

KazTransOil JSC

Interim condensed consolidated financial statements

For the nine months ended 30 September 2023



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Report on review of interim condensed consolidated financial information

Interim condensed consolidated financial statements

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Report on review of interim condensed consolidated financial statements

To the management and shareholders of KazTransOil JSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of KazTransOil JSC and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 September 2023 and the related interim condensed consolidated statement of comprehensive income for the three- and nine-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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



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Conclusion

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

Ernst & Young LLP



Adil Syzdykov
Auditor

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

050060, Republic of Kazakhstan, Almaty
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24 November 2023



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of Tenge</i>	Notes	As at 30 September 2023 (unaudited)	As at 31 December 2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment	3	1,058,349,134	974,595,927
Right-of-use assets	6	7,333,947	917,065
Intangible assets		8,351,022	8,515,332
Investments in joint ventures	4	104,720,462	94,588,186
Advances to suppliers for property, plant and equipment	5	3,358,506	29,219,803
VAT recoverable		12,308,646	4,314,632
Other long-term accounts receivable		989,088	883,284
Bank deposits		764,633	945,452
Other non-current assets		280,111	360,146
		1,196,455,549	1,114,339,827
Current assets			
Inventories		8,849,220	8,758,265
Trade and other accounts receivable	7	9,582,984	8,366,581
Advances to suppliers		1,645,651	1,787,294
Prepayment for income tax		318,887	1,878,426
VAT recoverable and other prepaid taxes		9,050,577	8,439,215
Other current assets	8	25,553,196	6,668,085
Cash and cash equivalents	9	79,027,542	85,157,538
		134,028,057	121,055,404
Non-current assets held for sale		22,729	22,729
		134,050,786	121,078,133
Total assets		1,330,506,335	1,235,417,960

*Explanatory notes on pages 8 through 37 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	Notes	As at 30 September 2023 (unaudited)	As at 31 December 2022 (audited)
Equity and liabilities			
Equity			
Share capital		61,937,567	61,937,567
Treasury shares repurchased from shareholders		(9,549)	(9,549)
Asset revaluation reserve	10	406,366,359	423,217,162
Foreign currency translation reserve		48,783,612	46,952,044
Other capital reserves		(188,145)	(188,145)
Retained earnings		449,284,529	380,544,246
Total equity		966,174,373	912,453,325
Non-current liabilities			
Loans received	11	45,870,401	29,760,793
Issued debt securities	12	29,101,470	-
Employee benefit obligations		18,797,762	18,096,363
Deferred tax liabilities	23	106,489,173	107,509,698
Provision for asset retirement and land recultivation obligation	16	41,550,822	40,664,979
Contract liabilities to customers	13	33,054,051	35,132,179
Lease liabilities	15	5,681,235	198,450
		280,544,914	231,362,462
Current liabilities			
Issued debt securities	12	106,944	-
Current part of employee benefit obligations		1,127,576	1,046,911
Income tax payable		2,084,130	1,470,302
Trade and other accounts payable	14	11,482,722	19,230,822
Lease liabilities	15	2,265,292	942,217
Contract liabilities to customers	13	33,182,044	29,529,193
Other taxes payable		8,182,276	8,740,967
Provisions	16	1,383,571	1,309,778
Other current liabilities	17	23,972,493	29,331,983
		83,787,048	91,602,173
Total liabilities		364,331,962	322,964,635
Total equity and liabilities		1,330,506,335	1,235,417,960
Book value per ordinary share (in Tenge)	10	2,490	2,350

Signed and approved for issue on 24 November 2023.

General Director (Chairman of the Management Board)



Kurmanbayev T.N.

Chief Accountant

Akhmedina A.S.

*Explanatory notes on pages 8 through 37 form
an integral part of these interim condensed consolidated financial statements.*

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	Notes	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
		2023	2022	2023	2022
Revenue	18	72,527,922	63,194,086	209,442,415	179,650,738
Cost of sales	19	(60,093,247)	(52,082,125)	(178,763,673)	(153,726,529)
Gross profit		12,434,675	11,111,961	30,678,742	25,924,209
General and administrative expenses	20	(3,609,209)	(3,459,403)	(10,386,736)	(9,968,163)
Other operating income	21	1,572,299	156,628	3,100,207	778,330
Other operating expenses	21	(778,618)	(383,620)	(887,468)	(531,616)
Operating profit		9,619,147	7,425,566	22,504,745	16,202,760
Net foreign exchange gain/(loss)		662,428	(23,536)	743,876	1,924,023
Finance income	22	2,420,599	981,483	7,276,382	2,125,977
Finance expenses	22	(1,545,131)	(1,153,763)	(4,844,042)	(3,543,262)
Share in income of joint ventures	4	4,042,801	3,959,091	13,477,397	13,082,352
Profit before income tax		15,199,844	11,188,841	39,158,358	29,791,850
Income tax expense	23	(2,247,618)	(1,862,527)	(5,883,860)	(4,638,567)
Net profit for the period		12,952,226	9,326,314	33,274,498	25,153,283
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange difference from translation of foreign operations of the Group		2,123,057	1,559,663	1,831,568	6,575,581
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, net		2,123,057	1,559,663	1,831,568	6,575,581

Explanatory notes on pages 8 through 37 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	Notes	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
		2023	2022	2023	2022
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Revaluation and impairment of property, plant and equipment of the Group, net		17,561,143	14,348,840	13,671,042	25,156,447
Income tax effect	23	(3,512,229)	(2,869,768)	(2,734,208)	(5,031,289)
		14,048,914	11,479,072	10,936,834	20,125,158
(Charge)/reversal of provision for asset retirement and land reclamation obligation of the Group	16	78,157	(677,551)	(102,149)	6,517,620
Income tax effect	23	(15,631)	135,510	20,430	(1,303,525)
		62,526	(542,041)	(81,719)	5,214,095
Reversal of provision on asset retirement and land reclamation obligation of the joint ventures		1,300,687	525,081	769,038	2,908,158
Income tax effect		(260,138)	(105,014)	(153,808)	(581,630)
	4	1,040,549	420,067	615,230	2,326,528
Actuarial income from employee benefit obligations of the Group		-	-	-	247,104
Income tax effect	23	-	-	-	(6,792)
		-	-	-	240,312
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods, net		15,151,989	11,357,098	11,470,345	27,906,093
Total other comprehensive income for the period, net of tax		17,275,046	12,916,761	13,301,913	34,481,674
Total comprehensive income for the period, net of tax		30,227,272	22,243,075	46,576,411	59,634,957
Basic and diluted earnings per share (in Tenge)	10	34	24	87	65

Signed and approved for issue on 24 November 2023.

General Director (Chairman of the Management Board)



Karmanbayev T.N.

Chief Accountant

Akhmedina A.S.

Explanatory notes on pages 8 through 37 form
an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2023	2022
Cash flows from operating activities			
Profit before income tax		39,158,358	29,791,850
Adjustment to reconcile profit before income tax to net cash flows			
Depreciation and amortization	19, 20	54,844,509	40,450,414
Share in income of joint ventures	4	(13,477,397)	(13,082,352)
Finance income	22	(7,276,382)	(2,125,977)
Finance expenses	22	4,844,042	3,543,262
Net foreign exchange gain		(743,876)	(1,924,025)
Amortization of deferred income		(2,320,352)	(1,785,003)
Reversal, revision of estimates and charge of asset retirement and land reclamation obligation, net	21	(2,248,842)	62,343
Write-down of inventory to net realizable value	21	661,271	-
Employee benefits expenses, current service costs	19, 20	537,198	724,455
Write-off of VAT recoverable	20	130,943	65,603
Charge of short-term provisions	20	67,946	56,408
Charge of allowance for expected credit losses, net	20	221,646	275,860
Loss on disposal of property, plant and equipment and intangible assets, net	21	12,996	211,234
Others		31,777	82,895
Operating cash flows before working capital changes		74,443,837	56,346,967
(Increase)/decrease in operating assets			
Inventories		(433,019)	390,719
Trade and other accounts receivable		(1,350,085)	(7,193,702)
Advances to suppliers		3,137,936	(1,184,779)
VAT recoverable and other prepaid taxes		(9,646,542)	(1,102,773)
Other current assets		2,513,914	(934,750)
Increase/(decrease) in operating liabilities			
Trade and other accounts payable		(2,053,435)	(1,488,272)
Contract liabilities to customers		3,700,730	3,929,108
Other taxes payable		624,507	3,491,453
Other current and non-current liabilities and employee benefit obligations		(7,026,726)	(1,471,428)
Cash generated from operating activities		63,911,117	50,782,543
Income taxes paid		(6,556,362)	(8,726,123)
Interest received		5,641,185	1,655,746
Net cash flows from operating activities		62,995,940	43,712,166

