KazTransOil JSC

Separate financial statements

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

CONTENTS

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Independent auditor's report

To the Shareholders and Board of Directors of KazTransOil JSC

Opinion

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

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its 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 separate financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of separate financial statements in Republic of Kazakhstan, and we have fulfilled our 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate 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 separate 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 separate 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 separate 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 total assets of the Company as at 31 December 2024. In accordance with the accounting policy of the Company, property, plant and equipment is measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. At each reporting date management of the Company 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 the assets, management of the Company determines the present value of expected future cash flows from the use of property, plant and equipment. 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 4 to the separate financial statements.	We obtained from the management of the Company 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 Company'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.

Other information included in the Company's Annual report 2024

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

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 separate financial statements

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

In preparing the separate financial statements, management is responsible for assessing the Company'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 or to cease operations or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Company'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 Company'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 separate 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the separate 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

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

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13 March 2025

SEPARATE STATEMENT OF FINANCIAL POSITION

In thousands of Tenge	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	**832,993,281**	825,994,253
Right-of-use assets	6	**5,724,951**	6,722,767
Intangible assets	7	**1,131,701**	966,587
Investments in subsidiaries	8	**85,258,028**	83,288,946
Investments in joint ventures	9	**12,504,945**	12,504,945
Advances to suppliers for property, plant and equipment	10	**2,830,366**	1,291,771
Bank deposits	16	**412,163**	718,088
Other long-term accounts receivable	12	**691,020**	721,048
		941,546,455	932,208,405
Current assets			
Inventories	11	**6,539,391**	7,413,054
Trade and other accounts receivable	12	**4,508,611**	4,487,576
Advances to suppliers	13	**54,980**	302,623
Prepayment for income tax		**–**	420,860
VAT recoverable and other prepaid taxes	14	**2,351,641**	1,854,527
Other current assets	15	**6,478,835**	5,476,522
Other financial assets	16	**30,195,883**	20,702,959
Cash and cash equivalents	17	**57,588,938**	51,938,072
		107,718,279	92,596,193
Total assets		**1,049,264,734**	1,024,804,598

The accounting policy and explanatory notes on pages 7 through 54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

In thousands of Tenge	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	**308,831,396**	319,936,940
Other capital reserves	18	**1,208,145**	1,246,570
Retained earnings		**428,890,802**	391,024,909
Total equity		**800,858,361**	774,136,437
Non-current liabilities			
Employee benefit obligations	19	**19,273,666**	18,030,139
Deferred tax liabilities	33	**97,381,674**	99,166,081
Provision for asset retirement and land recultivation obligation	24	**37,405,274**	45,648,971
Lease liabilities	21	**4,458,848**	5,097,201
Contract liabilities to customers	22	**850,283**	27,462
		159,369,745	167,969,854
Current liabilities			
Financial guarantee obligation	8	**1,836,417**	–
Current part of employee benefit obligations	19	**1,342,924**	1,181,930
Trade and other accounts payable	20	**25,180,647**	20,738,174
Lease liabilities	21	**2,509,776**	2,416,764
Contract liabilities to customers	22	**24,435,708**	27,469,613
Income tax payable		**1,176,536**	–
Other taxes payable	23	**1,433,628**	1,129,974
Other current liabilities	25	**31,120,992**	29,761,852
		89,036,628	82,698,307
Total liabilities		**248,406,373**	250,668,161
Total equity and liabilities		**1,049,264,734**	1,024,804,598
Book value per ordinary share (in Tenge)	18	**2,079**	2,010

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 7 through 54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

In thousands of Tenge	Notes	For the year ended 31 December 2024	2023
Revenue	26	258,660,571	240,988,235
Cost of sales	27	(217,146,442)	(206,030,190)
Gross profit		**41,514,129**	34,958,045
General and administrative expenses	28	(12,116,857)	(12,332,165)
Other operating income	29	4,915,337	1,542,027
Other operating expenses	30	(601,786)	(1,022,098)
Impairment of property, plant and equipment, net	5	(368,462)	(4,730,780)
Impairment of investments in a subsidiary	8	–	(782,842)
Operating profit		**33,342,361**	17,632,187
Net foreign exchange gain		845,665	791,480
Dividend income	8, 9	11,721,106	4,740,951
Finance income	31	10,208,494	9,181,922
Finance costs	32	(7,422,136)	(7,008,037)
Profit before income tax		**48,695,490**	25,338,503
Income tax expense	33	(8,914,306)	(7,296,603)
Net profit for the year		**39,781,184**	18,041,900
Other comprehensive income/ (loss)			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Revaluation and impairment of property, plant and equipment, net	5	6,035,346	(3,184,948)
Income tax effect	33	(1,207,069)	636,990
		4,828,277	(2,547,958)
Decrease/ (charge) of provision for asset retirement and land recultivation obligation	24	8,939,643	(1,943,919)
Income tax effect	33	(1,787,929)	388,784
		7,151,714	(1,555,135)
Actuarial (loss)/ income from employee benefit obligations	19	(39,511)	1,472,627
Income tax effect	33	1,086	(40,473)
		(38,425)	1,432,154
Total other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods, net		**11,941,566**	(2,670,939)
Total other comprehensive income/(loss) for the year, net of tax		**11,941,566**	(2,670,939)
Total comprehensive income for the year, net of tax		**51,722,750**	15,370,961
Basic and diluted earnings per share (in Tenge)	18	**103**	47

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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SEPARATE STATEMENT OF CASH FLOWS

In thousands of Tenge	Notes	For the year ended 31 December 2024	2023
Cash flows from operating activities			
Profit before income tax		**48,695,490**	25,338,503
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization	27, 28	**54,368,721**	61,339,659
Dividends income	8, 9	**(11,721,106)**	(4,740,951)
Finance income	31	**(10,208,494)**	(9,181,922)
Finance costs	32	**7,422,136**	7,008,037
Revision and reversal of estimates on provision on asset retirement and land recultivation obligation, net	29	**(3,649,718)**	(987,121)
Net foreign exchange gain		**(845,665)**	(791,480)
Employee benefit obligations, current services costs	27, 28	**733,732**	702,937
Impairment of property, plant and equipment, net	5	**368,462**	4,730,780
Write-off of VAT recoverable	28	**175,417**	228,373
Reversal/(charge) of expected credit losses, net	28	**(149,924)**	53,209
Loss on disposal of property, plant and equipment, net	30	**71,668**	70,388
Actuarial (income)/loss	29, 30	**(7,588)**	96,799
Impairment of investment in subsidiary	8	**–**	782,842
Write-off of inventory value to net realisable value	30	**–**	661,271
Others		**(144,601)**	(39,503)
Operating cash flows before working capital changes		**85,108,530**	85,271,821
(Increase)/decrease in operating assets			
VAT recoverable and other prepaid taxes		**(2,559,556)**	(266,525)
Inventories		**906,500**	(258,276)
Trade and other accounts receivable		**319,648**	1,072,881
Advances to suppliers		**82,794**	(270,254)
Other current assets		**(1,369,605)**	243,548
Increase/(decrease) in operating liabilities			
Contract liabilities to customers		**(3,035,841)**	4,944,329
Other taxes payable		**2,190,679**	(3,051,650)
Other current and non-current liabilities and employee benefit obligations		**(1,448,020)**	1,291,877
Trade and other accounts payable		**329,587**	712,198
Cash flows from operating activities		**80,524,716**	89,689,949
Income taxes paid		**(11,063,103)**	(11,841,045)
Interest received		**7,996,044**	7,892,060
Net cash flows from operating activities		**77,457,657**	85,740,964

The accounting policy and explanatory notes on pages 7 through 54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS (continued)

In thousands of Tenge	Notes	For the year ended 31 December 2024	2023
Cash flows from investing activities			
Purchase of Notes of the National Bank	34	**(203,752,623)**	(117,517,479)
Proceeds from redemption of Notes of the National Bank	34	**203,752,623**	97,517,479
Purchase of property, plant and equipment and intangible assets		**(48,896,644)**	(72,441,350)
Purchases of bonds of Samruk Kazyna	34	**(10,000,000)**	-
Dividends received from joint ventures	9	**9,564,571**	3,960,351
Dividends received from a subsidiary	8	**2,193,165**	794,790
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		**13,193**	570,961
Contributions to charter capital of a subsidiary	8	**-**	(1,900,000)
Net cash flows used in investing activities		**(45,420,066)**	(88,688,126)
Cash flows from financing activities			
Dividends paid	18	**(25,000,826)**	(15,000,496)
Payment of lease liabilities	21	**(2,494,921)**	(2,377,279)
Net cash flows used in financing activities		**(27,495,747)**	(17,377,775)
Net change in cash and cash equivalents		**4,541,844**	(20,324,937)
Net foreign exchange difference		**1,111,434**	(380,346)
Change in allowance for expected credit losses		**(2,412)**	6,085
Cash and cash equivalents at the beginning of the year		**51,938,072**	72,637,270
Cash and cash equivalents at the end of the year		**57,588,938**	51,938,072

