
As at 31 December	53,263,950	47,390,786
Including:		
Long-term part on loans received from third parties	24,161,928	47,390,786
Long-term part on loans received from related parties (<i>Note 36</i>)	22,107,279	-
Current-term part on loans received from third parties	6,994,743	-

Loans of JSC “Halyk Bank”

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

On 28 November 2022 and 10 April 2023, under the agreement, the Main Waterline received two tranches amounting 29,592,745 thousand Tenge and 11,800,000 thousand Tenge. Bank loan agreements establish the beginning of loan repayment and payment of interest for the first tranche – starting from 1 December 2025 and 30 May 2025, respectively, for the second tranche – starting from 10 April 2026 and 10 October 2025, respectively, with a payment frequency of once every six months.

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

On 1 July 2024, the Main Waterline received a loan from the Eurasian Development Bank in the amount of 21,000,000 thousand Tenge, which was directed to early repayment of loans in the amount of 9,300,000 thousand Tenge and 11,700,000 thousand Tenge for the first and second tranches, respectively.

On 11 September 2024, the Main Waterline concluded an additional agreement to the Agreement on reducing the amount of the credit line from 66,700,000 thousand tenge to 20,392,745 thousand tenge.

On 18 October 2024, the Main Waterline concluded an additional agreement to the Agreement, as a result of which the floating loans rate was set at the base rate of the National Bank of the Republic of Kazakhstan, plus 1.5% per annum, as well as the repayment period of the grace period remuneration (24 months from the date of issue of each tranche) was set from 2025 to 2029 (previously, this period was set from 2025 to 2032).

As at 31 December 2024, the amount of the principal debt on loans received from JSC Halyk Bank of Kazakhstan is 20,392,745 thousand tenge.

As at 31 December 2024, the nominal interest rate on loans was on average 15.75% (as at 31 December 2023: 18.38%), the effective interest rate was on average 13.88% (as at 31 December 2023: 15.54%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**19. LOANS RECEIVED (continued)***Loans of Eurasian Development Bank*

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

The loan was recognized at fair value less borrowing costs. As at 31 December 2024, the nominal interest rate on loans was 12.5%, the effective interest rate - 11.01%.

Covenants

The Group must ensure the fulfillment of non-financial covenants in accordance with the Agreement on the provision of a credit line. As at 31 December 2024 and 2023, the Group complies with all non-financial covenants. There are no financial covenants under the terms of the loan agreements.

20. ISSUED DEBT SECURITIES

Movements in issued debt securities for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	41,374,855	-
Including:		
Long-term part	41,302,077	-
Short-term part	72,778	-
Received	-	70,000,000
Discount recognition (<i>Note 18</i>)	-	(30,823,948)
Discount amortization	4,483,422	2,126,025
Interest accrued	350,000	179,722
Repayment of interest	(335,278)	(106,944)
As at 31 December	45,872,999	41,374,855
Including:		
Long-term part	38,897,921	41,302,077
Short-term part	6,975,078	72,778

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

The amount of bonds was recognized at fair value based on the market interest rate on the date of their placement in the amount of 11.74% and 11.57%, respectively.

The difference between the market and coupon interest rates on the issued bonds was recognized by the Group as a discount and reflected in retained earnings in the amount of 30,823,948 thousand tenge (*Note 18*).

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

Covenants

The Group must ensure compliance with non-financial covenants in accordance with the bond purchase agreement. As at 31 December 2024, the Group is in compliance with all non-financial covenants.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. EMPLOYEE BENEFIT OBLIGATIONS**

Group has employee benefit obligations, mainly consisting of additional payments for pensions and jubilee obligations, applicable to all employees. These payments are unfunded.

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Non-current portion of employee benefit obligations	19,295,878	18,045,542
Current portion of employee benefit obligations	1,348,358	1,185,285
Total	20,644,236	19,230,827

Changes in the present value of employee benefit obligations for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	19,230,827	19,143,274
Interest cost (Note 33)	2,024,555	1,939,184
Current services cost (Notes 28, 29)	745,637	707,377
Actuarial loss/(gain) through other comprehensive income	39,511	(1,472,627)
Actuarial (gain)/loss through profit and loss (Notes 30,31)	(7,588)	96,799
Benefits paid	(1,388,706)	(1,183,180)
As at 31 December	20,644,236	19,230,827

22. CONTRACT LIABILITIES TO CUSTOMERS

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Deferred income from related parties (Note 36)	21,351,909	23,326,309
Deferred income from third parties	9,600,382	8,581,827
Total	30,952,291	31,908,136

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Advances received from related parties (Note 36)	15,747,602	18,196,317
Advances received from third parties	9,028,777	9,544,255
Current part of deferred income from related parties (Note 36)	2,799,157	2,799,157
Current part of deferred income from third parties	816,427	707,049
Total	28,391,963	31,246,778

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

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

For deferred income received in the period 2021-2022, the amortization of contract liability for the years ended 31 December 2024 and 2023 is recognized by the Group annually as revenue from the provision of water transportation services in the amount of 2,799,157 thousand Tenge. As an assumption on the amortization period of liability under the agreement, the term of the contract for the subsurface use of the consumer of services is accepted.

Revenue recognized in respect of contracts with customers

During the current reporting period, the Group recognized the revenue in the amount of 28,487,679 thousand Tenge in respect of contract liabilities to customers as at the beginning of the reporting period (2023: 27,247,190 thousand Tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**23. TRADE AND OTHER ACCOUNTS PAYABLE****Other long-term accounts payable**

As at 31 December 2024 other long-term accounts payable are represented by the Group's obligations to a third party in the amount of 331,870 thousand tenge (31 December 2023: 0 tenge) with a deferred payment agreement for more than 12 months.

Short-term accounts payable

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Accounts payable to third parties for goods and services	25,278,029	31,775,737
Accounts payable to related parties for goods and services (Note 36)	1,609,851	1,260,755
Other accounts payable to third parties	1,324,186	1,901,113
Total	28,212,066	34,937,605

Trade and other accounts payable included payables to related and third parties, related to property, plant and equipment and construction in progress in the amount of 15,769,858 thousand Tenge (as at 31 December 2023: 22,265,494 thousand Tenge), including the overhaul with the replacement of main oil pipeline sections and reconstruction of the waterline Astrakhan-Mangyshlak.