Explanatory notes on pages 8 through 37 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2023	2022
Cash flows from investing activities			
Dividends received	25	3,960,351	7,636,855
Withdrawal of bank deposits		170,204	9,118,126
Proceeds from bonds redemption		100,510	22,785
Purchase of property, plant and equipment and intangible assets		(98,101,968)	(29,225,553)
Purchase of notes of the National Bank		(60,632,026)	-
Proceeds from redemption of notes of the National Bank		39,693,969	-
Proceeds from sale of property, plant and equipment and non-current assets held for sale		570,739	41,463
Net cash flows used in investing activities		(114,238,221)	(12,406,324)
Cash flows from financing activities			
Proceeds from debt securities issued	12	50,000,000	-
Proceeds from loans received	11	11,800,000	-
Dividends paid	10	(15,000,496)	(10,000,331)
Payment of lease liabilities	15	(1,798,193)	(1,674,626)
Net cash flows from/(used in) financing activities		45,001,311	(11,674,957)
Net change in cash and cash equivalents		(6,240,970)	19,630,885
Effects of changes in exchange rates on cash and cash equivalents		104,441	1,878,347
Change in allowance for expected credit losses		6,533	(9,060)
Cash and cash equivalents at the beginning of the period		85,157,538	40,498,972
Cash and cash equivalents at the end of the period		79,027,542	61,999,144

Signed and approved for issue on 24 November 2023.

General Director (Chairman of the Management Board)



T.N. Kurmanbayev

Kurmanbayev T.N.

Chief Accountant

A.S. Akhmedina

Akhmedina A.S.

Explanatory notes on pages 8 through 37 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Tenge

	Share capital	Treasury shares repurchased from shareholders	Asset revaluation reserve	Foreign currency translation reserve	Other capital reserves	Retained earnings	Total
As at 31 December 2021 (audited)	61,937,567	(9,549)	285,685,165	40,632,765	(4,310,257)	353,172,325	737,108,016
Net profit for the period	-	-	-	-	-	25,153,283	25,153,283
Other comprehensive income	-	-	27,665,781	6,575,581	240,312	-	34,481,674
Total comprehensive income for the period	-	-	27,665,781	6,575,581	240,312	25,153,283	59,634,957
Amortization of revaluation reserve for property, plant and equipment	-	-	(12,941,882)	-	-	12,941,882	-
Dividends (Note 10)	-	-	-	-	-	(10,000,331)	(10,000,331)
As at 30 September 2022 (unaudited)	61,937,567	(9,549)	300,409,064	47,208,346	(4,069,945)	381,267,159	786,742,642
As at 31 December 2022 (audited)	61,937,567	(9,549)	423,217,162	46,952,044	(188,145)	380,544,246	912,453,325
Net profit for the period	-	-	-	-	-	33,274,498	33,274,498
Other comprehensive income	-	-	11,470,345	1,831,568	-	-	13,301,913
Total comprehensive income for the period	-	-	11,470,345	1,831,568	-	33,274,498	46,576,411
Amortization of revaluation reserve for property, plant and equipment	-	-	(28,321,148)	-	-	28,321,148	-
Dividends (Note 10)	-	-	-	-	-	(15,000,496)	(15,000,496)
Other operations with shareholder (Note 10)	-	-	-	-	-	22,145,133	22,145,133
As at 30 September 2023 (unaudited)	61,937,567	(9,549)	406,366,359	48,783,612	(188,145)	449,284,529	966,174,373

Signed and approved for issue on 24 November 2023.

General Director (Chairman of the Management Board)

Chief Accountant



Kurmanbayev T.N.

Akhmedina A.S.

Explanatory notes on pages 8 through 37 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the nine months ended 30 September 2023****1. GENERAL INFORMATION**

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

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

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

As at 30 September 2023 10% of shares of the Company are owned by minority shareholders who acquired them within the “People’s IPO” program. The major shareholder of the Company, who owns the controlling interest of the Company (90%) is National Company “KazMunayGas” JSC (hereinafter “KMG” or “Parent Company”). As at 30 September 2023 87.42% of KMG shares belong to the Government of the Republic of Kazakhstan represented by Sovereign Wealth Fund “Samruk-Kazyna” JSC (hereinafter – “Samruk-Kazyna”), 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 Kazakhstan Stock Exchange (hereinafter – “KASE”). The Government of the Republic of Kazakhstan is the sole shareholder of Samruk-Kazyna.

As at 30 September 2023 and 31 December 2022 the Company had interest ownership in the following companies:

	Place of incorporation	Principal activities	Ownership	
			30 September 2023	31 December 2022
“MunaiTas” LLP (hereinafter – “MunaiTas”)	Kazakhstan	Oil transportation	51%	51%
“Kazakhstan-China Pipeline” LLP (hereinafter – “KCP”)	Kazakhstan	Oil transportation	50%	50%
“Batumi Oil Terminal” (hereinafter – “BOT”)*	Georgia	Forwarding, transshipment and storage of oil and oil products and operating of Batumi Sea Port	100%	100%
“Petrotrans Limited” (hereinafter – “PTL”)	United Arab Emirates	Forwarding of oil and oil products	100%	100%
“Main Waterline” LLP (hereinafter – “Main Waterline”)	Kazakhstan	Water transportation	100%	100%

* BOT has the exclusive right to manage 100% of the shares of “Batumi Sea Port” LLC (hereinafter – “BSP”).

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

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

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

The Company is the national operator of the Republic of Kazakhstan on the main oil pipeline. The Group operates network of main oil pipelines of 5,373 km and water pipelines of 2,130 km.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION (continued)

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

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

Starting from 1 January 2023, the approved tariff for pumping oil to the domestic market is 4,355.57 Tenge per ton for 1,000 kilometers without VAT (from 1 January 2022 to 31 August 2022: 3,728.82 Tenge per ton for 1,000 kilometers without VAT; from 1 September 2022 to 30 November 2022: 4,328.04 Tenge per ton for 1,000 kilometers without VAT; from 1 December 2022 to 31 December 2022: 4,355.57 Tenge per ton for 1,000 kilometers without VAT). Starting from 1 July 2023, tariff for the specified service for 2021-2025 was put into effect in the amount of 4,849.39 Tenge per ton for 1,000 km without VAT.

Tariff for pumping oil on export from the Republic of Kazakhstan from 1 March 2020 to 31 May 2022 was 7,358.76 Tenge per ton for 1,000 kilometers without VAT, starting from 1 June 2022 to 30 June 2023 - 8,830.51 Tenge per ton for 1,000 km without VAT. Starting from 1 July 2023, the tariff for the specified service was put into effect in the amount of 10,150.00 Tenge per ton for 1,000 km without VAT.

Tariff for pumping oil for transit through Kazakhstani part of main oil pipeline “Tuymazy – Omsk – Novosibirsk-2” starting from 1 April 2018 is 4,292.40 Tenge per ton for 1,000 kilometers without VAT.

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

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

These interim condensed consolidated financial statements for the nine months ended 30 September 2023 were approved for issue by Internal Audit Committee of the Company’s Board of Directors and signed by the General Director (Chairman of the Management Board) and the Chief Accountant on 24 November 2023.

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

Basis of preparation

These interim condensed consolidated financial statements for the nine months ended 30 September 2023 have been prepared in accordance with International Financial Reporting Standards (hereafter – “IFRS”) IAS 34 *Interim Financial Reporting*.

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

These interim condensed consolidated financial statements do not include all information and disclosures required for annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

These interim condensed consolidated financial statements are presented in Tenge and all amounts are rounded to the nearest thousands, except for the book value of ordinary shares, earnings per share and when otherwise indicated.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

New and amended standards and interpretations applied by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective as of 1 January 2023.

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

Some amendments are applied for the first time in 2023. The nature and the impact of each new standard and amendment are described below.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

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

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Seasonality of operations

The Group's operating costs are subject to seasonal fluctuations, with higher expenses for materials and repair, maintenance and other services usually expected in the second half of the year. These fluctuations are mainly due to the pipeline repairs that are performed mainly during the second half of the year. Purchase of inventory is mainly implemented in the first half of the year.