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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SEPARATE STATEMENT OF CHANGES IN EQUITY

In thousands of Tenge	Share capital	Treasury shares repurchased from shareholders	Asset revaluation reserve	Other capital reserves	Retained earnings	Total
As at 31 December 2022	61,937,567	(9,549)	354,930,137	(185,584)	357,093,401	773,765,972
Net profit for the year	–	–	–	–	18,041,900	18,041,900
Other comprehensive loss	–	–	(4,103,093)	1,432,154	–	(2,670,939)
Total comprehensive income for the year	–	–	(4,103,093)	1,432,154	18,041,900	15,370,961
Amortization of revaluation reserve for property, plant and equipment	–	–	(30,890,104)	–	30,890,104	–
Dividends *(Note 18)*	–	–	–	–	(15,000,496)	(15,000,496)
As at 31 December 2023	61,937,567	(9,549)	319,936,940	1,246,570	391,024,909	774,136,437
Net profit for the year	–	–	–	–	**39,781,184**	**39,781,184**
Other comprehensive income	–	–	**11,979,991**	**(38,425)**	–	**11,941,566**
Total comprehensive income for the year	–	–	**11,979,991**	**(38,425)**	**39,781,184**	**51,722,750**
Amortization of revaluation reserve for property, plant and equipment	–	–	**(23,085,535)**	–	**23,085,535**	–
Dividends *(Note 18)*	–	–	–	–	**(25,000,826)**	**(25,000,826)**
As at 31 December 2024	**61,937,567**	**(9,549)**	**308,831,396**	**1,208,145**	**428,890,802**	**800,858,361**

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 7 through 54 form an integral part of these separate financial statements.

NOTES TO THE SEPARATE 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, 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% are in free circulation of the Astana International Exchange (AIX) and KASE. The Government of the Republic of Kazakhstan is the sole shareholder of Samruk-Kazyna.

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

				Ownership	
Organization	**Type of control**	**Place of incorporation**	**Principal activities**	**31 December 2023**	31 December 2023
"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	United Arab Emirates	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's head office is located in Astana, Kazakhstan, at 20 Turan Avenue.

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

The Company is the national operator of the Republic of Kazakhstan on the main oil pipeline. The Company operates network of main oil pipelines of 5,338 km.

The Company provides services for the transportation of oil through main oil pipelines, a transport expedition of Kazakhstani oil through pipelines of other states, services for the operation and maintenance of oil pipelines of other organizations, including joint venture of the Company. The Company's joint ventures MunaiTas and KCP own Kenkiyak-Atyrau, Kenkiyak-Kumkol, and Atasu-Alashankou pipelines mainly used for transportation of Kazakhstani crude oil, and also for transit of Russian oil to China.

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 separate financial statements for the year ended 31 December 2024 were approved for issue 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 separate financial statements of the Company (hereinafter − the separate financial statements) have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (hereinafter − IASB).

The separate 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 separate financial statements.

The separate financial statements are presented in Tenge and all amounts are rounded to the nearest thousands, except when otherwise indicated. The separate financial statements provide comparative information in respect of the previous period.

In preparing the separate financial statements, the Company'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 35)*.

The separate financial statements were prepared in accordance with a going concern basis.

The separate financial statements was issued in addition to the consolidated financial statements of the Company and its subsidiaries. The consolidated financial statements was approved by internal audit committee of the Company's Board of Directors on 12 Macrh 2025 and signed by the General Director (Chairman of the Management Board) and the Chief Accountant of the Company on 13 March 2025.

Consolidated financial statements are available on the Company's corporate internet resource.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Investment in a subsidiary

Investment in a subsidiary is accounted for at cost less any impairment in value in the separate financial statements.

The Company assesses at each reporting date whether there is any objective evidence that an investment in a subsidiary may be impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and then recognizes the loss within the statement of comprehensive income.

3.2 Interest in joint ventures

Investments in joint ventures are accounted for in these separate financial statements at initial cost less impairment. As discussed in *Note 1*, the Company participates in two jointly controlled entities: KCP and MunaiTas *(Note 9)*.

3.3 Foreign currency translation

These separate financial statements are presented in Tenge, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency rate prevailing at the date of the transaction first qualified for recognition.

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

All exchange differences arising from repayment and recalculation of monetary items, are included in the separate statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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 (OCI) or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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:

	For the year ended 31 December	
Tenge	**2024**	2023
US Dollars	**469.31**	456.21
Russian Rubles	**5.07**	5.41
Euro	**507.63**	493.22

As at 31 December exchange rates established by KASE are as follows:

Tenge	**2024**	2023
US Dollars	**525.11**	454.56
Russian Rubles	**4.88**	5.06
Euro	**546.74**	502.24

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Current versus non-current classification of assets and liabilities

The Company presents assets and liabilities in the separate 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 Company does not have the right to delay repayment of the obligation for at least twelve months after the end of the reporting period.

The Company classifies all other liabilities as non-current.

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

3.5 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 Company. 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 Company 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 separate financial statements or the fair value of which is disclosed in separate financial statement 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 separate financial statements on a recurring basis, the Company 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Fair value measurement (continued)

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company 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 Company 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 *Note 4.2*.

The fair value of financial instruments is disclosed in *Note 36.*

3.6 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.

In identifying excess of technological oil the Company 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 Company 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.

The revaluation surplus is recorded in other comprehensive income and credited to the increase in the asset revaluation reserve in equity, except for that part of it that reverses the revaluation loss on the same asset recognised as a result of previously revaluation in profit or loss. A revaluation loss is recognised in profit or loss, except to the extent that directly reduces the revaluation surplus on the same asset previously recognised as part of the 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 Company 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.

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 asset retirement and land recultivation obligation disclosed in *Notes 4.6, 24*.

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

	Years
Buildings and constructions	5-42
Machinery and equipment	10-12
Pipeline systems	5-45
Other transportation assets	4-30
Other	3-25

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Property, plant and equipment (continued)

According to the Company'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.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The initial cost of intangible assets acquired as a result of a business combination is their fair value at the acquisition date.

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. l

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 separate 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 recognised in the separate statement of comprehensive income when the asset is derecognised.

3.8 Impairment of non-financial assets

The Company 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 Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (hereinafter − CGU) fair value less costs to sell and its value in use.

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 Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared for the Company'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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of non-financial assets (continued)

Impairment losses of continuing operations (including impairment on inventories) are recognized in the separate 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 Company 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 Company 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 recognized 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 4.2,5.*

3.9 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company 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 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 Company'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 Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term bank deposits, trade and other receivables, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial assets (continued)

Subsequent measurement (continued)

Financial assets at amortised cost (debt instruments)

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

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 Company classifies investments in bonds as financial assets measured at fair value through profit or loss *(Note 16).*

The Company 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 Company's separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company's continuing involvement in the asset.

In that case, the Company 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 Company 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 Company could be required to repay.

3.10 Impairment of financial assets

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

- Disclosures for significant assumptions *(Note 4)*;
- Trade and other accounts receivable *(Note 12)*;
- Bank deposits *(Note 16)*;
- Cash and cash equivalents, reverse repo transactions *(Note 17).*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of financial assets (continued)

The Company 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 Company expects to receive. ECLs are discounted at an approximation of the original effective interest rate for a similar instrument with a similar credit raiting.

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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 and Notes of the National Bank, bonds of Samruk Kazyna the Company 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 Company 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 Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

3.11 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 Company are classified financial liabilities at amortised cost.

Financial liabilities at amortised cost

This category is the most significant for the Company. 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 Company includes trade and other payables and lease obligations.

Financial guarantee agreements

Financial guarantee contracts issued by the Company are contracts that require payment to be made in order to reimburse the holder for the loss he suffered because the specified debtor did not make the payment on time in accordance with the terms of the debt instrument. Financial guarantee contracts are initially recognized as a liability at fair value, taking into account transaction costs directly related to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the estimated allowance for expected credit losses and the amount initially recognized less accumulated depreciation, if any. A financial guarantee issued by a Company in favor of a subsidiary increases the cost of investing in the subsidiary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial liabilities (continued)

Derecognition

A financial liability is derecognised 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 recognised in the statement of comprehensive income as income or expense.

3.12 Offsetting of financial instruments

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

3.13 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 realisable 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.

3.14 Cash and cash equivalents

Cash and cash equivalents in the separate statement of financial position comprise cash at banks and on hand, 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 separate statement of cash flows, cash and cash equivalents consist cash, short-term deposits and other short-term highly liquid investments as defined above, net of outstanding bank overdrafts.

3.15 Provisions

Provisions are recognised when the Company 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 Company 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 Company records a provision on asset retirement and land recultivation obligation. Provisions on asset retirement and land recultivation 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 recultivation obligation. The unwinding of the discount is expensed as incurred and recognised in the separate statement of comprehensive income as a finance cost.