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Tenge	26,518,921	32,767,590
US Dollars	188,967	194,612
Euro	18,904	2,273
Russian Rubles	11,289	6,248
Other currency	1,473,985	1,966,882
Total	28,212,066	34,937,605

24. LEASE LIABILITIES

Lease liabilities as at 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Current portion of obligations	2,512,325	2,420,628
Non-current portion of obligations	4,462,431	5,102,611
Total	6,974,756	7,523,239

Changes in the present value of obligations for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	7,523,239	1,140,667
Additions for the year (Note 7)	1,590,770	7,645,646
Payments for the year	(2,498,996)	(2,381,354)
Unwinding of discount on obligations (Note 33)	1,293,392	1,013,887
Modification (Note 7)	(429,330)	359,527
Disposals for the year	(504,319)	(255,134)
As at 31 December	6,974,756	7,523,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. LEASE LIABILITIES (continued)**

The information below describes the cost of expenses related with lease reflected in the consolidated statement of comprehensive income for 2024 and 2023:

<i>In thousands of Tenge</i>	For the year ended 31 December 2024	For the year ended 31 December 2023
Right-of-use assets amortization (Note 7)	1,747,482	1,940,878
Unwinding of discount on obligations (Note 33)	1,293,392	1,013,887
Low-value assets lease expenses (Notes 28, 29)	251,634	146,167
Total	3,292,508	3,100,932

25. PROVISIONS**Short-term provisions**

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	1,303,694	1,309,778
Charge, net (Note 29)	36,137	51,096
Used when write-off	-	(37,865)
Currency translation	158,324	(19,315)
As at 31 December	1,498,155	1,303,694

As at 31 December 2024 and 2023 short-term provisions of the Group are mainly presented by tax provisions (BOT and BSP).

Long-term provisions*Asset retirement and land reclamation obligation*

Movements in the provision of asset retirement and land reclamation obligation for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
As at 1 January	45,648,971	40,664,979
Charge for the period through asset (Note 6)	243,877	36,142
Revision of estimates through other comprehensive income	(8,939,643)	1,943,919
Revision of estimates through profit and loss (Note 30)	(3,067,495)	(631,171)
Reversed through profit and loss (Note 30)	(582,223)	(355,950)
Unwinding of discount (Note 33)	4,101,787	3,991,052
As at 31 December	37,405,274	45,648,971

26. OTHER CURRENT LIABILITIES

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Other current financial liabilities		
Provisions for vacations and other employee benefits	11,418,106	11,215,283
Employee salary	5,659,463	5,650,919
Payables for oil transportation coordination services to third parties	445,760	376,867
Other	836,369	861,793
	18,359,698	18,104,862
Other current non-financial liabilities		
Liabilities for oil transportation coordination services to related parties (Note 36)	9,063,805	7,401,666
Liabilities for oil transportation coordination services to third parties	4,724,897	5,505,172
Liabilities for pension contributions and social insurance	1,398,166	1,229,758
	15,186,868	14,136,596
Итого	33,546,566	32,241,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**27. REVENUE**

Revenue for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024				Total segments
	Oil transportation and related services	Oil transshipment	Water transportation	Others	
Crude oil transportation	225,295,318	-	-	-	225,295,318
Pipeline operation and maintenance services	30,741,556	-	-	-	30,741,556
Water transportation	-	-	25,043,759	-	25,043,759
Oil transshipment and railway shipment	-	18,400,706	-	-	18,400,706
Seaport services	-	-	-	8,384,692	8,384,692
Oil storage services and oil products	187,349	1,155,441	-	-	1,342,790
Oil transportation coordination services	956,201	-	-	-	956,201
Fees for undelivered oil volumes	279,539	-	-	-	279,539
Other	31,445	-	7,276	1,416,848	1,455,569
Total	257,491,408	19,556,147	25,051,035	9,801,540	311,900,130
Geographic regions*					
Kazakhstan	224,799,547	9,449,087	25,051,035	762,629	260,062,298
Russia	29,781,423	-	-	-	29,781,423
Georgia	-	2,313,699	-	8,571,008	10,884,707
UAE	-	7,305,749	-	467,903	7,773,652
Uzbekistan	2,910,438	-	-	-	2,910,438
Other states	-	487,612	-	-	487,612
Total revenue under contracts with customers	257,491,408	19,556,147	25,051,035	9,801,540	311,900,130
Timing of revenue recognition					
At a point in time	226,749,852	19,556,147	25,051,035	9,801,540	281,158,574
Over time	30,741,556	-	-	-	30,741,556
Total	257,491,408	19,556,147	25,051,035	9,801,540	311,900,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**27. REVENUE (continued)**

<i>In thousands of Tenge</i>	2023				
	Oil transportation and related services	Oil transshipment	Water transportation	Others	Total segments
Crude oil transportation	210,709,921	-	-	-	210,709,921
Pipeline operation and maintenance services	26,566,800	-	-	-	26,566,800
Water transportation	-	-	19,821,730	-	19,821,730
Oil transshipment and railway shipment	-	20,202,349	-	-	20,202,349
Seaport services	-	-	-	7,953,109	7,953,109
Oil storage services	136,985	1,471,734	-	-	1,608,719
Oil transportation coordination services	852,449	-	-	-	852,449
Fees for undelivered oil volumes	1,782,665	-	-	-	1,782,665
Other	24,873	-	3,510	859,499	887,882
Total	240,073,693	21,674,083	19,825,240	8,812,608	290,385,624
Geographic regions*					
Kazakhstan	209,737,014	13,413,030	19,825,240	-	242,975,284
Russia	28,362,398	-	-	-	28,362,398
Georgia	-	2,625,489	-	8,743,264	11,368,753
UAE	-	4,193,941	-	69,344	4,263,285
Uzbekistan	1,974,281	-	-	-	1,974,281
Other states	-	1,441,623	-	-	1,441,623
Total revenue under contracts with customers	240,073,693	21,674,083	19,825,240	8,812,608	290,385,624
Timing of revenue recognition					
At a point in time	213,506,893	21,674,083	19,825,240	8,812,608	263,818,824
Over time	26,566,800	-	-	-	26,566,800
Total	240,073,693	21,674,083	19,825,240	8,812,608	290,385,624

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

For the year ended 31 December 2024 revenue from the transportation of crude oil from the five major customers amounted to 51,898,355 thousand Tenge, 35,544,978 thousand Tenge, 19,796,109 thousand Tenge, 16,775,996 thousand Tenge and 13,789,845 thousand Tenge (for 2023: revenue from these customers amounted to 57,442,513 thousand Tenge, 32,323,325 thousand Tenge, 19,362,051 thousand Tenge, 8,528,579 thousand Tenge and 14,381,836 thousand Tenge, respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**28. COST OF SALES**