Foreign currency translation

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (hereinafter "KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

Weighted average currency exchange rates for the nine months ended 30 September 2023 and 2022 are as follows:

<i>Tenge</i>	For the nine months ended 30 September	
	2023	2022
US Dollars	452.97	458.60
Russian Rubles	5.54	6.73
Euro	490.57	487.97
Georgian Lari	176.13	156.36

As at 30 September 2023 and 31 December 2022 the currency exchange rates of KASE are as follows:

<i>Tenge</i>	30 September 2023	31 December 2022
US Dollars	474.47	462.65
Russian Rubles	4.88	6.43
Euro	503.51	492.86
Georgian Lari	179.05	173.28

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

Property, plant and equipment as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	Land	Pipelines	Transportation assets	Buildings and constructions	Machinery and equipment	Technological oil	Other	Construction in progress	Total
Gross carrying amount as at 31 December 2022 (audited)	35,758,195	288,748,783	25,773,334	114,694,800	248,506,840	223,788,482	11,777,797	28,277,398	977,325,629
Foreign currency translation	630,916	–	148,318	366,909	212,596	–	10,643	32,296	1,401,678
Additions	4,761	1,883	281,150	391,982	577,841	–	363,001	115,508,057	117,128,675
Capitalized costs on debt financial instruments (Note 11,12)	–	–	–	–	–	–	–	5,745,755	5,745,755
Disposals	(80,978)	(557,961)	(101,121)	(1,185,450)	(199,810)	(484)	(130,092)	(12,835)	(2,268,731)
Revaluation (through revaluation reserve)	–	–	–	–	–	13,941,042	–	–	13,941,042
Transfers from construction in progress	–	327,531	206,318	3,308,240	7,179,218	–	401,095	(11,422,402)	–
Transfers and reclassifications	–	(1,197,382)	(63,750)	(55,989)	(393,107)	–	(1,291)	1,711,519	–
Gross carrying amount as at 30 September 2023 (unaudited)	36,312,894	287,322,854	26,244,249	117,520,492	255,883,578	237,729,040	12,421,153	139,839,788	1,113,274,048
Accumulated depreciation and impairment as at 31 December 2022 (audited)	–	–	(213,245)	(382,770)	(2,090,550)	–	(43,137)	–	(2,729,702)
Foreign currency translation	–	–	(21,158)	(15,586)	(23,926)	–	(1,639)	–	(62,309)
Depreciation charge	–	(16,092,057)	(4,067,774)	(5,684,526)	(24,023,208)	–	(2,919,122)	–	(52,786,687)
Impairment (through revaluation reserve)	(15,852)	(237)	–	(251,119)	(2,792)	–	–	–	(270,000)
Impairment (through expenses)	–	–	–	(55,512)	(4,027)	–	–	–	(59,539)
Disposals	15,852	284,716	83,670	314,475	155,412	–	129,198	–	983,323
Accumulated depreciation and impairment as at 30 September 2023 (unaudited)	–	(15,807,578)	(4,218,507)	(6,075,038)	(25,989,091)	–	(2,834,700)	–	(54,924,914)

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

<i>In thousands of Tenge</i>	Land	Pipelines	Transportation assets	Buildings and construction	Machinery and equipment	Technological oil	Other	Construction in progress	Total
As at 30 September 2023 (unaudited)									
Gross carrying amount	36,312,894	287,322,854	26,244,249	117,520,492	255,883,578	237,729,040	12,421,153	139,839,788	1,113,274,048
Accumulated depreciation and impairment	-	(15,807,578)	(4,218,507)	(6,075,038)	(25,989,091)	-	(2,834,700)	-	(54,924,914)
Net book value	36,312,894	271,515,276	22,025,742	111,445,454	229,894,487	237,729,040	9,586,453	139,839,788	1,058,349,134
As at 31 December 2022 (audited)									
Gross carrying amount	35,758,195	288,748,783	25,773,334	114,694,800	248,506,840	223,788,482	11,777,797	28,277,398	977,325,629
Accumulated depreciation and impairment	-	-	(213,245)	(382,770)	(2,090,550)	-	(43,137)	-	(2,729,702)
Net book value	35,758,195	288,748,783	25,560,089	114,312,030	246,416,290	223,788,482	11,734,660	28,277,398	974,595,927

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 30 September 2023 construction in progress mainly includes the following production facilities:

- Replacement of pipeline sections of main oil pipelines and main waterline;
- Replacement, reconstruction and construction of the objects of main oil pipeline and main waterline (pumping stations, communication lines, roads along the highways, automation system, power supply and others).

As at 30 September 2023:

- The gross carrying amount and corresponding accumulated depreciation of fully depreciated property, plant and equipment still in use was 2,607 thousand Tenge (as at 31 December 2022: zero Tenge);
- Construction in progress included materials and spare parts in the amount of 1,674,486 thousand Tenge (as at 31 December 2022: 3,191,264 thousand Tenge), which were acquired for construction works.

Depreciation of property, plant, and equipment for nine months ended 30 September 2023, included in the cost of construction in progress amounted to 16,213 thousand Tenge (for nine months ended 30 September 2022: 17,243 thousand Tenge).

During the nine months period ended 30 September 2023, additions to the construction in progress are mainly related to the works on the project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak" 1st stage" and the replacement of pipeline sections of "Uzen-Atyrau-Samara" main oil pipeline.

Due to significant changes in the oil price on domestic market, the fair value of the Group's technological oil for the nine months period ended 30 September 2023 was increased for the amount of 13,941,042 thousand Tenge through other comprehensive income (for the nine months period ended 30 September 2022: 25,372,690 thousand Tenge). As at 30 September 2023 the average oil price at domestic market was 89,286 Tenge per ton (as at 31 December 2022: 84,050 Tenge per ton). The volume of oil in pipelines, included in property, plant, and equipment, amounted to 2,663 thousand tons.

4. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Investments in KCP	77,337,973	67,061,202
Investments in MunaiTas	27,382,489	27,526,984
Total	104,720,462	94,588,186

Changes in investments in joint ventures for the reporting period are presented as follows:

<i>In thousands of Tenge</i>	Total
As at 31 December 2022 (audited)	94,588,186
Share in income of joint ventures	13,477,397
Share in other comprehensive income of joint ventures	615,230
Dividends	(3,960,351)
As at 30 September 2023 (unaudited)	104,720,462

During the nine months ended 30 September 2023, the Company, based on decisions of the General Meetings of joint ventures' members, received dividends based on the 2022 results (Note 25).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. INVESTMENTS IN JOINT VENTURES (continued)

The Company's share in comprehensive income of joint ventures for the three- and nine-months periods ended 30 September 2023 and 2022 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Share in income of joint ventures				
KCP	3,748,760	3,439,195	11,967,994	11,432,707
MunaiTas	294,041	519,896	1,509,403	1,649,645
Total share in income of joint ventures	4,042,801	3,959,091	13,477,397	13,082,352
Share in other comprehensive income of joint ventures				
KCP	376,585	344,560	808,777	2,039,529
MunaiTas	663,964	75,507	(193,547)	286,999
Total share in other comprehensive income of joint ventures	1,040,549	420,067	615,230	2,326,528
Total share in comprehensive income of joint ventures	5,083,350	4,379,158	14,092,627	15,408,880
Dividends				
KCP	(2,500,000)	-	(2,500,000)	(5,000,000)
MunaiTas	-	(2,636,855)	(1,460,351)	(2,636,855)
Total	(2,500,000)	(2,636,855)	(3,960,351)	(7,636,855)

5. ADVANCES TO SUPPLIERS FOR PROPERTY, PLANT AND EQUIPMENT

Advances to suppliers for property, plant and equipment as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Advances to third parties for property, plant and equipment and construction services	4,265,810	30,105,831
Less: allowance for impairment	(907,304)	(886,028)
Total	3,358,506	29,219,803

As at 30 September 2023, the increase in advances issued for property, plant and equipment is mainly due to the execution of work on the project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak (1st stage)", which is financed by the loan received and issued bonds (Notes 11, 12).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. RIGHT-OF-USE ASSETS