The estimated future costs on asset retirement and land recultivation 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 4.6, 24)*.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Employee benefits

The Company provides long-term employee benefits to employees before, on and after retirement, in accordance with the Collective agreement between the Company 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 separate 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 Company 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 Company recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'finance expenses' in separate 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. Further detailed information is disclosed in *Notes 4.11, 19.*

3.17 Revenue and other income recognition

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 Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The Company has concluded that it is acting as a principal in all of its revenue arrangements (as it is the main party that has assumed the obligations under the contracts, receives benefits and accepts the risks associated with the contracts), except for transportation expedition contracts where the Company is acting as an agent for which the Company recognizes revenue commission for its services.

In the separate financial statements, the Company generally recognizes revenue for the following types:

Crude oil transportation

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue and other income recognition (continued)

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 Company's contractual obligations.

Oil storage services

Oil 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

Oil transportation coordination 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 separate statement of comprehensive income.

Dividends

Dividend income is recognized when the Company's right to receive the payment is established (on the date of dividends approval).

In preparing to adopt IFRS 15, the Company 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.

Principal versus agent considerations

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

The Company 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 Company determined that it does not control the services before they are accepted by the customer's buyer. Hence, Company is an agent, rather than principal in these contracts on oil transportation coordination services.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue and other income recognition (continued)

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 Company has received compensation from the buyer. If the buyer pays compensation before the Company transfers the product or service to the buyer, the contractual liabilities 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 Company fulfills its contractual liabilities.

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

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

In accordance with the requirements for the separate financial statements, the Company 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 26.*

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 separate financial statements of the Company.

3.18 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 Republic of Kazakhstan, where the Company operates and generates taxable income.

Current income tax relating to items recognized in other comprehensive income is recognised in equity and not in the statement of comprehensive income. Management of the Company 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxes (continued)

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.

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 Company’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.

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 separate statement of financial position.

3.19 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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Changes in accounting policies and disclosures (continued)

New standards, interpretations and amendments to existing standards and interpretations (continued)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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 Company's separate 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 Company's separate financial statements.

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 Company's financial statements are disclosed below. The Company 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

Lack of exchangeability – Amendments to IAS 21 (continued)

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 Company's separate 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 Company 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 separate 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 Company is a publicly accountable entity, it does not meet the criteria for applying IFRS 19.

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 Company's separate 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 Company's separate financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's separate 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 Company's exposure to risks and uncertainties includes:

- Financial risk management and policies *(Note 36)*;
- Sensitivity analyses disclosures *(Note 36)*.

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 Company based its assumptions and estimates on parameters available when the separate 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 Company. Such changes are reflected in the assumptions when they occur.

Estimates and assumptions

4.1 Investments in subsidiaries and jointly controlled entities

As at 31 December 2024, there are no indicators of impairment of investments in subsidiaries and jointly controlled entities.

4.2 Fair value measurement of the property, plant and equipment

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

The valuation methods used by the Company 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 Company's assets is their use in operating activities.

The Company's property, plant and equipment are mainly represented by specialized assets and inputs used in determining their fair value inputs are to Level 3 inputs in the fair value hierarchy (unobservable inputs).

The initial data used to determine the fair value of non-specialized assets (office buildings, land, vehicles, office equipment, furniture, and 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 Company, was initially based on the 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 Company, 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 Company's management has identified cash-generating unit (CGUs) — CGU Oil Transportation (Company). 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. 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) were lower than those determined by the residual replacement cost and, therefore, an adjustment for economic obsolescence was made.

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

Estimates and assumptions (continued)

4.2 Fair value measurement of the property, plant and equipment (continued)

According to the results of the independent appraisal in 2022, the carrying value of property, plant and equipment of the Company (excluding technological oil) increased by 112,070,868 thousand tenge, including the net revaluation through the asset revaluation reserve in the amount to 124,669,031 thousand tenge, and the net markdown through profit and loss was recognized in the amount of 12,598,163 thousand tenge.

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 Company 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 5). 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 Company performed a fair value analysis of property, plant and equipment and determined that there were no significant differences between the carrying amount of the Company’s property, plant and equipment and the amount (except technological oil) 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:

In millions of Tenge	**31 December 2024**	31 December 2023
Discount rate (WACC)	**16.96%**	17.43%
Long-term growth rate	**4%**	4%

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

In millions of Tenge	**(Decrease)/ Increase in rate**	**Oil transportation CGU**
Discount rate (WACC)	**-0.5%**	**25,050**
	+0.5%	**(23,152)**
Long-term growth rate	**-0.5%**	**(15,761)**
	+0.5%	**17,026**

During 2024 and 2023, there were no transfers between Level 2 and Level 3, nor were there any transfers to Level 1.

In addition, during 2024, the Company 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 5)).*

4.3 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.

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

Estimates and assumptions (continued)

4.3 Revaluation of technological oil (continued)

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 Company'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 of the Republic of Kazakhstan (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 Company 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 Company, provide oil to fill the system of the Company'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.

Taking into account all these factors as at 31 December 2024 the fair value of the Company'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 2,468,218 thousand Tenge (during 2023: 3,980,489 thousand Tenge), as well as a loss from the write-off of oil shortage in the amount of 22,049 thousand tenge (for 2023: 7,717 thousand tenge). During 2024 as a result of revaluation the net other comprehensive income was equal to 6,096,481 thousand Tenge (during 2023: other comprehensive income for 5,242,823 thousand Tenge) *(Note 5)*.

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 were recognized (for 2023: 47,093 tons).

4.4 Useful lives of items of property, plant and equipment

The Company 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*.

4.5. Financial guarantee Agreements

During 2024, the Company recognized the obligation under the financial guarantee agreement *(Note 8)* at fair value. The fair value of the financial guarantee agreement was determined based on the discounted value (based on the weighted average market interest rates on long-term bank loans) of the secured obligation using the average market rate of remuneration for the risks of second-tier banks in the amount of 2.75%.

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

Estimates and assumptions (continued)

4.6 Asset retirement and land recultivation 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.

As a percentage	**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 Company revised its estimates for asset retirement and land recultivation obligation. At the same time, taking into account that the Company 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 Company uses risk-free rates of US Treasury bonds, with maturities corresponding to the expected duration of the asset retirement and land recultivation 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 recultivation obligation was 37,405,274 thousand Tenge (as at 31 December 2023: 45,648,971 thousand Tenge) *(Note 24)* 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 Company 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 recultivation are carried out when replacing the pipelines at the end of their useful life.

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 Company belong to category II, which have a moderate negative impact on the environment. Accordingly, in 2022, the Company 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.

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

Estimates and assumptions (continued)

4.6 Asset retirement and land recultivation obligation (continued)

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

In thousands of Tenge	(Decrease)/ increase in rate	Increase/ (decrease) in liability
Discount rate	-0,5%	2,731,457
	+0,5%	(2,532,210)
Inflation rate	-0,5%	(2,651,527)
	+0,5%	2,842,617

4.7 Reserves for the impairment of advances to suppliers

The Company 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 separate financial statements.

As at 31 December 2024 and 2023 these reserves have been created for the amount of 53,258 thousand Tenge *(Notes 10)*.

4.8 Allowances for financial assets

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

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated expected credit losses based on lifetime of these financial instruments. The Company used a provision model that is prepared taking into account Company's 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, the Company 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 Company 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 Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

As at 31 December 2024 and 2023 allowance for expected credit losses was created in the amount of 577,798 thousand Tenge and 726,338 thousand Tenge, respectively *(Notes 12, 16, 17)*. Changes in the economy, industry and specific characteristics may affect the reserves recorded in separate financial statements.

4.9 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 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 Company 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.

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

Estimates and assumptions (continued)

4.10 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 12,001,111 thousand Tenge (as at 31 December 2023: 13,679,181 thousand Tenge) *(Note 33)*.

4.11 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 Company 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).