Cost of sales for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
Personnel costs	109,455,041	97,892,118
Depreciation and amortization	65,638,269	71,207,026
Security services	14,036,609	13,309,985
Taxes other than income tax	13,930,234	12,314,934
Repair and maintenance	12,347,406	9,798,794
Electric energy	11,538,668	10,005,324
Materials and fuel	11,324,222	9,542,940
Railway services	7,883,939	9,620,100
Gas expense	3,806,255	3,246,675
Food and accommodation	3,135,535	2,550,284
Insurance	1,377,941	1,224,050
Environmental protection	1,262,502	999,770
Production services	1,055,481	872,885
Business trip expenses	1,034,170	966,881
Work security, safety	957,472	833,821
Outstaffing services	791,841	695,416
Post-employment benefits (Note 21)	701,573	666,156
Diagnostics of production assets	589,176	532,745
Social sphere expenses	583,386	645,685
Communication services	383,874	373,885
Leases of low-value assets (Note 24)	203,205	110,582
Other	1,243,046	1,447,763
Total	263,279,845	248,857,819

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

29. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
Personnel costs	11,871,793	11,317,972
Depreciation and amortization	1,314,199	1,589,469
Repair and maintenance	511,768	551,487
Office maintenance	472,057	440,513
Auditing, consulting and professional services	421,151	352,657
Outstaffing services	358,084	327,126
Business trip expenses	289,656	250,350
Social sphere expenses	223,135	354,547
Taxes other than income tax	180,467	270,649
Write-off of VAT recoverable	175,417	228,373
Information services	149,052	136,719
Charge of allowance for expected credit losses, net (Note 12)	124,951	374,603
Communication services	96,181	90,852
Leases of low-value assets (Note 24)	48,429	35,585
Bank costs	44,816	47,155
Post-employment benefits (Note 21)	44,064	41,221
Charge of short-term provisions, net (Note 25)	36,137	51,096
Materials and fuel	32,730	30,541
Other	1,023,794	803,133
Total	17,417,881	17,294,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**30. OTHER OPERATING INCOME**

Other operating income for the years ended 31 December 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	2024	2023
Income from revision of estimates and reversal of provision on asset retirement and land recultivation obligation, net (<i>Note 25</i>)	3,649,718	987,121
Income from fines and penalties	1,114,483	670,167
Amortization of deferred income	305,156	296,739
Income from disposal of right-of-use assets	89,667	–
Income from inventory recognition	53,654	36,735
Income from reimbursement of insurance payment	37,133	17,261
Actuarial income (<i>Note 21</i>)	7,588	–
Other income	62,513	120,424
Total	5,319,912	2,128,447

31. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
Expenses for accidents liquidation	332,803	4,607
Loss on liquidation of idle production facilities	196,823	183,739
Loss on disposal of property, plant and equipment, net	106,525	74,950
Write-off of inventory value to net realisable value	–	661,271
Recognition of claim obligation	–	1,430,675
Actuarial loss (<i>Note 21</i>)	–	96,799
Other expenses	258,343	58,214
Total	894,494	2,510,255

32. FINANCE INCOME

Finance income for the years ended 31 December 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	2024	2023
Interest income on bank deposits, current accounts and reverse repo transactions	8,483,765	8,756,224
Interest income from notes of the National Bank (<i>Note 36</i>)	2,416,580	1,310,419
Interest income from bonds of the Samruk Kazyna (<i>Note 36</i>)	19,792	–
Income from revision of the fair value of bonds (<i>Note 16</i>)	756,795	–
Unwinding of discount on long-term receivables	156,744	171,811
Other finance income	168,482	24,013
Total	12,002,158	10,262,467

33. FINANCE COSTS

Finance costs for the years ended 31 December 2024 and 2023 are as follows:

<i>In thousands of Tenge</i>	2024	2023
Interest on loans received (<i>Note 19</i>)	5,894,164	–
Interest cost on employee benefit obligations (<i>Note 21</i>)	2,024,555	1,939,184
Interest on issued debt securities (<i>Note 20</i>)	350,000	–
Amortization of discount on issued debt securities (<i>Note 20</i>)	4,483,422	–
Unwinding of discount on asset retirement and land recultivation obligation (<i>Note 25</i>)	4,101,787	3,991,052
Unwinding of discount on lease liabilities (<i>Note 24</i>)	1,293,392	1,013,887
Expenses from the fair value revision of bonds (<i>Note 16</i>)	–	58,893
Other finance costs	181,317	7,599
Total	18,328,637	7,010,615

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. INCOME TAX EXPENSE**

Income tax expense for the years ended 31 December 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	2024	2023
Current income tax expense	13,759,001	13,893,877
Prior years adjustments	(66,376)	306,483
Deferred income tax benefits	(6,005,619)	(7,156,482)
Income tax expense	7,687,006	7,043,878

A reconciliation of income tax expense on accounting profit, multiplied by income tax rate and current income tax expense for the years ended 31 December 2024 and 2023 is as follows:

<i>In thousands of Tenge</i>	2024	2023
Profit before income tax	49,264,971	39,889,215
Statutory rate	20%	20%
Income tax expense on accounting profit	9,852,994	7,977,843
Prior years adjustments	(66,376)	306,483
Intragroup income and non-deductible losses of foreign operations, net	181,086	434,805
Non-deductible expense on long-term employee benefit obligations	474,472	472,445
Gain on surplus of technological oil	493,644	796,098
Revision of estimates on taxable temporary differences related to property, plant and equipment	(128,441)	(4,324)
Non-taxable and non-deductible expense on disposal of property, plant and equipment	(12,176)	68,135
Other non-deductible expenses, net	774,169	367,081
Tax effect of other adjustments		
Profit of joint ventures recognized based on equity method	(3,882,366)	(3,374,688)
Income tax expense reported in the consolidated statement of comprehensive income	7,687,006	7,043,878

Starting from 1 January 2020 amendments to the Tax Code of the Republic of Kazakhstan came into force in terms of taxation of controlled foreign companies (hereinafter – CFC).

According to the Tax Code a CFC is an entity which meets the following conditions at the same time: 1) a non-resident legal entity; 2) 25 and more percent of the participation interest (voting shares) in the entity directly or indirectly, or constructively belong to a legal entity or an individual which is the resident of the Republic of Kazakhstan; 3) the effective income tax rate of a non-resident legal entity is less than 10 percent.

The profit of CFC indicated in its separate financial statements is a subject of income tax for resident company of the Republic of Kazakhstan.