Right-of-use assets as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	Right-of-use assets				Total
	Land and other assets	Transportation assets	Buildings and constructions	Machinery, equipment and transfer devices	
Net book value as at 31 December 2022 (audited)	69,072	363,070	325,020	159,903	917,065
Additions (Note 15)	-	7,840,719	-	-	7,840,719
Modification of agreement (Note 15)	-	277,151	-	-	277,151
Disposals	-	-	(135,330)	-	(135,330)
Amortization charge	(1,745)	(1,372,195)	(131,577)	(60,141)	(1,565,658)
Net book value as at 30 September 2023 (unaudited)	67,327	7,108,745	58,113	99,762	7,333,947

7. TRADE AND OTHER ACCOUNTS RECEIVABLE

Short-term trade and other accounts receivable as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Trade accounts receivable from third parties	8,126,701	7,576,115
Trade accounts receivable from related parties (Note 25)	7,329,926	6,291,233
Other accounts receivable from third parties	474,373	705,492
Other accounts receivable from related parties (Note 25)	-	509
Less: allowance for expected credit losses	(6,348,016)	(6,206,768)
Total	9,582,984	8,366,581

Trade and other accounts receivable of the Group as at 30 September 2023 and 31 December 2022 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Tenge	8,349,110	7,719,948
US Dollars	1,210,260	635,219
Russian Rubles	2,738	2,624
Other currency	20,876	8,790
Total	9,582,984	8,366,581

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. OTHER CURRENT ASSETS

Other current assets as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Other current financial assets		
Notes of the National Bank	21,570,045	–
Investments in bonds	622,058	809,649
Due from employees	97,039	11,163
Other	20,140	18,571
	22,309,282	839,383
Other current non-financial assets		
Due for oil transportation coordination services	2,759,807	5,299,968
Prepaid insurance	447,709	223,958
Deferred expenses from third parties	35,923	304,312
Other	475	464
	3,243,914	5,828,702
Total	25,553,196	6,668,085

Notes of the National Bank

During the nine months ended 30 September 2023, the Group invested available cash in financial instruments such as Notes of the National Bank of the Republic of Kazakhstan with an average yield of 16.7% per annum and a maturity of 28 days. Finance income recognized by the Group during the specified period amounted to 632,570 thousand Tenge (Note 22).

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Time deposits with banks – Tenge	40,255,599	68,970,977
Time deposits with banks – US	5,537,095	–
Current accounts with banks – Tenge	12,109,660	499,992
Current accounts with banks – US Dollars	7,827,401	14,426,202
Current accounts with banks – Georgian Lari	2,945,984	1,234,813
Current accounts with banks – other currency	52,056	39,710
Reverse repo transactions	10,309,127	–
Other current accounts with banks	10,640	12,335
Cash on hand	194	256
Allowance for expected credit losses	(20,214)	(26,747)
Total	79,027,542	85,157,538

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

9. CASH AND CASH EQUIVALENTS (continued)

As at 30 September 2023:

- Time deposits with maturity less than 3 months in Tenge interests ranged from 12.75% to 16.50% per annum (as at 31 December 2022: from 14.75% to 16.05% per annum);
- Time deposits with maturity less than 3 months placed in US Dollars interests ranged 0.1% per annum;
- Current accounts placed in Tenge interests ranged from 7% to 13% per annum (as at 31 December 2022: from 6.75% to 7% per annum);
- Interests for current accounts placed in US Dollars ranged from 0.25% to 3% per annum (as at 31 December 2022: from 0.25% to 3% per annum).

Reverse repo transactions

In order to manage free liquidity, at the end of the reporting period the Group placed funds in such financial instruments as autorepo (secured by government securities of the Republic of Kazakhstan), with a yield from 16.98% and a maturity of 3 days.

10. EQUITY**Retained earnings***Other operation with shareholder*

During the nine months period ended 30 September 2023 the retained earnings of the Group was increased by the discount on the Group's debt securities issued (*Note 12*) in the amount of 22,145,133 thousand Tenge.

Asset revaluation reserve

As at 30 September 2023 asset revaluation reserve of the Group was equal to 406,366,359 thousand Tenge (as at 31 December 2022: 423,217,162 thousand Tenge). The change in revaluation reserve is mainly due to impairment of the technological oil (*Note 3*) and revision of estimates of provision for asset retirement and land recultivation obligation (*Note 16*) with the corresponding effect of income tax expense (*Note 23*), as well as amortization of this reserve for the period.

Dividends

During the nine months period ended 30 September 2023 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 24 May 2023 in the amount of 15,000,496 thousand Tenge based on the results of 2022 (calculated as 39 Tenge per 1 share), from which 13,500,710 thousand Tenge was paid to KMG (*Note 25*) and 1,499,786 thousand Tenge – to minority shareholders.

During the nine months period ended 30 September 2022 the Company accrued dividends payable based on the decision of the general meeting of shareholders dated 19 May 2022 in the amount of 10,000,331 thousand Tenge based on the results of 2021 (calculated as 26 Tenge per 1 share), from which 9,000,473 thousand Tenge will be paid to KMG (*Note 25*) and 999,858 thousand Tenge to minority shareholders.

Earnings per share

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. EQUITY (continued)

Earnings per share (continued)

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

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Net profit attributable to ordinary equity holders of the Parent of the Group	12,952,226	9,326,314	33,274,498	25,153,283
Weighted average number of ordinary shares for basic earnings per share	384,628,099	384,628,099	384,628,099	384,628,099
Basic and diluted earnings per share, in relation to profit for the period attributable to ordinary equity holders of the Company, as a Parent company of the Group (in Tenge)	34	24	87	65

Book value per ordinary share

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

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Total assets	1,330,506,335	1,235,417,960
Less: intangible assets	(8,351,022)	(8,515,332)
Less: total liabilities	(364,331,962)	(322,964,635)
Net assets for calculation of book value per ordinary share	957,823,351	903,937,993
Number of ordinary shares	384,628,099	384,628,099
Book value per ordinary share (in Tenge)	2,490	2,350

11. LOANS RECEIVED

Movements in loans received for six months ended 30 September 2023 are as follows:

<i>In thousands of Tenge</i>	2023
Loans with a floating interest rate	
As at 1 January (audited)	29,760,793
Received	11,800,000
Accrued remuneration (Note 3)	4,392,208
Additional expenses	(82,600)
As at 30 September (unaudited)	45,870,401

On 10 April 2023, under the agreement on the provision of a credit line with JSC "Halyk Bank of Kazakhstan" dated 25 November 2022, Main Waterline received a loan (the 2nd tranche) in the amount of 11,800,000 thousand Tenge, aimed at paying an advance payment to the contractor for the project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak" 1st stage".

The loan amount was recognized at fair value less borrowing costs. Group capitalizes all borrowing costs into the value of the qualified asset. The effective interest rate on the loans was 16.06% and 16.11% for the 1st and 2nd tranche, respectively.

Covenants

The Group must ensure the fulfillment of non-financial covenants in accordance with the Agreement on the provision of a credit line. As at 30 September 2023, the Group complies with all non-financial covenants.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. ISSUED DEBT SECURITIES

Movements in issued debt securities for nine months ended 30 September 2023 are as follows:

<i>In thousands of Tenge</i>	2023
As at 1 January	–
Received	50,000,000
Discount recognition (<i>Note 10</i>)	(22,145,133)
Discount amortization (<i>Note 3</i>)	1,246,603
Accrued remuneration (<i>Note 3</i>)	106,944
As at 30 September (unaudited)	29,208,414
Including:	
Long term part	29,101,470
Short term part	106,944

In order to finance the investment project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak" 1st stage", Main Waterline issued 50 million bonds in total amounting to 50 billion Tenge with a coupon rate of 0.5% per annum and a circulation period 10 years, the grace period for repayment of the principal debt is 2 years. These bonds were purchased by KMG at the expense of anti-crisis funds from the National Fund of the Republic of Kazakhstan.

The amount of bonds was recognized at fair value based on the market interest rate of 11.74%. The Group capitalizes all costs of issued bonds into the cost of the qualifying asset. The difference between the market and coupon rates on the bonds issued was recognized by the Group as a discount and included in retained earnings (*Note 10*).