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

In thousands of Tenge	**(Decrease)/ increase in rate**	**(Decrease)/ increase in obligation**
Discount rate	**-0,5%**	**1,270,481**
	+0,5%	**(1,161,936)**
Future financial aid increase	**-1%**	**(2,351,951)**
	+1%	**2,559,276**
Future salary increase	**-1%**	**(219,487)**
	+1%	**255,316**
Life duration	**-1 year**	**(208,049)**
	+1 year	**206,970**

5. PROPERTY, PLANT AND EQUIPMENT

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

In thousands of Tenge	Land	Pipelines	Transpor-tation assets	Buildings and const-ructions	Machinery, transfer devices and equipment	Technolo-gical oil	Other	Construction in progress	Total
Gross carrying amount as at 1 January 2023	10,017,836	288,724,610	20,385,434	94,165,943	147,188,702	223,788,482	11,071,794	24,234,349	819,577,150
Additions	4,760	4,898	3,103,114	711,631	1,804,735	–	675,787	68,742,021	75,046,946
Disposals	(80,983)	(298,912)	(8,520)	(1,233,742)	(129,139)	(7,717)	(204,101)	(12,429)	(1,975,543)
Additions related to asset retirement and land recultivation obligation *(Note 24)*	–	36,142	–	–	–	–	–	–	36,142
Revaluation (reserve for revaluation of asset) *(Note 4.3)*	–	–	–	–	–	5,242,823	–	–	5,242,823
Transfers to inventory	–	(1,268,199)	(92,658)	(3,903)	(78,495)	–	(907)	(125,100)	(1,569,262)
Transfers from construction-in-progress	663	3,886,503	1,412	8,104,278	12,880,896	–	532,078	(25,405,830)	–
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	9,942,276	289,887,660	23,308,033	101,705,217	161,273,592	229,023,588	12,073,360	69,144,530	896,358,256
Additions	**–**	**–**	**2,964,387**	**119,298**	**2,395,419**	**–**	**810,742**	**47,195,887**	**53,485,733**
Disposals	**–**	**(57,833)**	**(6,500)**	**(202,299)**	**(496,900)**	**(22,049)**	**(509,413)**	**(12,382)**	**(1,307,376)**
Additions related to asset retirement and land recultivation obligation *(Note 24)*	**–**	**54,820**	**–**	**189,057**	**–**	**–**	**–**	**–**	**243,877**
Revaluation (reserve for revaluation of asset) *(Note 4.3)*	**–**	**–**	**–**	**–**	**–**	**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**	**12,728**	**5,149,755**	**14,677,491**	**–**	**262,272**	**(24,413,508)**	**–**
Transfers and reclassifications	**–**	**–**	**(483)**	**–**	**11,271**	**–**	**(27,612)**	**16,824**	**–**
Gross carrying amount as at 31 December 2024	**9,958,507**	**294,038,626**	**26,065,339**	**106,940,752**	**177,388,478**	**235,098,020**	**12,597,334**	**91,915,870**	**954,002,926**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

In thousands of Tenge	Land	Pipelines	Transpor-tation assets	Buildings and const-ructions	Machinery, transfer devices and equipment	Technolo-gical oil	Other	Construction in progress	Total
Accumulated depreciation and impairment as at 1 January 2023	–	–	–	–	–	–	–	–	–
Depreciation charge	–	(21,324,798)	(4,546,069)	(5,965,447)	(23,381,300)	–	(3,855,824)	–	(59,073,438)
Disposals	15,852	260,986	8,416	329,147	103,819	5,786	203,279	–	927,285
Impairment (through profit and loss)	–	(2,218,829)	(4,049)	(458,202)	(557,030)	–	(5,484)	(1,487,186)	(4,730,780)
Impairment (reserve for revaluation of asset)	(15,852)	(4,428,420)	(1,257)	(1,652,428)	(2,136,247)	(5,786)	(124,201)	(63,580)	(8,427,771)
Transfers to inventory	–	802,227	75,210	1,468	60,966	–	830	–	940,701
Accumulated depreciation and impairment as at 31 December 2023	–	(26,908,834)	(4,467,749)	(7,745,462)	(25,909,792)	–	(3,781,400)	(1,550,766)	(70,364,003)
Depreciation charge	**–**	**(21,058,743)**	**(3,531,847)**	**(6,145,803)**	**(18,865,941)**	**–**	**(2,711,069)**	**–**	**(52,313,403)**
Disposals	**–**	**57,834**	**5,084**	**138,144**	**495,699**	**18,044**	**507,285**	**8,457**	**1,230,547**
Impairment (through profit and loss)	**(3,413)**	**(32,857)**	**(27,670)**	**(4,937)**	**(28,030)**	**–**	**(351)**	**(271,204)**	**(368,462)**
Impairment (reserve for revaluation of asset)	**(12,818)**	**(5)**	**(2,032)**	**(6,889)**	**(5,403)**	**(18,044)**	**(6)**	**(15,938)**	**(61,135)**
Transfers to inventory	**–**	**153,043**	**212,400**	**24,760**	**465,273**	**–**	**11,266**	**69**	**866,811**
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)**	**(7,811,331)**	**(13,786,853)**	**(43,971,197)**	**–**	**(5,975,875)**	**(1,593,046)**	**(121,009,645)**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

In thousands of Tenge	Land	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	**9,958,507**	**294,038,626**	**26,065,339**	**106,940,752**	**177,388,478**	**235,098,020**	**12,597,334**	**91,915,870**	**954,002,926**
Accumulated depreciation and impairment	**(16,231)**	**(47,855,112)**	**(7,811,331)**	**(13,786,853)**	**(43,971,197)**	**–**	**(5,975,875)**	**(1,593,046)**	**(121,009,645)**
Net book value	**9,942,276**	**246,183,514**	**18,254,008**	**93,153,899**	**133,417,281**	**235,098,020**	**6,621,459**	**90,322,824**	**832,993,281**
As at 31 December 2023									
Gross carrying amount	9,942,276	289,887,660	23,308,033	101,705,217	161,273,592	229,023,588	12,073,360	69,144,530	896,358,256
Accumulated depreciation and impairment	–	(26,908,834)	(4,467,749)	(7,745,462)	(25,909,792)	–	(3,781,400)	(1,550,766)	(70,364,003)
Net book value	**9,942,276**	**262,978,826**	**18,840,284**	**93,959,755**	**135,363,800**	**229,023,588**	**8,291,960**	**67,593,764**	**825,994,253**

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

In thousands of Tenge	Land	Pipelines	Transportation assets	Buildings and constructions	Machinery, transfer devices and equipment	Technological oil	Other	Construction in progress	Total
As at 31 December 2024	**1,022,371**	**172,755,571**	**15,439,006**	**66,117,191**	**98,546,751**	**30,270,422**	**3,209,367**	**91,539,273**	**478,899,952**
As at 31 December 2023	1,022,371	184,615,872	14,643,425	68,278,695	92,768,269	30,270,422	3,356,828	69,153,999	464,109,881

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

As at 31 December 2024:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated property, plant and equipment still in use were 3,332 Tenge (as at 31 December 2023: 1,977 Tenge);
- Construction in progress included materials and spare parts in the amount of 468,743 thousand Tenge (as at 31 December 2023: 1,763,907 thousand Tenge), which were acquired for construction works.

Depreciation of property, plant, and equipment for the year ended 31 December 2024, capitalized 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)*.

6. RIGHT-OF-USE ASSETS

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

	Right of use assets				
In thousands of Tenge	**Land**	**Transportation assets**	**Buildings and constructions**	**Machinery, equipment and transfer devices**	**Total**
Net book value as at 1 January 2023	69,072	363,070	313,573	159,903	905,618
Additions *(Note 21)*	684	7,514,228	130,734	–	7,645,646
Disposals	–	–	(135,330)	(114,694)	(250,024)
Modification of contracts (*Note 21)*	–	283,158	72,159	4,210	359,527
Amortization charge	(2,260)	(1,739,267)	(154,516)	(41,957)	(1,938,000)
Net book value as at 31 December 2023	67,496	6,421,189	226,620	7,462	6,722,767
Additions *(Note 21)*	**–**	**–**	**739,457**	**851,313**	**1,590,770**
Disposals	**–**	**(397,450)**	**(17,202)**	**–**	**(414,652)**
Modification of contracts *(Note 21)*	**–**	**(432,902)**	**3,572**	**–**	**(429,330)**
Amortization charge	**(2,056)**	**(1,522,262)**	**(212,824)**	**(7,462)**	**(1,744,604)**
Net book value as at 31 December 2024	**65,440**	**4,068,575**	**739,623**	**851,313**	**5,724,951**

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

7. INTANGIBLE ASSETS

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

In thousands of Tenge	Licenses	Software	Capital expenditures in progress and other	Total
Net book value as at 1 January 2023	400,388	553,345	193,987	1,147,720
Additions	8,206	15,726	149,195	173,127
Transfers from capital expenditures in progress	38,858	105,950	(144,808)	–
Amortization charge	(160,048)	(186,505)	(3,705)	(350,258)
Disposals	(21,702)	(103,005)	(3)	(124,710)
Accumulated depreciation on disposal	17,701	103,005	2	120,708
Net book value as at 31 December 2023	283,403	488,516	194,668	966,587
Additions	**400,706**	**18,589**	**76,548**	**495,843**
Transfers from capital expenditures in progress	**–**	**63,327**	**(63,327)**	**–**
Amortization charge	**(127,316)**	**(197,130)**	**(6,283)**	**(330,729)**
Disposals	**(8,264)**	**(145,373)**	**–**	**(153,637)**
Accumulated depreciation on disposal	**8,264**	**145,373**	**–**	**153,637**
Net book value as at 31 December 2024	**556,793**	**373,302**	**201,606**	**1,131,701**
As at 31 December 2024				
At cost	**1,759,038**	**4,741,874**	**246,108**	**6,747,020**
Accumulated amortization and impairment	**(1,202,245)**	**(4,368,572)**	**(44,502)**	**(5,615,319)**
Net book value	**556,793**	**373,302**	**201,606**	**1,131,701**
As at 31 December 2023				
At cost	1,366,596	4,805,331	232,888	6,404,815
Accumulated amortization and impairment	(1,083,193)	(4,316,815)	(38,220)	(5,438,228)
Net book value	**283,403**	**488,516**	**194,668**	**966,587**

8. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2024 and 2023 investments in subsidiaries are as follows:

In thousands of Tenge	**31 December 2024**	31 December 2023
Main Waterline	**73,254,596**	71,285,514
BOT	**9,182,546**	9,182,546
PTL	**2,820,886**	2,820,886
Total	**85,258,028**	83,288,946

As at 31 December 2024 and 2023 the movement of investments in subsidiaries are as follows:

In thousands of Tenge	**2024**	2023
As at 1 January	**83,288,946**	82,171,788
Financial guarantee obligations	**1,969,082**	–
Contribution to the charter capital of the Main Waterline *(Note 34)*	**–**	1,900,000
Impairment of investments	**–**	(782,842)
As at 31 December	**85,258,028**	83,288,946

During 2024, PTL paid dividends to the Company based on the 2023 results in the amount of 4,500 thousand US dollars (at the exchange rate as of the date of the announcement: 2,156,535 thousand tenge, at the exchange rate on the date of receipt: 2,193,165 thousand tenge) *(Note 34)*.

During 2023, PTL paid dividends to the Company based on 2022 results in the amount of 1,754 thousand US dollars (the exchange rate as of the date of the announcement: 780,600 thousand tenge, at the exchange rate on the date of receipt: 794,790 thousand tenge *(Note 34)*.

8. INVESTMENTS IN SUBSIDIARIES (continued)

On 10 June 2024, Main Waterline entered into a loan agreement with the Eurasian Development Bank for the provision of a credit for the amount of 21,000,000 thousand Tenge with the floating interest rate at the level of the base rate of the National Bank of the Republic of Kazakhstan, effective on the date of determining the interest rate, minus 2% (subject to review every 6 months), the loan term is 108 months from the date of issue of the loan. The grace period for the repayment of principal debt and interest is 30 months from the date of issue of the tranche. 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 Company recognized the financial guarantee at fair value, which amounted to 1,969,082 thousand tenge.

As at 31 December 2024, the book value of the financial guarantee is 1,836,417 thousand tenge.

9. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures as at 31 December 2024 and 2023 include investments in KCP in the amount of 6,500,000 thousand Tenge and in MunaiTas in the amount of 6,004,945 thousand Tenge.

During 2024, KCP and MunaiTas paid dividends to the Company based on the 2023 results in the amount of 8,000,000 thousand Tenge and 1,564,571 thousand Tenge, respectively (2023: 2,500,000 thousand Tenge and 1,460,351 thousand Tenge) *(Note 34)*.

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:

In thousands of Tenge	**31 December 2024**	31 December 2023
Advances to third parties for property, plant and equipment and construction services	**2,883,624**	1,345,029
Less: allowance for impairment	**(53,258)**	(53,258)
Total	**2,830,366**	1,291,771

11. INVENTORIES

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Spare parts	**2,744,932**	2,915,006
Goods	**1,086,961**	1,599,757
Fuel	**1,391,430**	1,298,750
Overalls	**503,617**	859,947
Construction materials	**438,090**	431,647
Chemical reagents	**143,675**	126,936
Other	**230,686**	181,011
Total	**6,539,391**	7,413,054

12. TRADE AND OTHER ACCOUNTS RECEIVABLE

Other long-term accounts receivable

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

In thousands of Tenge	**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

12. TRADE AND OTHER ACCOUNTS RECEIVABLE (continued)

Other long-term accounts receivable (continued)

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

In thousands of Tenge	**2024**	2023
As at 1 January	**127,621**	77,818
(Reversal)/ charge for the year, net *(Note 28)*	**(97,472)**	49,803
As at 31 December	**30,149**	127,621

Current trade and other accounts receivable

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Trade accounts receivable from related parties *(Note 34)*	**3,265,235**	2,742,726
Trade accounts receivable from third parties	**1,219,061**	1,814,483
Other accounts receivable from third parties	**548,325**	506,829
Less: allowance for expected credit losses	**(524,010)**	(576,462)
Total	**4,508,611**	4,487,576

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

In thousands of Tenge	**2024**	2023
As at 1 January	**576,462**	779,056
(Reversal)/ charge for the year, net *(Note 28)*	**(52,452)**	3,406
Write-off of accounts receivable	**–**	(206,000)
As at 31 December	**524,010**	576,462

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Tenge	**4,500,410**	3,605,367
Russian Rubles	**8,201**	882,209
Total	**4,508,611**	4,487,576

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

		Trade and other accounts receivable				
		Past due payments				
In thousands of Tenge	**Unexpired**	**Less than 30 days**	**From 31 to 60 days**	**From 61 to 90 days**	**More than 91 days**	**Total**
31 December 2024						
Expected credit loss rate	**0.75%**	**0.01%**	**0.13%**	**0.04%**	**88.69%**	
Estimated total gross carrying amount at default	**5,152,331**	**13,858**	**1,554**	**4,851**	**581,196**	**5,753,790**
Expected credit losses	**(38,670)**	**(2)**	**(2)**	**(2)**	**(515,483)**	**(554,159)**
Total	**5,113,661**	**13,856**	**1,552**	**4,849**	**65,713**	**5,199,631**

12. TRADE AND OTHER ACCOUNTS RECEIVABLE (continued)

		Trade and other accounts receivable				
		Past due payments				
In thousands of Tenge	**Unexpired**	**Less than 30 days**	**From 31 to 60 days**	**From 61 to 90 days**	**More than 91 days**	**Total**
31 December 2023						
Expected credit loss rate	3.11%	0.19%	–	–	96.40%	
Estimated total gross carrying amount at default	5,353,945	534	344	80	557,804	5,912,707
Expected credit losses	(166,372)	(1)	–	–	(537,710)	(704,083)
Total	**5,187,573**	**533**	**344**	**80**	**20,094**	**5,208,624**

13. ADVANCES TO SUPPLIERS

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Advances to third parties	**54,601**	302,237
Advances to related parties *(Note 34)*	**1,017**	1,024
	55,618	303,261
Less: impairment	**(638)**	(638)
Total	**54,980**	302,623

14. VAT RECOVERABLE AND OTHER PREPAID TAXES

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

In thousands of Tenge	**31 December 2024**	31 December 2023
VAT recoverable	**2,028,889**	1,480,802
Property tax	**289,622**	336,741
Withholding tax	**25,834**	28,152
Other taxes prepaid	**7,296**	8,832
Total	**2,351,641**	1,854,527

15. OTHER CURRENT ASSETS

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Due for oil transportation coordination services	**6.001.971**	5,224,762
Prepaid insurance	**242.808**	229,031
Deferred expenses	**234.056**	–
Other	**–**	22,729
	6.478.835	5,476,522

16. OTHER FINANCIAL ASSETS

Non-current assets

In thousands of Tenge	**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.

Current assets

In thousands of Tenge	**31 December 2024**	31 December 2023
Other current financial assets		
Notes of the National Bank (*Note 34)*	**20,170,104**	20,040,556
Bonds of Samruk Kazyna (*Note 34)*	**10,018,063**	–
Due from employees	**5,610**	13,684
Investments in bonds	**–**	646,608
Other	**2,106**	2,111
	30,195,883	20,702,959

Investments in bonds

In December 2017, in accordance with the Decision of the Government of the Republic of Kazakhstan dated 7 November 2017, the Company 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 31)* (during 2023, a loss from the revision of the fair value – by 58,893 thousand Tenge) *(Note 32).*

17. CASH AND CASH EQUIVALENTS

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Time deposits with banks − Tenge	**42,625,063**	25,551,159
Time deposits with banks − US Dollar	**13,145,153**	6,290,971
Time deposits with banks − Russian Rubles	**1,800,779**	–
Current accounts with banks − Tenge	**5,000**	35,830
Current accounts with banks – Russian Rubles	**26,506**	28,266
Reverse repo transactions	**–**	20,040,806
Other current accounts with banks	**9,494**	11,685
Less: allowance for expected credit losses	**(23,057)**	(20,645)
Total	**57,588,938**	51,938,072

17. CASH AND CASH EQUIVALENTS (continued)

As at 31 December 2024:

- Time deposits with maturity less than 3 months in Tenge interests ranged from 14.90% to 15.05% per annum (as at 31 December 2023: from 15.35% to 15.80% 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 3.00% per annum);
- Time deposits with maturity less than 3 months placed in Russian Rubles interest rate of 5% per annum (as at 31 December 2023: this instrument was not placed);
- Interests for current accounts placed in Tenge ranged from 7% to 12.50% per annum (as at 31 December 2023: from 7% to 13% per annum);
- No interest was accrued on current accounts placed in Russian rubles.