The Group's management has analysed and determined that the following companies of the Group fall under the definition of CFC: BOT, PTL and BSP. In this respect, the Company, as the parent company of the Group, has included in its taxable income for 2023 and 2024 the profits of separate companies BOT, PTL and BSP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. INCOME TAX EXPENSE (continued)**

Deferred income tax balances, calculated by applying the statutory income tax rates in effect at the respective statement of financial position dates to the temporary differences between the basis of assets and liabilities and the amounts reported in the consolidated financial statements, comprised the following at 31 December 2024 and 2023:

<i>In thousands of Tenge</i>	31 December 2024	Charged to profit and loss	Charged to other comprehen- sive income	Other	31 December 2023	Charged to profit and loss	Charged to other comprehen- sive income	Other	1 January 2023
Deferred tax assets									
Provision for assets retirement and land recultivation obligation and other provisions	7,481,058	90,413	(1,787,929)	48,777	9,129,797	608,014	388,784	-	8,132,999
Transfer of losses for subsequent periods	9,973,364	4,316,417	-	-	5,656,947	4,402,584	-	-	1,254,363
Deferred income	4,830,213	(394,880)	-	-	5,225,093	(559,832)	-	-	5,784,925
Employee benefits and other employee related accrued liabilities	2,843,010	67,071	1,086	12	2,774,841	335,880	(40,473)	5	2,479,429
Lease liabilities	1,340,883	(349,756)	-	232,288	1,458,351	(392,473)	-	1,665,148	185,676
Provision for expected credit losses	195,432	(30,264)	-	-	225,696	(26,325)	-	-	252,021
Taxes payable	130,921	(20,054)	-	-	150,975	(15,742)	-	-	166,717
Discount on long-term accounts receivables	85,597	(31,349)	-	-	116,946	(34,362)	-	-	151,308
Unrealized income from intragroup transactions	37,810	(4,377)	-	-	42,187	-	-	-	42,187
Reserve for impairment of advances to suppliers	10,780	-	-	-	10,780	-	-	-	10,780
Provision for obsolete and slow-moving inventories	5,751	3,555	-	-	2,196	953	-	-	1,243
Revaluation of investments in bonds	-	(11,779)	-	-	11,779	11,779	-	-	-
Less: deferred tax assets net-off deferred tax liabilities	(25,946,700)	-	-	(1,141,112)	(24,805,588)	-	-	(6,343,940)	(18,461,648)
Deferred tax assets	988,119	3,634,997	(1,786,843)	(860,035)	-	4,330,476	348,311	(4,678,787)	-
Deferred tax liabilities									
Property, plant and equipment	(122,146,020)	1,938,771	(1,207,069)	(48,777)	(122,828,945)	2,324,287	636,990	-	(125,790,222)
Right-of-use assets	(1,144,990)	431,851	-	(232,288)	(1,344,553)	501,719	-	(1,665,148)	(181,124)
Add: deferred tax assets net-off deferred tax liabilities	25,946,700	-	-	1,141,112	24,805,588	-	-	6,343,940	18,461,648
Deferred tax liabilities	(97,344,310)	2,370,622	(1,207,069)	860,047	(99,367,910)	2,826,006	636,990	4,678,792	(107,509,698)
Net deferred income tax liabilities	(96,356,191)	6,005,619	(2,993,912)	12	(99,367,910)	7,156,482	985,301	5	(107,509,698)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. INCOME TAX EXPENSE (continued)

The deferred taxes on property, plant and equipment represent differences between tax and book base of property, plant and equipment due to different depreciation rates in tax and accounting books and impairment of property, plant and equipment.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

35. SEGMENT INFORMATION

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. SEGMENT INFORMATION (continued)

	For the year ended 31 December 2024					For the year ended 31 December 2023						
	Oil transportation and related services (Kazakhstan)	Oil transportation (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transportation (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
<i>In thousands of Tenge</i>												
Revenue												
External customers	257,491,408	19,556,147	25,051,035	9,801,540	-	311,900,130	240,073,693	21,674,083	19,825,240	8,812,608	-	290,385,624
Intersegmental	1,169,163	-	194,099	-	(1,363,262)	-	914,542	-	80,428	-	(994,970)	-
Total revenue (Note 27)	258,660,571	19,556,147	25,245,134	9,801,540	(1,363,262)	311,900,130	240,988,235	21,674,083	19,905,668	8,812,608	(994,970)	290,385,624
Financial results												
Charge of impairment of property, plant and equipment and intangible assets through profit and loss	(368,462)	-	-	-	-	(368,462)	(5,359,577)	-	-	-	-	(5,359,577)
Depreciation and amortization (Notes 28, 29)	(54,366,911)	(1,200,495)	(10,103,376)	(1,281,686)	-	(66,952,468)	(61,339,659)	(1,070,725)	(9,053,521)	(1,332,590)	-	(72,796,495)
Interest income (Note 32)	9,162,290	181,154	1,364,565	212,128	-	10,920,137	9,009,328	230,386	622,547	204,382	-	10,066,643
Interest expenses (Note 33)	-	-	(6,244,164)	-	-	(6,244,164)	-	-	-	-	-	-
Share in income of joint ventures	19,411,829	-	-	-	-	19,411,829	16,873,439	-	-	-	-	16,873,439
Income tax expense	(8,914,306)	-	1,225,423	1,877	-	(7,687,006)	(7,296,603)	-	252,730	(1,369)	1,364	(7,043,878)
Segment profit for the period	49,628,442	1,991,752	(9,225,278)	1,532,766	(2,349,717)	41,577,965	30,994,333	1,090,800	(778,976)	1,535,605	3,575	32,845,337
Other disclosures												
Total assets	1,153,438,854	53,713,502	232,944,792	25,502,490	(85,518,486)	1,380,081,152	1,119,093,212	55,052,218	245,176,165	22,675,271	(83,614,756)	1,358,382,110
Total liabilities	248,406,373	1,125,311	125,223,999	14,346,006	(1,951,574)	387,150,115	250,668,161	9,829,406	128,223,724	12,949,051	(158,556)	401,511,786
Investments in joint ventures (Note 9)	116,679,065	-	-	-	-	116,679,065	106,754,214	-	-	-	-	106,754,214
Capital expenditures, including:	53,156,819	2,322,145	2,833,624	1,348,797	(28,033)	59,633,352	75,616,816	4,377,336	101,289,761	1,205,763	-	182,489,676
Property, plant and equipment	52,660,976	2,234,384	2,833,624	1,301,397	(28,033)	59,002,348	75,443,689	4,353,613	101,285,329	1,165,160	-	182,247,791
Intangible assets	495,843	87,761	-	47,400	-	631,004	173,127	23,723	4,432	40,603	-	241,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**36. RELATED PARTY TRANSACTIONS**

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

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

The following tables provide the total amount of transactions, which have been entered into with related parties during 2024 and 2023 and the related balances as at 31 December 2024 and 2023.