13. CONTRACT LIABILITIES TO CUSTOMERS

Long-term contract liabilities to customers as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Deferred income from related parties (<i>Note 25</i>)	24,026,098	26,125,466
Deferred income from third parties	9,027,953	9,006,713
Total	33,054,051	35,132,179

Short-term contract liabilities to customers as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Advances received from related parties (<i>Note 25</i>)	20,530,773	17,774,325
Advances received from third parties	9,115,608	8,238,141
Current part of deferred income from related parties (<i>Note 25</i>)	2,799,157	2,799,157
Current part of deferred income from third parties	736,506	717,570
Total	33,182,044	29,529,193

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

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

The amortization of contract liability for the period is recognized by the Group as revenue from the provision of water transportation services in the amount of 2,099,368 thousand Tenge (for the nine months ended 30 September 2022: 1,561,699 thousand Tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. CONTRACT LIABILITIES TO CUSTOMERS (continued)

Revenue recognized in respect of contracts with customers

During the current reporting period, the revenue in the amount of 26,326,729 thousand Tenge was recognized in respect of contract liabilities to customers as at the beginning of the reporting period (for the nine months ended 30 September 2022: 19,416,452 thousand Tenge).

14. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Trade accounts payable to third parties for goods and services	8,677,825	16,530,280
Trade accounts payable to related parties for goods and services (Note 25)	1,171,223	1,389,533
Other accounts payable to third parties	1,633,674	1,311,009
Total	11,482,722	19,230,822

As at 30 September 2023 trade and other accounts payable included payables to related and third parties for property, plant and equipment and works and services related to the construction-in-progress in the amount of 2,739,684 thousand Tenge (as at 31 December 2022: 8,288,535 thousand Tenge). The decrease of accounts payable is associated with their repayment during the reporting period.

Trade and other accounts payable as at 30 September 2023 and 31 December 2022 are denominated in the following currencies:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Tenge	10,887,553	18,416,184
US Dollars	103,435	182,469
Russian Rubles	7,775	4,352
Euro	474	2,313
Other currency	483,485	625,504
Total	11,482,722	19,230,822

15. LEASE LIABILITIES

Lease liabilities as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Non-current portion of obligations	5,681,235	198,450
Current portion of obligations	2,265,292	942,217
Total	7,946,527	1,140,667

Changes in the present value of obligations for the nine months ended 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	2023	2022
As at 1 January (audited)	1,140,667	1,660,914
Additions for the period	7,840,719	12,278
Modification of agreement	277,151	641,894
Interest expenses (Note 22)	626,623	107,202
Payments for the period	(1,798,193)	(1,674,626)
Disposals for the period	(140,440)	-
Exchange difference	-	43,439
As at 30 September (unaudited)	7,946,527	791,101

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**16. PROVISIONS****Short-term provisions**

Short-term provisions of the Group are mainly presented by tax provisions (BOT and BSP) and, as at 30 September 2023, amount to 1,383,571 thousand Tenge (as at 31 December 2022: 1,309,778 thousand Tenge).

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

The movement of provision for asset retirement and land reclamation obligation for the three and nine months ended 30 September 2023 and 2022 is as follows:

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
At the beginning of the period (audited)	41,934,534	39,198,287	40,664,979	34,547,151
Charge for the period through asset	1,883	71,302	1,883	13,727,686
Charge for the period through profit and loss (Note 21)	–	–	–	1,135,708
Revision of estimates through other comprehensive loss/(income)	(78,157)	677,551	102,149	(6,517,620)
Revision of estimates through profit and loss (Note 21)	(42,047)	201,220	(1,024,490)	(1,012,328)
Revision of estimates through asset	–	332,157	–	(2,906,010)
Reversed through profit and loss (Note 21)	(1,188,747)	–	(1,224,352)	(61,037)
Unwinding of discount (Note 22)	923,356	750,928	3,030,653	2,317,895
At the end of the period (unaudited)	41,550,822	41,231,445	41,550,822	41,231,445

As at 30 September 2023 the Group revised the long-term provisions considering current best estimate, which was based on the discount rate of 9.31% (as at 31 December 2022: 10.46%) and the inflation rate of 4.67% (as at 31 December 2022: 6.23%).

As at 30 September 2022 the Group revised the long-term provisions considering current best estimate, which was based on the discount rate of 8.66% (as at 31 December 2021: 6.72%), on the inflation rate of 4.74% (as at 31 December 2021: 5.49%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. OTHER CURRENT LIABILITIES

Other current liabilities as at 30 September 2023 and 31 December 2022 are as follows:

<i>In thousands of Tenge</i>	30 September 2023 (unaudited)	31 December 2022 (audited)
Other current non-financial liabilities		
Liabilities for oil transportation coordination services to related parties (Note 25)	10,147,512	8,039,904
Liabilities for oil transportation coordination services to third parties	3,941,168	4,215,483
Liabilities for pension contributions and social insurance	947,316	1,221,720
	15,035,996	13,477,107
Other current financial liabilities		
Employee salary	4,685,458	4,813,702
Provisions for vacations and other employee benefits	3,533,410	9,799,370
Payables for oil transportation coordination services to third parties	363,055	486,449
Other	354,574	755,355
	8,936,497	15,854,876
Total other current liabilities	23,972,493	29,331,983

The decrease in provisions for vacations and other employee benefits in the reporting period is due to the payment of benefits at the end of the year.

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

Revenue for the three and nine months ended 30 September 2023 and 2022 are as follows:

<i>In thousands of Tenge</i>	For three months ended 30 September 2023 (unaudited)					For nine months ended 30 September 2023 (unaudited)				
	Oil transportation and related services	Oil trans-shipment	Water transportation	Others	Total for segments	Oil transportation and related services	Oil trans-shipment	Water transportation	Others	Total for segments
Crude oil transportation	52,024,224	-	-	-	52,024,224	149,704,346	-	-	-	149,704,346
Pipeline operation and maintenance services	6,941,819	-	-	-	6,941,819	19,654,268	-	-	-	19,654,268
Oil, oil products and gas transshipment and railway shipment	-	4,746,900	-	-	4,746,900	-	15,853,951	-	-	15,853,951
Water transportation	-	-	5,092,842	-	5,092,842	-	-	14,226,534	-	14,226,534
Seaport services	-	-	-	2,286,184	2,286,184	-	-	-	6,151,333	6,151,333
Fees for undelivered oil volumes	591,503	-	-	-	591,503	1,302,463	-	-	-	1,302,463
Oil transportation coordination services	235,974	-	-	-	235,974	580,691	-	-	-	580,691
Others	30,422	343,276	2,198	232,580	608,476	114,237	1,188,593	3,305	662,694	1,968,829
Total for segments	59,823,942	5,090,176	5,095,040	2,518,764	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	209,442,415
Geographic regions*										
Kazakhstan	52,381,434	3,025,166	5,095,040	-	60,501,640	149,921,257	10,636,641	14,229,839	-	174,787,737
Russia	7,052,555	-	-	-	7,052,555	20,440,007	-	-	-	20,440,007
Georgia	-	175,178	-	2,505,500	2,680,678	-	2,051,955	-	6,751,517	8,803,472
Others	389,953	1,889,832	-	13,264	2,293,049	994,741	4,353,948	-	62,510	5,411,199
Total revenue under contracts with customers	59,823,942	5,090,176	5,095,040	2,518,764	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	209,442,415
Timing of revenue recognition										
At a point in time	52,882,123	5,090,176	5,095,040	2,518,764	65,586,103	151,701,737	17,042,544	14,229,839	6,814,027	189,788,147
Over time	6,941,819	-	-	-	6,941,819	19,654,268	-	-	-	19,654,268
Total revenue under contracts with customers	59,823,942	5,090,176	5,095,040	2,518,764	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	209,442,415