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

As at 31 December 2024, asset revaluation reserve of the Company amounted to 308,831,396 thousand Tenge (as at 31 December 2023: 319,936,940 thousand Tenge). Change in this reserve is mainly related to revaluation of technological oil *(Note 4.3)* and revision of asset retirement and land recultivation obligation *(Note 24),* with a corresponding deferred income tax effect *(Note 33)*, as well as depreciation of the revaluation reserve for the period.

Other capital reserves

As at 31 December 2024 other capital reserves represent an accumulated income amounted to 1,208,145 thousand Tenge (31 December 2023: income amounted to 1,246,570 thousand Tenge). Change in this reserve is due to recognition of actuarial loss from revaluation of the Company's employee benefit obligations under defined benefit plans in the amount of 39,511 thousand Tenge *(Note 19)*, income tax effect of which amounted to 1,086 thousand Tenge *(Note 33)*. During 2023 actuarial income from revaluation of the Company's employee benefit obligations under defined benefit plans amounted to 1,472,627 thousand Tenge *(Note 19)*, income tax effect of which amounted to 40,473 thousand Tenge *(Note 33)*.

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 wass paid to KMG *(Note 34)* 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 wass paid to KMG *(Note 34)* and 1,499,786 thousand Tenge to minority shareholders.

18. EQUITY (continued)

Earning per share

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

As the Company does not issue convertible financial instruments, basic earnings per share of the Company are equal to diluted earnings per share.

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

In thousands of Tenge	**2024**	2023
Net profit for the period attributable to ordinary equity holders of the Company	**39,781,184**	18,041,900
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 the parent company (in Tenge)	**103**	47

Book value per ordinary share

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Total assets	**1,049,264,734**	1,024,804,598
Less: intangible assets *(Note 7)*	**(1,131,701)**	(966,587)
Less: total liabilities	**(248,406,373)**	(250,668,161)
Net assets for calculation of book value per ordinary share	**799,726,660**	773,169,850
Number of ordinary shares	**384,628,099**	384,628,099
Book value per ordinary share (in Tenge)	**2,079**	2,010

19. EMPLOYEE BENEFIT OBLIGATIONS

The Company 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:

In thousands of Tenge	**31 December 2024**	31 December 2023
Non-current portion of employee benefit obligations	**19,273,666**	18,030,139
Current portion of employee benefit obligations	**1,342,924**	1,181,930
Total	**20,616,590**	19,212,069

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

In thousands of Tenge	**2024**	2023
As at 1 January	**19,212,069**	19,125,135
Interest cost *(Note 32)*	**2,024,172**	1,938,827
Current services cost *(Notes 27, 28)*	**733,732**	702,937
Actuarial loss/(income) through other comprehensive income	**39,511**	(1,472,627)
Actuarial (income)/ loss through profit and loss *(Note 29,30)*	**(7,588)**	96,799
Benefits paid	**(1,385,306)**	(1,179,002)
As at 31 December	**20,616,590**	19,212,069

20. TRADE AND OTHER ACCOUNTS PAYABLE

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Accounts payable to third parties for goods and services	**22,259,194**	17,535,818
Accounts payable to related parties for goods and services *(Note 34)*	**1,597,267**	1,301,243
Other accounts payable to third parties	**1,324,186**	1,901,113
Total	**25,180,647**	20,738,174

Trade and other accounts payable included payables to third parties, related to property, plant and equipment and construction-in-progress in the amount of 15,528,146 thousand Tenge (as at 31 December 2023: 10,894,355 thousand Tenge).

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Tenge	**25,145,275**	20,703,228
US Dollars	**24,083**	28,698
Russian Rubles	**11,289**	6,248
Total	**25,180,647**	20,738,174

21. LEASE LIABILITIES

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Non-current part of obligations	**4,458,848**	5,097,201
Current part of obligations	**2,509,776**	2,416,764
Total	**6,968,624**	7,513,965

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

In thousands of Tenge	**2024**	2023
As at 1 January	**7,513,965**	1,128,597
Additions for the year *(Note 6)*	**1,590,770**	7,645,646
Payments for the year	**(2,494,921)**	(2,377,279)
Unwinding of discount on obligations *(Note 32)*	**1,292,459**	1,012,608
Modification *(Note 6)*	**(429,330)**	359,527
Disposals	**(504,319)**	(255,134)
As at 31 December	**6,968,624**	7,513,965

The information below describes the cost of expenses related to lease reflected in the separate statement of comprehensive income for the years ended 31 December 2024 and 2023:

In thousands of Tenge	**For the year ended 31 December 2024**	For the year ended 31 December 2023
Right-of-use assets amortization *(Note 6)*	**1,744,604**	1,938,000
Unwinding of discount on obligations *(Note 32)*	**1,292,459**	1,012,608
Low-value assets lease expenses *(Note 27)*	**43,136**	104,837
Total	**3,080,199**	3,055,445

22. CONTRACT LIABILITIES TO CUSTOMERS

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Deferred income from related parties *(Note 34)*	**824,757**	–
Deferred income from third parties	**25,526**	27,462
Total	**850,283**	27,462

Current contract liabilities to customers as at 31 December 2024 and 2023 are as follows:

In thousands of Tenge	**31 December 2024**	31 December 2023
Advances received from related parties *(Note 34)*	**15,747,602**	18,196,317
Advances received from third parties	**8,686,125**	9,271,270
Other contract liabilities to customers	**1,981**	2,026
Total	**24,435,708**	27,469,613

The Company's deferred income from related parties relates to receiving during 2024 on a free-of-charge basis pipeline sections used by the consumer from the consumer of services in the amount of 824,757 thousand tenge.

The Company recognized the value of these assets as non-monetary compensation for the Company's services and recognized contractual obligations and fixed assets for the above amounts.

Revenue recognized in respect of contracts with customers

During the current reporting period, the revenue in the amount of 25,333,724 thousand Tenge was recognized in respect of contract liabilities to customers as at the beginning of the reporting period (2023: 20,931,656 thousand Tenge).

23. OTHER TAXES PAYABLE

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Personal income tax	**770,973**	612,898
Social tax	**626,297**	486,648
VAT payable	**7,935**	6,530
Property tax	**3,537**	591
Other taxes	**24,886**	23,307
Total	**1,433,628**	1,129,974

24. PROVISIONS

Asset retirement and land recultivation obligation

Movement in provisions for the years ended 31 December 2024 and 2023 are as follow:

In thousands of Tenge	**2024**	2023
As at 1 January	**45,648,971**	40,664,979
Charge for the period through asset	**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 29)*	**(3,067,495)**	(631,171)
Reversed of estimates through profit and loss *(Note 29)*	**(582,223)**	(355,950)
Unwinding of discount *(Note 32)*	**4,101,787**	3,991,052
As at 31 December	**37,405,274**	45,648,971

25. OTHER CURRENT LIABILITIES

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

In thousands of Tenge	**31 December 2024**	31 December 2023
Other current financial liabilities		
Provisions for vacations and other employee benefits	**10,494,711**	10,625,084
Employee salary	**4,774,664**	4,489,387
Payables for oil transportation coordination services to third parties	**445,760**	376,867
Other charges	**338,688**	225,409
	16,053,823	15,716,747
Other current non-financial liabilities		
Liabilities for oil transportation coordination services to related parties *(Note 34)*	**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	**1,278,451**	1,138,251
Other short-term reserves	**16**	16
	15,067,169	14,045,105
Total	**31,120,992**	29,761,852

26. REVENUE

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

In thousands of Tenge	**2024**	2023
Crude oil transportation	**225,295,318**	210,709,921
Pipeline operation and maintenance services	**31,906,626**	27,477,354
Fees for undelivered oil volumes	**279,539**	1,782,665
Oil transportation coordination services	**956,201**	852,449
Oil storage services	**187,349**	136,985
Other	**35,538**	28,861
Total revenue from contracts with customers	**258,660,571**	240,988,235
Geographical regions*		
Kazakhstan	**225,968,710**	210,651,556
Russia	**29,781,423**	28,362,398
Uzbekistan	**2,910,438**	1,974,281
Total revenue from contracts with customers	**258,660,571**	240,988,235
Timing of revenue recognition		
At a point in time	**226,753,945**	213,510,881
Over time	**31,906,626**	27,477,354
Total revenue under contracts with customers	**258,660,571**	240,988,235

* *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 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: 57,442,513 thousand Tenge, 32,323,325 thousand Tenge, 14,381,836 thousand Tenge, 11,380,991 thousand Tenge and 9,001,453 thousand Tenge , respectively).