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

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Trade and other accounts receivable from related parties			
Trade accounts receivable from entities under common control of KMG		3,002,815	2,542,252
Trade accounts receivable from joint ventures of the Company		2,009,454	1,811,110
Trade accounts receivable from entities under common control of Samruk-Kazyna		1,209,220	863,461
Total trade accounts receivable from related parties	12	6,221,489	5,216,823
Less: allowance for expected credit losses		(1,102)	(8,748)
Total		6,220,387	5,208,075

Cash and cash equivalents and other current financial assets from related parties are as follows:

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Notes of the National Bank	16	27,226,874	21,579,104
Time deposits Kazpost JSC		21,253,196	17,236,119
Bonds of Samruk Kazyna	16	10,018,063	-
Total other current financial assets		58,498,133	38,815,223

Notes of the National Bank

As at 31 December 2024, the Notes of the National Bank are represented by financial instruments with an average yield of 14.8% and a maturity of 28 days (as at 31 December 2023: an average yield 14.9% and a maturity of 14 days).

Time deposits Kazpost JSC

As at 31 December 2024, time deposits with maturity less than 3 months were placed in Tenge and US Dollars with an interest rate 15% per annum and 4% per annum, respectively (as at 31 December 2023: in US dollars with an interest rate of 2.5% per annum).

Bonds of Samruk Kazyna

As at 31 December 2024, bonds of Samruk Kazyna are represented by coupon bonds with a floating interest rate which is equal to the average value of the base rates of the National Bank of the Republic of Kazakhstan during the coupon period, less a fixed margin rate of 1%. As at 31 December 2024, the coupon interest rate and the effective interest rate of the bonds of Samruk-Kazyna are equal to 14.25%, with a maturity of 90 days.

Advances provided to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Advances paid to related parties			
Advances paid to entities under common control of Samruk-Kazyna		1,017	1,024
Total advances paid to related parties	13	1,017	1,024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**36. RELATED PARTY TRANSACTIONS (continued)**

Loans received from related parties are as follows:

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Loans received from related parties			
Loans received from state-controlled parties		22,107,279	-
Total loans received from related parties	19	22,107,279	-

Contract liabilities to customers to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Contract liabilities to customers to related parties			
Non-current part of deferred income under contracts with entities under common control of KMG		21,351,909	23,326,309
Total non-current contract liabilities to customers to related parties	22	21,351,909	23,326,309
Advances received from entities under common control of KMG		15,567,768	17,988,087
Advances received from entities under common control of Samruk-Kazyna		179,834	208,230
Current part of deferred income under contracts with entities under common control of KMG		2,799,157	2,799,157
Total current contract liabilities to customers to related parties	22	18,546,759	20,995,474
Total contract liabilities to customers to related parties		39,898,668	44,321,783

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

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Trade accounts payable to related parties for goods and services			
Trade accounts payable to entities under common control of KMG		1,263,738	1,025,772
Trade accounts payable to entities under common control of Samruk-Kazyna		346,113	229,769
Trade accounts payable to joint ventures		-	5,214
Total trade accounts payable to related parties for goods and services	23	1,609,851	1,260,755

Other current liabilities to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	31 December 2024	31 December 2023
Current liabilities for oil transportation coordination services to related parties			
Liabilities for oil transportation coordination services to entities under common control of KMG		9,063,805	7,401,666
Total current liabilities for oil transportation coordination services to related parties	26	9,063,805	7,401,666
Employee benefits obligation of key management personnel			
Employee benefits obligation of key management personnel		22,679	67,453
Total employee benefits obligation of key management personnel		22,679	67,453
Total other current liabilities to related parties		9,086,484	7,469,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**36. RELATED PARTY TRANSACTIONS (continued)**

During the years ended 31 December the Group had the following transactions with the related parties:

<i>In thousands of Tenge</i>	For the year ended 31 December	
	2024	2023
Sales to related parties		
Revenue from main activities with entities under common control of KMG	165,252,633	154,384,107
Revenue from main activities with joint ventures	17,292,612	15,944,023
Revenue from main activities with entities under common control of Samruk-Kazyna	13,219,913	10,820,921
Other income from entities under common control of KMG	20,131	15,192
Other income from entities under common control of Samruk-Kazyna	1,190	97,606
Total	195,786,479	181,261,849

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

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

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Purchases from related parties			
Purchases of services from entities under common control of KMG		11,046,307	10,449,839
Purchases of services from entities under common control of Samruk-Kazyna		2,024,697	1,980,941
Purchases of inventory from entities under common control of KMG and Samruk Kazyna		516	605
Other additions of property, plant and equipment (non-monetary reimbursement of services) from entities under common control of KMG	6	824,757	-
Total		13,896,277	12,431,385

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

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Other non-operational income and expenses from related parties			
Financial income from state-controlled parties	32	2,416,580	1,310,419
Financial income from entities under common control of Samruk-Kazyna		1,144,819	-
Financial income from transactions with Samruk Kazyna	32	19,792	-
Financial income from transactions with KMG	33	(4,833,422)	-
Financial costs on loans received from government-controlled parties	19	(1,128,279)	-
Income from exchange differences from transactions with entities under common control of Samruk Kazyna		1,201,025	-
Total		(1,179,485)	1,310,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**36. RELATED PARTY TRANSACTIONS (continued)**

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

<i>In thousands of Tenge</i>	Notes	For the year ended 31 December	
		2024	2023
Cash flows to related parties			
Proceeds from redemption of notes of the National Bank		206,502,941	102,535,718
Proceeds from loans received from state-controlled parties	19	21,000,000	–
Dividends received from joint ventures	9	9,564,571	3,960,351
Interest income from notes of the National Bank		2,289,658	1,267,070
Purchase of notes of the National Bank		(212,023,702)	(124,071,785)
Purchases of bonds of Samruk Kazyna		(10,000,000)	–
Dividends paid to the KMG	18	(22,501,182)	(13,500,710)
Payments of interest for transactions with KMG	20	(335,278)	(106,944)
Total		(5,502,992)	(29,916,300)

Total accrued compensation to key management personnel for the year ended 31 December 2024 amounts to 707,275 thousand Tenge (for the year ended 31 December 2023: 605,563 thousand Tenge). Payments to key personnel consist primarily of payroll costs and remuneration established by contracts and Company's internal regulations.