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

<i>In thousands of Tenge</i>	For three months ended 30 September 2022 (unaudited)					For nine months ended 30 September 2022 (unaudited)				
	Oil transportation and related services	Oil transportation	Water transportation	Others	Total for segments	Oil transportation and related services	Oil transportation	Water transportation	Others	Total for segments
Crude oil transportation	46,948,733	-	-	-	46,948,733	131,715,512	-	-	-	131,715,512
Pipeline operation and maintenance services	4,684,645	-	-	-	4,684,645	14,146,092	-	-	-	14,146,092
Oil, oil products and gas transshipment and railway shipment	-	5,849,788	-	-	5,849,788	-	17,106,239	-	-	17,106,239
Water transportation	-	-	2,390,142	-	2,390,142	-	-	7,353,359	-	7,353,359
Seaport services	-	-	-	2,283,403	2,283,403	-	-	-	6,152,119	6,152,119
Fees for undelivered oil volumes	477,818	-	-	-	477,818	1,434,563	-	-	-	1,434,563
Oil transportation coordination services	125,144	-	-	-	125,144	342,278	-	-	-	342,278
Others	14,953	134,812	176	284,472	434,413	55,677	617,276	742	726,881	1,400,576
Total for segments	52,251,293	5,984,600	2,390,318	2,567,875	63,194,086	147,694,122	17,723,515	7,354,101	6,879,000	179,650,738
Geographic regions*										
Kazakhstan	45,224,009	3,781,322	2,390,318	-	51,395,649	127,606,181	11,717,230	7,354,101	-	146,677,512
Russia	7,027,284	-	-	-	7,027,284	20,087,941	-	-	-	20,087,941
Georgia	-	1,431,021	-	2,476,113	3,907,134	-	3,954,508	-	6,712,528	10,667,036
Others	-	772,257	-	91,762	864,019	-	2,051,777	-	166,472	2,218,249
Total revenue under contracts with customers	52,251,293	5,984,600	2,390,318	2,567,875	63,194,086	147,694,122	17,723,515	7,354,101	6,879,000	179,650,738
Timing of revenue recognition										
At a point in time	47,566,648	5,984,600	2,390,318	2,567,875	58,509,441	133,548,030	17,723,515	7,354,101	6,879,000	165,504,646
Over time	4,684,645	-	-	-	4,684,645	14,146,092	-	-	-	14,146,092
Total revenue under contracts with customers	52,251,293	5,984,600	2,390,318	2,567,875	63,194,086	147,694,122	17,723,515	7,354,101	6,879,000	179,650,738

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

For the nine months ended 30 September 2023 the revenue from the four major customers amounted to 41,379,971 thousand Tenge, 23,065,351 thousand Tenge, 14,383,573 thousand Tenge and 10,649,950 thousand Tenge, respectively (for the nine months ended 30 September 2022 the revenue from the four major customers amounted to 34,256,868 thousand Tenge, 20,580,618 thousand Tenge, 14,142,684 thousand Tenge and 9,141,848 thousand Tenge, respectively).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. COST OF SALES

Cost of sales for the three and nine months ended 30 September 2023 and 2022 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Personnel costs	21,828,014	19,566,093	68,293,157	60,634,210
Depreciation and amortization	17,719,762	13,025,459	53,659,925	39,369,484
Security services	3,368,259	3,206,502	9,930,941	6,588,694
Taxes other than income tax	3,201,799	2,765,798	9,358,738	7,947,879
Railway services	2,457,769	2,703,749	7,337,661	9,680,129
Electric energy	2,471,686	2,479,445	7,293,677	7,218,454
Repair and maintenance	2,817,757	2,441,303	6,341,771	5,937,034
Materials and fuel	2,777,784	2,607,689	6,144,862	5,855,075
Gas expenses	454,320	425,808	2,311,906	2,413,455
Food and accomodation	634,948	549,988	1,870,799	1,598,765
Insurance	303,555	291,048	914,861	782,557
Business trip expenses	292,097	257,493	742,084	689,095
Post-employment benefits	168,322	228,469	504,966	685,406
Outstaffing services	142,037	134,530	411,781	345,158
Communication services	94,854	86,129	264,384	255,796
Environmental protection	74,594	156,585	228,031	668,841
Air services	-	195,417	140,319	521,054
Other	1,285,690	960,620	3,013,810	2,535,443
Total	60,093,247	52,082,125	178,763,673	153,726,529

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

The increase in depreciation and amortization and taxes are mainly due to the revaluation of property, plant and equipment conducted in the end of 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three and nine months ended 30 September 2023 and 2022 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Personnel costs	2,173,026	1,934,689	6,184,302	6,005,604
Depreciation and amortization	400,865	363,690	1,184,584	1,080,930
Repair and maintenance	115,489	81,535	367,070	240,763
Office maintenance	115,435	123,014	327,313	356,917
Charge of allowance for expected credit losses on trade receivables, net	168,445	143,598	221,646	275,860
Outstaffing services	78,223	69,707	220,978	189,187
Taxes other than income tax	97,045	49,494	213,431	192,711
Business trip expenses	52,803	93,067	193,337	206,301
Auditing and consulting services	48,782	73,810	191,019	204,522
Write-off of VAT recoverable	733	14,929	130,943	65,603
Information services	31,320	36,770	100,929	105,317
Insurance and security	25,880	14,724	74,077	43,622
Charge of short-term provisions	176	1,051	67,946	56,408
Communication services	20,110	25,853	65,927	81,174
Bank costs	11,137	13,505	35,123	54,123
Post-employment benefits	10,744	13,017	32,232	39,049
Materials and fuel	6,587	16,331	22,946	48,309
Other	252,409	390,619	752,933	721,763
Total	3,609,209	3,459,403	10,386,736	9,968,163

21. OTHER OPERATING INCOME AND EXPENSES

Other operating income/expenses for the three and nine months ended 30 September 2023 and 2022 are as follows:

Other operating income

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Income from reversal, revision of estimates and charge of asset retirement and land reclamation obligation, net (Note 16)	1,230,794	–	2,248,842	–
Income from fines and penalties	187,068	72,055	558,649	456,475
Amortization of deferred income	74,040	77,194	220,984	223,304
Income on disposal of property, plant and equipment and intangible assets, net	22,366	–	–	–
Other income	58,031	7,379	71,732	98,551
Total	1,572,299	156,628	3,100,207	778,330

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. OTHER OPERATING INCOME AND EXPENSES (continued)

Other operating expenses

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Write-down of inventory to net realizable value	661,271	-	661,271	-
Expenses for liquidation of idle production facilities	42,296	48,895	85,514	51,525
Loss on disposal of property, plant and equipment and intangible assets, net	-	74,187	12,996	211,234
Actuarial losses	-	-	-	45,500
Loss from revision of estimates, reversal and charge of asset retirement and land recultivation obligation, net (Note 16)	-	201,220	-	62,343
Other expenses	75,051	59,318	127,687	161,014
Total	778,618	383,620	887,468	531,616

22. FINANCE INCOME AND EXPENSES

Finance income/expenses for the three and nine months ended 30 September 2023 and 2022 are as follows:

Finance income

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Interest income on bank deposits and current accounts	1,714,979	912,024	6,497,056	1,906,691
Unwinding of discount on long-term receivables	42,953	46,360	128,865	139,089
Income from notes of the National Bank (Note 8)	627,982	-	632,570	-
Other finance income	34,685	23,099	17,891	80,197
Total	2,420,599	981,483	7,276,382	2,125,977

Finance expenses

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Unwinding of discount on asset retirement and land recultivation obligation reserve (Note 16)	923,356	750,928	3,030,653	2,317,895
Net interest cost on employee benefit obligations	364,088	368,434	1,092,278	1,105,319
Interest expenses	255,345	30,294	626,623	107,202
Other finance expenses	2,342	4,107	94,488	12,846
Total	1,545,131	1,153,763	4,844,042	3,543,262

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. INCOME TAX EXPENSE

Income tax expenses for the three and nine months ended 30 September 2023 and 2022 are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Current income tax expense	3,448,057	2,783,653	9,536,848	6,611,856
Adjustments of the past periods	–	–	81,315	139,049
Deferred income tax benefit	(1,200,439)	(921,126)	(3,734,303)	(2,112,338)
Income tax expense	2,247,618	1,862,527	5,883,860	4,638,567

Movement in net deferred tax liabilities for the three and nine months ended 30 September 2023 and 2022 is as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
At the beginning of the period (unaudited)	104,161,752	81,180,794	107,509,698	78,764,696
Charged to other comprehensive loss	3,527,860	2,734,258	2,713,778	6,341,606
Charged to profit and loss	(1,200,439)	(921,126)	(3,734,303)	(2,112,338)
Currency translation	–	(7)	–	(45)
At the end of the period (unaudited)	106,489,173	82,993,919	106,489,173	82,993,919

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. SEGMENT INFORMATION

Management analyses its operating segments by segment profit. The following tables present information on revenue and profit of the Group's segments for the three months and nine months ended 30 September 2023:

In thousands of Tenge	For the three months ended 30 September 2023 (unaudited)						For the nine months ended 30 September 2023 (unaudited)					
	Oil transportation and related services (Kazakhstan)	Oil trans-shipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Revenue												
External customers	59,823,942	5,090,176	5,095,040	2,518,764	-	72,527,922	171,356,005	17,042,544	14,229,839	6,814,027	-	209,442,415
Intersegmental	220,092	-	23,585	-	(243,677)	-	644,839	-	61,196	-	(706,035)	-
Total revenue	60,044,034	5,090,176	5,118,625	2,518,764	(243,677)	72,527,922	172,000,844	17,042,544	14,291,035	6,814,027	(706,035)	209,442,415
Financial results												
Depreciation and amortization	(15,206,041)	(268,604)	(2,311,788)	(334,194)	-	(18,120,627)	(46,131,007)	(790,433)	(6,926,988)	(996,081)	-	(54,844,509)
Interest income	1,423,610	74,079	157,387	46,500	-	1,701,576	5,749,462	168,505	404,429	161,257	-	6,483,653
Share in income of joint ventures	4,042,801	-	-	-	-	4,042,801	13,477,397	-	-	-	-	13,477,397
Income tax (expense)/ benefits	(2,323,473)	-	75,855	-	-	(2,247,618)	(6,122,911)	-	239,051	-	-	(5,883,860)
Segment profit/(loss) for the period	12,336,023	529,444	(280,539)	866,352	(499,054)	12,952,226	28,995,007	3,123,229	(849,257)	1,933,953	71,566	33,274,498

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. SEGMENT INFORMATION (continued)**

The following tables present information on revenue and profit of the Group's segments for the three months and nine months ended 30 September 2022:

<i>In thousands of Tenge</i>	For the three months ended 30 September 2022 (unaudited)						For the nine months ended 30 September 2022 (unaudited)					
	Oil transportation and related services (Kazakhstan)	Oil trans-shipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Revenue												
External customers	52,251,293	5,984,600	2,390,318	2,567,875	-	63,194,086	147,694,122	17,723,515	7,354,101	6,879,000	-	179,650,738
Intersegmental	173,921	-	16,719	-	(190,640)	-	571,418	-	55,750	-	(627,168)	-
Total revenue	52,425,214	5,984,600	2,407,037	2,567,875	(190,640)	63,194,086	148,265,540	17,723,515	7,409,851	6,879,000	(627,168)	179,650,738
Financial results												
Depreciation and amortization	(11,538,098)	(232,741)	(1,282,750)	(335,560)	-	(13,389,149)	(35,062,767)	(655,798)	(3,823,362)	(908,487)	-	(40,450,414)
Interest income	797,826	21,050	48,710	44,438	-	912,024	1,645,613	66,956	103,778	90,344	-	1,906,691
Share in income of joint ventures	3,959,091	-	-	-	-	3,959,091	13,082,352	-	-	-	-	13,082,352
Income tax (expense)/ benefits	(2,292,463)	-	426,118	246	(5,116)	(1,871,215)	(5,550,890)	-	914,641	(11,006)	8,688	(4,638,567)
Segment profit/(loss) for the period	7,201,817	1,582,424	(1,697,327)	565,202	1,674,198	9,326,314	20,788,169	2,635,115	(3,506,311)	1,772,261	3,464,049	25,153,283

The following tables present information on assets and liabilities of the Group's segments as at 30 September 2023 and 31 December 2022:

<i>In thousands of Tenge</i>	As at 30 September 2023 (unaudited)						As at 31 December 2022 (unaudited)					
	Oil transportation and related services (Kazakhstan)	Oil trans-shipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)	Oil transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Water transportation (Kazakhstan)	Other	Adjustments and exceptions	Total segments (consolidated)
Other disclosures												
Total assets	1,120,139,678	57,716,429	212,920,573	23,330,639	(83,600,984)	1,330,506,335	1,093,895,555	55,089,123	145,839,799	23,739,961	(83,146,478)	1,235,417,960
Total liabilities	238,825,609	8,004,782	104,717,228	12,997,394	(213,051)	364,331,962	238,046,342	11,089,259	60,832,330	13,802,700	(805,996)	322,964,635
Investments in joint ventures (Note 4)	104,720,462	-	-	-	-	104,720,462	94,588,186	-	-	-	-	94,588,186
Capital expenditures, including:	42,093,894	413,109	73,553,198	771,408	-	116,831,609	39,190,642	809,854	2,795,844	1,574,999	(69,786)	44,301,553
Property, plant and equipment	42,048,527	391,366	73,553,198	739,700	-	116,732,791	38,739,832	790,495	2,781,547	1,451,469	(69,786)	43,693,557
Intangible assets	45,367	21,743	-	31,708	-	98,818	450,810	19,359	14,297	123,530	-	607,996

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS

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

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

The following tables provide the total amount of transactions, which have been entered into with related parties during the three and nine months ended 30 September 2023 and 2022 and also the related balances as at 30 September 2023 and 31 December 2022.

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

<i>In thousands of Tenge</i>	Notes	30 September 2023 (unaudited)	31 December 2022 (audited)
Trade and other accounts receivable from related parties			
Trade accounts receivable from joint ventures of the Company		3,487,881	1,540,699
Trade accounts receivable from entities under common control of KMG		2,260,735	2,185,711
Trade accounts receivable from entities under common control of Samruk-Kazyna		1,581,310	2,564,823
Total trade accounts receivable from related parties	7	7,329,926	6,291,233
Other accounts receivable from entities under common control of KMG and Samruk-Kazyna	7	-	509
Total other accounts receivable from related parties		-	509
Less: allowance for expected credit losses		(7,349)	(7,407)
Total trade and other accounts receivable from related parties		7,322,577	6,284,335

Advances provided to related parties are as follows:

<i>In thousands of Tenge</i>		30 September 2023 (unaudited)	31 December 2022 (audited)
Advances paid to related parties			
Advances paid to entities under common control of Samruk-Kazyna		1,027	1,017
Total advances paid to related parties		1,027	1,017

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS (continued)

Contract liabilities to customers to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2023 (unaudited)	31 December 2022 (audited)
Contract liabilities to customers to related parties			
Non-current part of deferred income under contracts with entities under common control of KMG		24,026,098	26,125,466
Total non-current contract liabilities to customers to related parties	13	24,026,098	26,125,466
Advances received from entities under common control of KMG		20,323,094	17,573,782
Advances received from entities under common control of Samruk-Kazyna		207,679	200,543
Current part of deferred income under contracts with entities under common control of KMG		2,799,157	2,799,157
Total current contract liabilities to customers to related parties	13	23,329,930	20,573,482
Total contract liabilities to customers to related parties		47,356,028	46,698,948

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

<i>In thousands of Tenge</i>	Notes	30 September 2023 (unaudited)	31 December 2022 (audited)
Trade accounts payable to related parties for goods and services			
Trade accounts payable to entities under common control of KMG		1,021,061	1,001,456
Trade accounts payable to entities under common control of Samruk-Kazyna		104,487	379,159
Trade accounts payable to joint ventures of the Company		45,675	8,918
Total trade accounts payable to related parties for goods and services	14	1,171,223	1,389,533

Other current liabilities to related parties are as follows:

<i>In thousands of Tenge</i>	Notes	30 September 2023 (unaudited)	31 December 2022 (audited)
Liabilities for oil transportation coordination services to related parties			
Liabilities for oil transportation coordination services to entities under common control of KMG		10,147,512	8,039,904
Total liabilities for oil transportation coordination services to related parties	17	10,147,512	8,039,904
Employee benefits obligation of key management personnel			
Employee benefits obligation of key management personnel		31,658	68,028
Total employee benefits obligation of key management personnel		31,658	68,028
Total other current liabilities to related parties		10,179,170	8,107,932

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. RELATED PARTY TRANSACTIONS (continued)

Transactions, which have been entered into with related parties are as follows:

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Sales to related parties				
Revenue from main activities with entities under common control of KMG	37,983,152	34,008,737	112,335,245	94,712,678
Revenue from main activities with joint ventures of the Company	3,912,727	2,776,357	11,722,449	8,291,335
Revenue from main activities with entities under common control of Samruk-Kazyna	3,129,587	1,938,782	8,022,107	5,739,202
Other income from entities under common control of Samruk-Kazyna	-	4,486	-	110,700
Other income from entities under common control of KMG	658	2,067	14,969	59,954
Total	45,026,124	38,730,429	132,094,770	108,913,869