27. COST OF SALES

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

In thousands of Tenge	**2024**	2023
Personnel costs	**98,946,123**	88,533,758
Depreciation and amortization	**53,396,049**	60,154,273
Security services	**12,694,162**	12,204,378
Repair and maintenance	**11,375,716**	9,076,085
Taxes other than income tax	**10,416,584**	10,444,731
Materials and fuel	**8,939,084**	7,081,174
Electric energy	**8,200,205**	6,636,645
Food and accommodation	**3,108,809**	2,533,683
Gas expense	**1,779,821**	1,483,632
Environmental protection	**1,139,754**	918,032
Business trip expenses	**963,588**	905,943
Work security, safety	**957,472**	833,821
Insurance	**922,729**	831,431
Outstaffing services	**774,778**	686,021
Works and services of production nature	**755,592**	638,849
Post-employment benefits *(Note 19)*	**692,221**	664,055
Diagnostics of production assets	**572,050**	518,213
Communication services	**341,261**	339,799
Social sphere expenses	**272,703**	356,448
Leases of low-value assets *(Note 21)*	**43,136**	104,837
Air services	**21,891**	140,319
Other	**832,714**	944,063
Total	**217,146,442**	206,030,190

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

28. GENERAL AND ADMINISTRATIVE EXPENSES

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

In thousands of Tenge	**2024**	2023
Personnel costs	**8,259,619**	8,071,229
Depreciation and amortization	**972,672**	1,185,386
Repair and maintenance	**449,128**	490,832
Office maintenance	**352,579**	353,063
Outstaffing services	**275,607**	258,826
Auditing, consulting and professional services	**179,099**	155,914
Write-off of VAT recoverable	**175,417**	228,373
Business trip expenses	**171,708**	148,511
Taxes other than income tax	**164,235**	253,770
Social sphere expenses	**158,980**	284,117
Information services	**149,052**	136,719
Communication services	**83,869**	79,464
Post-employment benefits *(Note 19)*	**41,511**	38,882
Bank costs	**38,961**	40,888
(Reversal)/ charge of allowance for expected credit losses, net *(Note 12)*	**(149,924)**	53,209
Other	**794,344**	552,982
Total	**12,116,857**	12,332,165

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

29. OTHER OPERATING INCOME

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

In thousands of Tenge	**2024**	2023
Income from revision and reversal of provision on asset retirement and land recultivation obligation, net *(Note 24)*	**3,649,718**	987,121
Income from fines and penalties	**1,055,632**	521,011
Income from disposal of right-of-use assets	**89,667**	–
Income from inventory recognition	**53,654**	2,769
Insurance payments	**37,133**	17,261
Actuarial income *(Note 19)*	**7,588**	–
Other income	**21,945**	13,865
Total	**4,915,337**	1,542,027

30. OTHER OPERATING EXPENSES

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

In thousands of Tenge	**2024**	2023
Expenses for accidents liquidation	**332,803**	4,607
Expenses for liquidation of production facilities	**196,823**	183,739
Loss from disposal of property, plant and equipment, net	**71,668**	70,388
Write-off of inventory value to net realisable value	**6**	661,271
Actuarial loss *(Note 19)*	**–**	96,799
Other expenses	**486**	5,294
Total	**601,786**	1,022,098

31. FINANCE INCOME

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

In thousands of Tenge	**2024**	2023
Interest income on bank deposits, current accounts and reverse repo transactions	**7,032,373**	7,762,796
Income from Notes of the National Bank *(Note 34)*	**2,110,125**	1,246,532
Interest income from bonds of the Samruk Kazyna *(Note 34)*	**19,792**	–
Income from revision of the fair value of bonds *(Note 16)*	**756,795**	–
Unwinding of discount on long-term receivables	**156,744**	171,811
Other finance income	**132,665**	783
Total	**10,208,494**	9,181,922

32. FINANCE COSTS

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

In thousands of Tenge	**2024**	2023
Unwinding of discount on asset retirement and land recultivation obligation *(Note 24)*	**4,101,787**	3,991,052
Employee benefits: net interest expense *(Note 19)*	**2,024,172**	1,938,827
Amortisation of discount on lease liabilities *(Note 21)*	**1,292,459**	1,012,608
Loss from revision of the fair value of bonds *(Note 16)*	**–**	58,893
Other finance costs	**3,718**	6,657
Total	**7,422,136**	7,008,037

33. INCOME TAX EXPENSE

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

In thousands of Tenge	**2024**	2023
Current income tax expense	**13,759,001**	13,893,877
Deferred income tax benefits	**(4,778,319)**	(6,903,757)
Prior years adjustments	**(66,376)**	306,483
Income tax expense	**8,914,306**	7,296,603

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

In thousands of Tenge	**2024**	2023
Profit before income tax	**48,695,490**	25,338,503
Statutory rate	**20%**	20%
Income tax expense on accounting profit	**9,739,098**	5,067,701
Prior years adjustments	**(66,376)**	306,483
Impairment of investment in subsidiary	**–**	156,568
Income of controlled foreign companies	**885,615**	960,360
Non-deductible expense on long-term employee benefit obligations	**474,472**	472,445
Income from the Notes of the National Bank of the RK	**(422.025)**	(249.306)
Gain on surplus of technological oil	**493,644**	842,396
(Non-taxable income)/ non-deductible expenses on disposal of property, plant and equipment	**(12,176)**	68,135
Dividends received	**(2,344,221)**	(948,190)
Revision of estimates on taxable temporary differences related to property, plant and equipment	**(128,441)**	(4,324)
Other non-deductible expenses	**294,717**	624,335
Income tax expense reported in the separate statement of comprehensive income	**8,914,306**	7,296,603

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 Company's management has analysed and determined that the following companies 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 BSP and BOT, PTL.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

33. INCOME TAX EXPENSE (continued)

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

In thousands of Tenge	**31 December 2024**	**Charged to profit and loss**	**Charged to other capital reserves**	**Other**	31 December 2023	Charged to profit and loss	Charged to other capital reserves	Other	1 January 2023
Deferred tax assets									
Employee benefits and other accrued liabilities in respect of employees	**2,665,576**	**11,441**	**1,086**	**–**	2,653,049	326,909	(40,473)	–	2,366,613
Provision for assets retirement and land recultivation obligation and other provisions	**7,481,059**	**90,413**	**(1,787,929)**	**48,777**	9,129,798	608,014	388,784	–	8,133,000
Allowance for expected credit losses	**115,593**	**(29,731)**	**–**	**–**	145,324	(31,755)	–	–	177,079
Reserve for impairment of advances to suppliers	**10,780**	**–**	**–**	**–**	10,780	–	–	–	10,780
Provision for obsolete and slow-moving inventories	**5,751**	**3,572**	**–**	**–**	2,179	939	–	–	1,240
Contract liabilities to customers to related parties	**164,951**	**164,951**	**–**	**–**	–	–	–	–	–
Taxes payable	**130,921**	**(20,054)**	**–**	**–**	150,975	(15,742)	–		166,717
Lease liabilities	**1,340,883**	**(349,756)**	**–**	**232,288**	1,458,351	(392,473)	–	1,665,148	185,676
Discount on long-term accounts receivable	**85,597**	**(31,349)**	**–**	**–**	116,946	(34,362)	–	–	151,308
Revaluation of investments in bonds	**–**	**(11,779)**	**–**	**–**	11,779	11,779	–	–	–
Less: deferred tax assets net off deferred tax liabilities	**(12,001,111)**	**–**	**–**	**1,678,070**	(13,679,181)	–	–	(2,486,768)	(11,192,413)
Deferred tax assets	**–**	**(172,292)**	**(1,786,843)**	**1,959,135**	–	473,309	348,311	(821,620)	–
Deferred tax liabilities									
Right-of-use assets	**(1,144,991)**	**431,851**	**–**	**(232,288)**	(1,344,554)	501,718	–	(1,665,148)	(181,124)
Property, plant and equipment	**(108,237,794)**	**4,518,760**	**(1,207,069)**	**(48,777)**	(111,500,708)	5,928,730	636,990	–	(118,066,428)
Add: deferred tax assets net off deferred tax liabilities	**12,001,111**	**–**	**–**	**(1,678,070)**	13,679,181	–	–	2,486,768	11,192,413
Deferred tax liabilities	**(97,381,674)**	**4,950,611**	**(1,207,069)**	**(1,959,135)**	(99,166,081)	6,430,448	636,990	821,620	(107,055,139)
Net deferred income tax liabilities	**(97,381,674)**	**4,778,319**	**(2,993,912)**	**–**	(99,166,081)	6,903,757	985,301	–	(107,055,139)

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.