37. CONTINGENT LIABILITIES AND COMMITMENTS**Operating environment**

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Kazakhstan economy continued to be impacted by a volatility in crude oil prices and a continuing devaluation of Kazakhstani Tenge. The combination of the above along with other factors resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth. Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

The war in Ukraine

The war in Ukraine, started in 2022, triggers a number of IFRS accounting considerations affecting the financial statements. Many countries have imposed, and continue to impose, new sanctions on specified Russian entities and individuals. The situation together with potential fluctuations in commodity prices, foreign exchange rates, restrictions to imports and exports, availability of local materials and services and access to local resources will directly impact entities that have significant operations or exposures in, or to Russia or Ukraine. The war and its direct and indirect consequences may impact entities other than those with direct interests in the involved countries, for instance, as a result of exposure to fluctuations in commodity prices and foreign exchange rates, as well as the possibility of a protracted economic downturn.

As the war continues and new sanctions are introduced the overall impact remains fluid. The long-term consequences of the current economic situation are difficult to predict, and management's current expectations and estimates may differ from actual results.

Risk monitoring of secondary sanctions

During the period ended 31 December 2024 and as of the specified reporting date, the Group complied with the requirements and restrictions established by the applicable sanctions imposed by the European Union, the United States of America and other countries against the Russian Federation (RF), as well as certain citizens and companies of the RF in connection with the hostilities that began on the territory of Ukraine in February 2022.

The Group's management believes that the risk of secondary sanctions against the Group's companies is low.

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not usual, including opinions with respect to IFRS treatment of revenues, expenses and other items in the financial statements. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Taxation (continued)**

Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years proceeding the year of review. Under certain circumstances reviews may cover longer periods.

Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued as at 31 December 2024. As at 31 December 2024 the Management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

International Tax Reform — Pillar II model rules

The Company is an indirect subsidiary of Samruk-Kazyna. Samruk-Kazyna has subsidiaries operating in the various jurisdictions where the Pillar II Model Rules have been enacted or substantially enacted. However, as the Company and its subsidiaries operate in the jurisdictions where the Pillar II Model Rules have not yet been implemented (Kazakhstan, Georgia, UAE), the Company and its subsidiaries are not subject to the Pillar II Model Rules.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the "arm's length" principle.

The transfer pricing law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance. As a result, application of transfer pricing control to various types of transactions is not clearly regulated.

Because of the uncertainties associated with the Kazakhstan transfer pricing legislation, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest as at 31 December 2024.

As at 31 December 2024 the Management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Tax liabilities of enterprises in Georgia*BSP*

In 2015 Revenue Service of the Ministry of Finance of Georgia (hereinafter – Revenue Service) additionally accrued taxes and fines in the amount of 7,289 thousand Georgian Lari (equivalent to 1,376,819 thousand Tenge) as a result of tax inspections of BSP for the period of 2010-2014. As a result of appeals carried during the period from 2015 to 2020 against Revenue Service's decisions, the amount of additionally accrued taxes and fines was reduced and amounted to 5,915 thousand Georgian Lari (equivalent to 1,117,284 thousand Tenge).

At the end of 31 December 2024, the amount of recognized tax liabilities by BSP was 4,807 thousand Georgian Lari (equivalent to 907,994 thousand Tenge). The remaining amount of 1,108 thousand Georgian Lari (equivalent to 209,290 thousand Tenge) was not recognized as additional liabilities, since the management believes that BSP's appeal will be successful and estimates the possibility of an outflow of financial resources in this regard as being remote. As at 31 December 2024 BSP continues challenging the decisions of Revenue Service in the prescribed manner.

BOT

In December 2021 BOT received from Revenue Service a tax audit report for the period from 1 July 2018 to 15 February 2021, according to which taxes and fines were additionally accrued in the amount of 2,605 thousand Georgian Lari (equivalent to 492,058 thousand Tenge). The management of the BOT does not agree with the decision of the Revenue Service and, starting from 2022 to the present, is appealing it to the courts and authorized bodies of Georgia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Tax liabilities of enterprises in Georgia (continued)***BOT (continued)*

As at 31 December 2024, the total amount of reserves and tax liabilities recognized by BOT is 2,605 thousand Georgian Lari. As an interim measure to fulfill the obligations of the BOT, the tax authorities imposed restrictions in respect on property (land), the book value of which as at 31 December 2024 is 5.3 million US dollars (equivalent to 2,783 million Tenge). These restrictions have not affected to the operational activities of BOT.

Environmental obligations

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. Potential liabilities which may arise as a result of changes in legislation cannot be reasonably estimated. Under existing legislation management believes that there are no probable or possible liabilities which could have a material adverse effect on the Group's financial position or results of operations, except for those disclosed in these consolidated financial statements (*Notes 5.9, 25*).

Insurance matters

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available.

The Group has insurance coverage over property, third party liability in respect of property or environmental damage arising from accidents on Company's property or relating to the Group's operations.

Commitments to acquire property, plant and equipment

As at 31 December 2024 the Group had contractual commitment to acquire property, plant and equipment, and construction services for the amount of 68,167,708 thousand Tenge (as at 31 December 2023: 46,210,924 thousand Tenge). These contractual commitments are a part of the investment program.

Share of the Group as at 31 December 2024 in contractual commitment of joint ventures to acquire property, plant and equipment, and construction services amounted to 229,677 thousand Tenge (as at 31 December 2023: 618,159 thousand Tenge).

Investment program commitments of the Company

In November 2020, by a joint order of the Ministry of Energy of the Republic of Kazakhstan and the CRNM, an investment program for the period 2021-2025 was approved, according to which the Company has an obligation to fulfill the investment program in the period from 2021 to 2025 for the total amount of 214.2 billion Tenge. As at 31 December 2024, the balance of obligation under the investment program to be fulfilled is 58.5 billion Tenge.

Investment program commitments of the Main Waterline

In May 2024, by a joint order of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan and the CRNM, an investment program for the period 2024-2029 was approved, according to which the Main Waterline in the period from 1 July 2024 to 30 June 2029 has an obligation to fulfill the investment program for the amount 30.3 billion tenge. As at 31 December 2024, the balance of obligation of the Main Waterline under investment program to be fulfilled is 28.6 billion tenge.