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

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

<i>In thousands of Tenge</i>	For the three months ended 30 September (unaudited)		For the nine months ended 30 September (unaudited)	
	2023	2022	2023	2022
Purchases from related parties				
Purchases of services from entities under common control of KMG	2,716,057	2,690,442	7,736,671	8,371,000
Purchases of services from entities under common control of Samruk-Kazyna	199,675	551,872	1,408,276	2,047,187
Purchases of services from joint ventures of the Company	-	-	-	103,924
Purchases of inventory entities under common control of KMG and Samruk-Kazyna	339	165	501	364
Total	2,916,071	3,242,479	9,145,448	10,522,475

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

<i>In thousands of Tenge</i>	Notes	For the nine months ended 30 September (unaudited)	
		2023	2022
Cash flows to related parties			
Dividends paid to KMG	10	(13,500,710)	(9,000,473)
Dividends received from a joint venture	4	3,960,351	7,636,855
Total		(9,540,359)	(1,363,618)

Total accrued compensation to key management personnel for the nine months ended 30 September 2023 amounts to 244,672 thousand Tenge (for the nine months ended 30 September 2022: 240,908 thousand Tenge). Payments to key personnel consist primarily of payroll costs and remuneration established by contracts and Company's internal provisions.

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

26. CONTINGENT LIABILITIES AND COMMITMENTS

Information on contingent liabilities and commitments of the Group is disclosed in the consolidated financial statements for the year ended 31 December 2022. During the nine months ended 30 September 2023 there were no significant changes, except for the following:

Contractual commitments to acquire property, plant and equipment

As at 30 September 2023 the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 84,040,000 thousand Tenge (31 December 2022: 157,285,948 thousand Tenge). These contractual obligations are part of investment program.

Share of the Group as at 30 September 2023 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services amounted to 1,322,910 thousand Tenge (31 December 2022: 599,618 thousand Tenge).

Investment program commitments of the Company

In November 2020, by a joint order of the Ministry of Energy of the Republic of Kazakhstan and the CRNM, an investment program for the period of 2021-2025 was approved, according to which the Company has the obligation to fulfill during the period from 2021 to 2025 in the amount of 214.2 billion Tenge. As at 30 September 2023, the balance of obligation under the investment program to be fulfilled was 114.4 billion Tenge.

Risk monitoring of secondary sanctions

During the nine months period ended 30 September 2023 and as of the specified reporting date, the Group complied with the requirements and restrictions established by the applicable sanctions imposed by the European Union, the United States of America and other countries against the Russian Federation (RF), as well as certain citizens and companies of the RF in connection with the hostilities that began on the territory of Ukraine in February 2022.

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

The termination of the BSP management agreement

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

The management of the Group believes, as at 30 September 2023 BSP was not subject to the risk of termination of this agreement by the Georgia Government, since the actual transshipment through the BSP for 9 months 2023 amounted to 5.4 million tons (during 9 months 2022: 5.5 million tons).

Tax inspections of joint ventures

During the nine months period ended 30 September 2023, complex tax inspections were carried out in joint ventures of the Company for the period of 2017-2021 years. As at 30 September 2023, the tax inspection of MunaiTas was completed; no significant additional tax charges were identified. The tax inspection of KCP has not been completed and the company's management cannot assess their future results.

Legal proceedings of joint venture

In December 2019 and August 2021, MunaiTas entered into contracts with the contractor on the procurement of services in the amount of 12.4 billion Tenge and 1.7 billion Tenge, respectively. According to the contracts terms, the contractor provided bank guarantees for the proper execution of the contracts, the amount of each was 10% of the contract price. Due to the contractor's violation of contractual obligations, the joint venture, in accordance with the established procedure, requested and received from guarantor banks amounts under bank guarantees. In February 2023, the Company received pre-trial claims from the contractor in the amount of 1.2 billion Tenge and 169.6 million Tenge, respectively. The essence of the claims is the demand for the return by the joint venture of previously received funds in the form of bank guarantees for the proper execution of contracts. In May 2023, the contractor filed a lawsuit in which he asks to recognize the claims of MunaiTas sent to the guarantor bank as unlawful. On 8 August 2023, the SIEC of Almaty issued a ruling to terminate the proceedings in the civil case, which was appealed by the Contractor to the appellate court. On 14 September 2023, the Contractor's private complaint against the SIEC decision of 8 August 2023 was received by the Almaty City Court.

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

26. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Legal proceedings of joint venture (continued)**

On 3 October 2023, MunaiTas sent a withdrawal of the Contractor's private complaint. Management of MunaiTas believes that the contractor's claims are unfounded and will not result in any significant loss.

Pre-trial disputes of a joint venture

In October 2023 MunaiTas received a letter and orders from the Department of the Committee for the Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan in the Almaty city (hereinafter - the Department) regarding the revision of the current tariff for a regulated service applicable in 2022-2023.

In its letter, the Department obliges MunaiTas to carry out the recalculation with shippers for the services rendered for 2022 and for the period from January to October 2023. The consequence of such recalculation will be an amount of about nine billion Tenge, which, MunaiTas is obliged to return to the shippers within thirty calendar days from the date of the orders, i.e. until 2 November 2023, according to the decision of the Department. MunaiTas filed complaints with CRNM, and on 8 November 2023, CRNM responded to the complaints with a refusal to satisfy them.

As at the date of issue of the consolidated financial statements, the joint venture is preparing to appeal against the Department's orders, the deadline for filing such claim is 4 December 2023. In accordance with the law, the validity of orders is suspended for the period of their appeal.

The management of MunaiTas believes that the Department's requirements are unreasonable and the tariffs calculated for 2022-2023 are not applicable to the company's activities for the specified periods. The management of MunaiTas does not expect significant losses for the company in the course of this dispute.

Challenging the Company's tariffs

By CRNM Order No. 131-OD dated 26 November 2021 (hereinafter - Order No. 131-OD) 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 (hereinafter – TCT) was approved for the Company's service of pumping oil to the domestic market. Based on the results of the Company's appeals, by the decision of the court of first instance dated 6 April 2022, Order No. 131-OD was declared illegal and canceled. CRNM filed an appeal to the court of second instance against the decision of the court of first instance. By the decision of the court of second instance dated 24 November 2022, CRNM's complaint was left unsatisfied. 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 application of TCT from 1 September 2022.

CRNM filed a cassation appeal, based on the results of the consideration of the Supreme Court by the decision of 24 October 2023 the decisions of the courts of first and second instance were cancelled. As at the date of signing the financial statements, the decision of CRNM on the tariff level for the specified service of the Company has not been received.

The company does not agree with the decision of the Supreme Court of 24 October 2023 and intends to appeal against it in accordance with the established procedure.

Obligations under the loan agreement

In order to finance the project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak" 1st stage" in December 2021 Main Waterline entered into a loan agreement with Eurasian Development Bank, providing the credit in the amount of 123,652,111 thousand Tenge, the interest rate of 11% per annum for tranches in Tenge and 8.5% per annum for tranches in Rubles, the loan term of 180 months from the date of the first tranche issue. Considering the lack of required corporate decisions, as well as due to changes in market conditions, the loan agreement did not enter into force. On 12 April 2023, the parties signed an agreement to terminate the loan agreement.

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

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**Fair value of financial instruments**

The carrying amount of cash and cash equivalents, bank deposits, trade and other accounts receivable, trade and other accounts payable and other current assets and liabilities approximates their fair value due to the short-term maturity of these financial instruments.

The carrying value of loans received (*Note 11*) is approximately equal to the fair value due to the fact that the interest rate on loans is floating.

The carrying amount of issued debt securities during the current reporting period (*Note 12*) is approximately equal to the fair value as the initial recognition was made at fair value.

28. EVENTS AFTER THE REPORTING PERIOD

In order to finance the project "Reconstruction and expansion of the main waterline "Astrakhan-Mangyshlak" 1st stage", on 3 November 2023, the Board of Directors of the Company made a decision on additional bonds issue in the amount of 20 billion Tenge by Main Waterline. The amount of bonds is 20 million, the coupon rate is 0.5%, the circulation period of bonds is 10 years from the date of bonds circulation commencement, including a 2-year grace period for the payment of the principal debt. These bonds were issued and on 24 November 2023 purchased by KMG at the expense of anti-crisis funds from the National Fund of the Republic of Kazakhstan.