34. 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:

In thousands of Tenge	**Notes**	**31 December 2024**	31 December 2023
Trade and other accounts receivable from related parties			
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		**1,090,428**	787,960
Trade accounts receivable from entities under common control of KMG		**165,353**	143,656
Trade and other accounts receivable from related parties	12	**3,265,235**	2,742,726
Less: allowance for expected credit losses		**(1,454)**	(6,005)
Total		**3,263,781**	2,736,721

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

In thousands of Tenge	**Notes**	**31 December 2024**	31 December 2023
Time deposits Kazpost JSC		**21,200,438**	5,910,905
Notes of the National Bank	16	**20,170,104**	20,040,556
Bonds of Samruk Kazyna	16	**10,018,063**	–
Total other current financial assets		**51,388,605**	25,951,461

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:

In thousands of Tenge	**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

34. RELATED PARTY TRANSACTIONS (continued)

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

In thousands of Tenge	**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		**1,262,527**	1,072,295
Trade accounts payable to entities under common control of Samruk-Kazyna		**334,740**	223,734
Trade accounts payable to joint ventures of the Company		**–**	5,214
Total trade accounts payable to related parties for goods and services	20	**1,597,267**	1,301,243

Contract liabilities to customers to related parties are as follows:

In thousands of Tenge	**Notes**	**31 December 2024**	31 December 2023
Contract liabilities to customers to related parties			
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
Deferred income under contracts with entities under common control of KMG		**824,757**	–
Total contract liabilities to customers to related parties	22	**16,572,359**	18,196,317

Other current liabilities to related parties are as follows:

In thousands of Tenge	**Notes**	**31 December 2024**	31 December 2023
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 liabilities for oil transportation coordination services to related parties	25	**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

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

	For the year ended 31 December	
In thousands of Tenge	**2024**	2023
Sales to related parties		
Revenue from main activities with entities under common control of KMG	**137,609,947**	126,550,500
Revenue from main activities with joint ventures of the Company	**16,575,720**	15,944,023
Revenue from main activities with entities under common control of Samruk-Kazyna	**13,063,220**	10,109,171
Revenue from main activities with subsidiary of the Company	**1,169,163**	914,542
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
Other income from subsidiaries	**–**	47,494
Total	**168,439,371**	153,678,528

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

34. RELATED PARTY TRANSACTIONS (continued)

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

In thousands of Tenge	For the year ended 31 December **2024**	2023
Purchases from related parties		
Purchases of services from entities under common control of KMG	**10,817,831**	10,270,696
Purchases of services from entities under common control of Samruk-Kazyna	**1,970,381**	1,943,068
Purchases of services from subsidiary of the Company	**166,066**	80,428
Purchases of property, plant and equipment and 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	**824,757**	–
Total	**13,779,551**	12,294,797

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

In thousands of Tenge	Notes	For the year ended 31 December **2024**	2023
Other non-operational income and expenses from related parties			
Dividends received from joint ventures	9	**9,564,571**	3,960,351
Dividends received from subsidiary	8	**2,156,535**	780,600
Finance income from state controlled parties	31	**2,110,125**	1,246,532
Finance income from entities under common control of Samruk-Kazyna		**1,144,819**	–
Finance income from operations with Samruk-Kazyna	31	**19,792**	–
Foreign exchange gain from entities under common control of Samruk-Kazyna		**1,201,025**	–
Total		**16,196,867**	5,987,483

Cash flow between related parties are presented as follows:

In thousands of Tenge	Notes	For the year ended 31 December **2024**	2023
Cash flows between **related parties**			
Proceeds from repayment of Notes of the National Bank		**203,752,623**	97,517,479
Dividends received from jointly controlled entities	9	**9,564,571**	3,960,351
Dividends received from a subsidiary	8	**2,193,165**	794,790
Interests received on notes of the National Bank		**1,980,693**	1,205,693
Purchases of notes of the National Bank		**(203,752,623)**	(117,517,479)
Purchases of bonds of the Samruk-Kazyna		**(10,000,000)**	–
Dividends paid to the KMG	18	**(22,501,182)**	(13,500,710)
Contribution to the share capital of a subsidiary	8	**–**	(1,900,000)
Total		**(18,762,753)**	(29,439,876)

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.

35. 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 Company'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 Company 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 Company's management believes that the risk of secondary sanctions against the Company'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.

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 Company's tax positions will be sustained, except as provided for or otherwise disclosed in the separate 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.

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Taxation (continued)

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 Company'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 Company's positions with regard to transfer pricing will be sustained.

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 Company's financial position or results of operations, except for those disclosed in the separate financial statements *(Notes 4.6, 24)*.

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 Company 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 Company's operations.

Commitments to acquire property, plant and equipment

As at 31 December 2024 the Company had contractual commitment to acquire property, plant and equipment, and construction services for the amount of 67,613,202 thousand Tenge (as at 31 December 2023: 44,094,253 thousand Tenge). These contractual commitments are a part of the investment program.

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 was 58.5 billion Tenge.

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.

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Challenging the Company's tariffs (continued)

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)*.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company is exposed to market risk, which consists of: credit risk, currency risk and liquidity risk.

The Company's management reviews and approves the following measures taken to manage these risks.

Credit risk

The Company 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 Company'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 Company.

The Company places deposits with Kazakhstani banks *(Notes 16, 17)*. Management of the Company reviews credit ratings of these banks periodically to eliminate extraordinary credit risk exposure. In accordance with IFRS 9, the Company 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.

In thousands of Tenge	**Location**	Rating **31 December 2024**	Rating 31 December 2023	**31 December 2024**	31 December 2023
Issuer/ banks					
«Kazpost» JSC	Kazakhstan	**BBB-/Stable**	BBB-/Stable	**21,200,438**	5,910,905
National Bank of the RK	Kazakhstan	**Baa1/Stable**	Baa2/Positive	**20,170,104**	20,040,556
"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	**8,034,709**	7,829,093
"Altyn Bank" JSC (SB China Citic Bank Corporation Ltd)	Kazakhstan	**BBB/Stable**	BBB/Stable	**6,401,793**	33
«OTP Bank» JSC	Russia	**–**	–	**6,947**	–
«APB» JSC (Omsk)	Russia	**–**	–	**9**	2,747
«Kazakhstan Sustainability Fund» JSC, Ministry of Finance of the RK	Kazakhstan	**BBB/ Stable**	BBB	**–**	20,040,758
Moskommercbank CB	Russia	**–**	–	**–**	5,247
Total				**88,189,268**	72,696,716

Liquidity risk

The Company 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 receivable, other financial assets) and projected cash flows from operations.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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

In thousands of Tenge	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						
Trade and other accounts payables	**25,180,647**	**–**	**–**	**–**	**–**	**25,180,647**
Lease liabilities	**–**	**2,821,504**	**2,781,507**	**4,248,805**	**3,831,870**	**13,683,686**
Financial guarantee*	**–**	**–**	**–**	**9,000,000**	**12,000,000**	**21,000,000**
Other liabilities	**445,760**	**–**	**–**	**–**	**–**	**445,760**
Total	**25,626,407**	**2,821,504**	**2,781,507**	**13,248,805**	**15,831,870**	**60,310,093**
As at 31 December 2023						
Trade and other accounts payables	20,738,174	–	–	–	–	20,738,174
Lease liabilities	–	2,634,220	2,566,993	5,624,208	378,990	11,204,411
Other liabilities	376,867	–	–	–	–	376,867
Total	**21,115,041**	**2,634,220**	**2,566,993**	**5,624,208**	**378,990**	**32,319,452**

* *The Company includes financial guarantees in the liquidity table based on repayment terms. However, cash outflows from financial guarantees depend on certain events. A financial guarantee is an agreement according to which the issuer is obliged to make certain payments in order to compensate the holder of the instrument for a loss incurred due to a particular debtor's inability to make a payment on time in accordance with the original or revised terms of the equity instrument.*

Currency risk

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

In thousands of Tenge	US Dollar	Russian Ruble	Total
As at 31 December 2024			
Assets	**13,147,487**	**1,833,152**	**14,980,639**
Liabilities	**24,083**	**457,050**	**481,133**
As at 31 December 2023			
Assets	6,291,329	910,117	7,201,446
Liabilities	28,698	383,116	411,814

The Company does not have formal arrangements to mitigate foreign exchange risks of the Company's operations

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk (continued)

In thousands of Tenge	Increase/ decrease in exchange rate	Effect on profit before tax
2024		
US Dollar	**+9,09%**	**1,192,917**
	-7,34%	**(963,258)**
Russian Ruble	**+2,00%**	**27,522**
	-22,95%	**(315,816)**
2023		
US Dollar	+14.15%	886,162
	-14.15%	(886,162)
Russian Ruble	+28.54%	150,406
	-28.54%	(150,406)

Capital management

The primary objective of the Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders 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.

As at 31 December 2024 and 2023 the Company does not have significant debts. In addition, the Company has sufficient cash, exceeding its debt as at the reporting date.

Fair value of financial instruments

The carrying amount of cash, bank deposits, Notes of National Bank, reverse repo transactions, bonds of Samruk Kazyna, trade and other accounts receivable, trade and other accounts payable and other current liabilities approximates their fair value due to the short-term maturity of these financial instruments.

37. 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.

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.