Legal proceedings*Legal proceedings BOT with business counterparties*

On 19 December 2016, the Tbilisi City Court issued a ruling on securing a claim for the period of consideration of the case on the claims of BOT's business counterparty (hereinafter – plaintiff) to force BOT to enter into an agreement for the provision of transshipment and storage services, recovery of damages and lost profits, according to which a restriction was imposed on alienation and encumbrance of a mortgage on real estate owned by BOT - a land plot (the main territory of Batumi) with buildings and structures located on it. The total carrying amount of the specified property as at 31 December 2024 was 5 million US Dollars (equivalent to 2,626 million Tenge). This restriction does not affect the operational and financial activities of BOT.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Legal proceedings (continued)***Legal proceedings BOT with business counterparties (continued)*

On 23 December 2016, BOT appealed the above ruling, which was left unsatisfied. Due to disagreement with the requirements, BOT sent to the court a response to the statement of claim with BOT's position on this case; in March 2018, BOT filed a counterclaim to collect the plaintiff's existing receivables. On 12 February 2019, the court made a decision in favor of the plaintiff, and also partially satisfied the counterclaim of BOT, which was appealed by BOT on appeal and overturned by the court on 27 February 2020, returning the case for a new trial. Upon new consideration, the plaintiff abandoned the initial demands and asked the court to recover only lost profits in the amount of 16.5 million US Dollars, by a decision dated 11 November 2021, the court satisfied in full the requirements of the plaintiff and BOT's net obligations to the plaintiff amounted to 16.5 million US Dollars (equivalent to 8,664 million Tenge), which was also appealed by BOT. By the decision of the Tbilisi Court of Appeal dated 31 October 2023, the appeal of the BOT was satisfied, the court decision dated 11 November 2021 was canceled and the case was returned for a new trial. In January 2024, BOT appealed the decision of the appellate court with a request to overturn the court decision without returning to the first instance. As at 31 December 2024, the case was pending in court.

Claim of business counterparty to BOT

On 21 January 2021, the court received a claim from one of the BOT business counterparties on recovery of lost profits for the amount 12.5 million US Dollars (equivalent to 6,564 million Tenge), as well as establishing fixed tariffs for transshipment, without the right to change them unilaterally. Earlier, in 2014 BOT and a business counterparty concluded construction agreements, according to which the business counterparty acquired the right to build tanks on the territory of BOT and for BOT services for cargo transshipment. According to the business counterparty, BOT does not comply with the terms of these agreements, interferes with his activities, in connection with which the lawsuit was initiated.

As per court ruling dated 27 January 2021, a ban was imposed on the alienation and mortgage encumbrance on a land plot in Batumi c. with a carrying amount of 4 million US Dollars (equivalent to 2,100 million Tenge) as a security for this claim. On 12 February 2021, BOT appealed the above determination, which was left unsatisfied, and also submitted a review on the groundlessness of the plaintiff's demands. By decision of 16 July 2021, the court fully satisfied the claims of the business counterparty, which was appealed by BOT on appeal. The Court of Appeal upheld the decision, to which BOT filed a cassation appeal.

On 20 July 2023, the Supreme Court of Georgia partially satisfied the cassation appeal of BOT, the case was sent for review to the Kutaisi Court of Appeal, where it was located as of 31 December 2024. The court's decision did not enter into legal force.

Legal proceedings of a joint venture with the contractor

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

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

Litigation of the joint venture with the department of the CRNM of the Almaty city

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Legal proceedings (continued)

Litigation of the joint venture with the department of the CRNM of the Almaty city (continued)

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

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

On 22 October 2024, this agreement was approved by the Supreme Court of the Republic of Kazakhstan. According to the terms of the mediation agreement, the Department cancelled the above orders.

On 30 January 2025, MunaiTas sent to the authorized body a corresponding application for approval of tariffs and tariff estimates for 2025-2030 for an oil pumping service using an incentive method with entry into force on 1 July 2025, as well as a corresponding application for approval of the investment program.

Challenging the Company's tariffs

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

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

The termination of the BSP management agreement

In accordance with BSP Management agreement between BOT and the Georgia Government, the last one has the right for termination of this agreement, in case the BSP in the course of 2 years does not meet its obligations on minimum volume of transshipment, which is 4 million tons per year. In addition, if the transshipment volume is less than 6 million tons per year, BOT has to pay the penalties according to the agreement conditions.

The management of the Group believes, as at 31 December 2024 BSP was not subject to the risk of termination of this agreement by the Georgia Government, since the actual transshipment through the BSP for 12 months 2023 amounted to 6.6 million tons (during 2023: 6.8 million tons).

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group is exposed to market risk that comprises: credit risk, currency risk and liquidity risk. The management of the Group reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk

The Group enters into transactions with creditworthy counterparties only. The clients wishing to trade on a commercial loan terms are subject to a credit check procedure.

The receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Maximum exposure is the carrying amount of trade receivables. There are no significant concentrations of credit risk within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Credit risk (continued)**

The Group places deposits with Kazakhstani and foreign banks (*Notes 16, 17*). Management of the Group reviews credit ratings of these banks periodically to eliminate extraordinary credit risk exposure. In accordance with IFRS 9, the Group accruals allowances for expected credit losses in respect of funds with credit institutions.

The table below shows the balances of cash and cash equivalents and other financial assets such as long-term bank deposits, Notes of notes of the National Bank and bonds of Samruk-Kazyna at the reporting date using the “Moody’s”, “Fitch” and “Standard & Poor’s” credit ratings.

Issuer/bank	Location	Rating		31 December 2024	31 December 2023
		31 December 2024	31 December 2023		
National Bank of the Republic of Kazakhstan	Kazakhstan	Baa1/ Stable	Baa2/Positive	27,226,874	21,579,104
«Kazpost» JSC	Kazakhstan	BBB-/Stable	BBB-/Stable	21,253,196	17,236,119
«ForteBank» JSC	Kazakhstan	BB/ Stable	BB/ Stable	12,385,428	9,986,957
Samruk Kazyna	Kazakhstan	BBB/Stable	–	10,018,063	–
«Eurasian Bank» JSC	Kazakhstan	Ba2/ Stable	Ba3/Positive	9,971,777	8,880,420
«Halyk Bank of Kazakhstan» JSC	Kazakhstan	BBB-/ Stable	BBB-/Stable	8,473,637	8,413,926
«Altyn Bank» JSC (SB China Citic Bank Corporation Ltd)	Kazakhstan	BBB/ Stable	BBB/Stable	6,401,793	33
«Kazakhstan Sustainability Fund» JSC, Ministry of Finance of the RK	Kazakhstan	BBB/ Stable	BBB/Stable	6,289,807	25,276,371
Emirates NBD Bank PJSC	UAE	A+/ Stable	A+/Stable	2,081,536	2,428,260
Liberty Bank	Georgia	BB+/ Stable	–	2,013,272	–
Bank of Georgia	Georgia	BB/ Stable	BB/Stable	1,794,826	1,687,781
TBC Bank	Georgia	BB/Negative	BB/Stable	1,563,778	1,775,057
Halyk Bank of Georgia	Georgia	BB+/negative	BB+/Stable	791,340	1,670,963
Hellenic Bank	Cyprus	BBB-/ Stable	BB+/Stable	28,356	26,364
«OTP Bank» JSC	Russia	–	–	6,947	–
«APB» JSC	Russia	–	–	9	2,747
«Moskommercbank» CB	Russia	–	–	–	5,247
Total				110,300,639	98,969,349

Interest rate risk

The risk associated with changes in interest rates is the risk of fluctuations in the value of a financial instrument as a result of changes in interest rates on the market. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's loans with a floating interest rate and a change-dependent base rate of the National Bank of the Republic of Kazakhstan.

The table below provides an analysis of the sensitivity of the Group's pre-tax profit to possible changes in the interest rate, while other parameters are assumed to be constant.

<i>In thousands of Tenge</i>	increase +/ decrease – in basis points	Impact on profit before taxes: (decrease)/ increase
2024		
The base rate of the National Bank of the Republic of Kazakhstan	+100	(532,640)
	–100	532,640
2023		
The base rate of the National Bank of the Republic of Kazakhstan	+100	(473,908)
	–100	473,908

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Liquidity risk**

The Group monitors its risk to a shortage of funds using a current liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2024 and 2023 based on contractual undiscounted payments.

<i>In thousands of Tenge</i>	On demand and less 1 month	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at 31 December 2024						
Loans received	–	6,994,743	31,167,012	17,857,292	18,469,271	74,488,318
Issued debt securities	–	7,401,471	8,539,706	25,372,059	30,311,765	71,625,001
Trade and other accounts payable	28,212,066	–	331,870	–	–	28,543,936
Lease liabilities	–	2,824,053	2,779,606	4,246,897	3,839,262	13,689,818
Other current liabilities	445,760	–	–	–	–	445,760
Total	28,657,826	17,220,267	42,818,194	47,476,248	52,620,298	188,792,833
As at 31 December 2023						
Loans received	–	–	60,097,647	–	–	60,097,647
Issued debt securities	–	335,278	7,401,471	25,495,588	38,727,941	71,960,278
Trade and other accounts payable	34,937,605	–	–	–	–	34,937,605
Lease liabilities	–	2,638,295	2,573,658	5,624,483	378,990	11,215,426
Other current liabilities	376,867	–	–	–	–	376,867
Total	35,314,472	2,973,573	70,072,776	31,120,071	39,106,931	178,587,823

Currency risk

The table below shows the total amount of foreign currency denominated assets and liabilities that give rise to foreign exchange exposure.

<i>In thousands of Tenge</i>	US Dollar	Georgian Lari	Russian Ruble	Euro	Total
At 31 December 2024					
Assets	21,180,620	2,366,671	1,833,152	13,128	25,393,571
Liabilities	188,967	1,805,855	457,049	18,904	2,470,775
At 31 December 2023					
Assets	14,805,693	1,179,129	910,117	10,455	16,905,394
Liabilities	194,612	1,966,882	383,115	2,273	2,546,882

The Group does not have formal arrangements to mitigate foreign exchange risks of the Group's operations. The Group also has transactional currency exposures. Such exposure arises from revenues in US Dollars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Currency risk (continued)**

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, Euro and Russian Ruble exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no significant impact on the Group's equity.

<i>In thousands of Tenge</i>	Increase/ decrease in US Dollar exchange rate	Effect on profit before tax
2024		
US Dollar	+9,09%	1,908,141
	-7,34%	(1,540,787)
Russian Ruble	+2%	27,522
	-22,95%	(315,816)
Euro	+9%	(520)
	-5,95%	344
Georgian Lari	7,52%	41,858
	-18,39%	(102,362)
2023		
US Dollar	+14.15%	2,067,468
	-14.15%	(2,067,468)
Russian Ruble	+28.54%	150,406
	-28.54%	(150,406)
Euro	+12.95%	1,060
	-12.95%	(1,060)
Georgian Lari	18,84%	(148,413)
	-18,84%	148,413

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy equity ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Fair value of financial instruments**

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

<i>In thousands of Tenge</i>	31 December 2024					31 December 2023				
	Carrying amount	Fair value by valuation levels				Carrying amount	Fair value by valuation levels			
		Fair value	Level 1	Level 2	Level 3		Fair value	Level 1	Level 2	Level 3
Issued debt securities	45,872,999	46,204,280	-	46,204,280	-	41,374,855	41,128,054	-	41,128,054	-
Loans received with a floating interest rate	53,263,950	53,452,685	-	53,452,685	-	47,390,786	47,414,519	-	47,414,519	-

The fair value of the loans received was determined by discounting the expected cash flows based on interest rates calculated on the basis of the base interest rate of the National Bank of the Republic of Kazakhstan effective at the reporting date plus 1.5% (as at 31 December 2023: based on the base interest rate of the National Bank of the Republic of Kazakhstan effective on the reporting date plus 2.5%).

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. SUBSEQUENT EVENTS

In January 2025, the Company sold to KMG the surplus of its own technological oil in the amount of 100,000 tons in the amount of 9,898,311 thousand tenge, including VAT.

On February 3, 2025, the contractor filed a lawsuit against MunaiTas to recover additional costs incurred by the contractor during the construction works to increase the pipeline capacity in 2020-2022. According to the contractor's estimate, the amount of unreimbursed expenses is 7.9 billion tenge. The management of MunaiTas disagrees with the claim, as the additional works were not agreed upon with MunaiTas and were not documented. Under the terms of the contract, the contractor was not permitted to carry out additional works without prior approval from MunaiTas. The lawsuit has been accepted by the court. MunaiTas intends to object to the contractor's claims. The management of MunaiTas believes that the risk of an unfavorable outcome in the court proceedings regarding this claim is moderate.

As at 13 March 2025, the exchange rate of the US dollar at the end of the session on the KASE amounted to 495.28 tenge per 1 US dollar.