

EXTRACT
from the minutes of the Annual General Meeting of Shareholders
"National Company "KazMunayGas" Joint-Stock Company
No. 2/2025 dated May 29, 2025

Legal address of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Location of the executive body of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Date, place and time: May 29, 2025, 3:10 p.m. (Astana time), Conference Room "Atameken", Floor 2, Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Form of voting: by mixed (in-person and absentee) voting.

We hereby confirm that in accordance with the minutes of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC No. 2/2025 dated May 29, 2025 on the first agenda item **«On approval of the audited annual financial statements of NC KazMunayGas JSC for 2024»**

in accordance with sub-clause 1) of clause 2 of article 35, sub-clause 7) of clause 1 of article 36, clause 3 of article 76 of the Law No.415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, sub-clause 12) of clause 98 of article 12, clause 143 of article 17 of the Charter of ‘National Company “KazMunayGas” Joint-Stock Company, approved by the resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended and supplemented, introduced by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No. 1/2024, item No. 8), sub-clause 13) of clause 32 of chapter 7 of the Regulations on the General Meeting of Shareholders of ‘National Company “KazMunayGas” Joint-Stock Company, approved by the resolution of the person owning all voting shares of NC KazMunayGas JSC dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), having considered the submitted materials, the General Meeting of Shareholders of NC KazMunayGas JSC **RESOLVED:**

1. To approve the audited consolidated annual financial statements of NC KazMunayGas JSC for 2024, in accordance with Annex No. 1 to this resolution.

2. To approve the audited separate annual financial statements of NC KazMunayGas JSC for 2024, in accordance with Annex No. 2 to this resolution.

3. The Chairman of the Management Board of NC KazMunayGas JSC A.G. Khassenov, shall, in accordance with the established procedure, take the necessary measures arising from this resolution.

To make a resolution on this issue, in accordance with clause 2 of article 36 and clause 1 of article 50 of the Law No. 415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, clause 91 of article 11 and clause 99 of article 12 of the Charter of ‘National Company “KazMunayGas” Joint-Stock

Company, approved by the resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended and supplemented, introduced by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), clause 79 of Chapter 16 of the Regulations on the General Meeting of Shareholders of National Company KazMunayGas JSC, approved by the resolution of the person owning all voting shares of NC KazMunayGas JSC dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), a simple majority of votes of the total number of voting shares of NC KazMunayGas JSC participating in the voting is required. The resolution is adopted by open voting on the principle ‘one share - one vote’.

According to the voting results, the **RESOLUTION ADOPTED unanimously**.

Corporate Secretary
NC “KazMunayGas” JSC

D. Sharipov

Annex No.1
to the resolution on item No.1
of the agenda of the
Annual General Meeting of
Shareholders of NC KazMunayGas JSC
dated “29” May 2025
(Minutes No.2/2025)

Approved
by the Minutes of the Annual General
Meeting of Shareholders of
NC KazMunayGas JSC
dated 29 May 2025 No.2/2025

Joint Stock Company
“National Company “KazMunayGas”

Consolidated financial statements

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

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Independent auditor's report

March 5, 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the year ended December 31, 2024**

<i>In millions of tenge</i>	Note	2024	2023 (restated)*
Revenue and other income			
Revenue from contracts with customers	7	8,330,261	8,319,543
Share in profit of joint ventures and associates, net	8	531,230	534,177
Gain from disposal of subsidiary	5	16,410	186,225
Interest revenue calculated using the effective interest method	15	184,392	139,449
Other finance income	15	123,290	7,332
Other operating income		52,377	55,378
Total revenue and other income		9,237,960	9,242,104
Costs and expenses			
Cost of purchased oil, gas, petroleum products and other materials	9	(4,347,011)	(4,621,881)
Production expenses	10	(1,398,604)	(1,219,722)
Taxes other than income tax	11	(592,984)	(594,080)
Depreciation, depletion and amortization	36	(642,666)	(599,543)
Transportation and selling expenses	12	(267,824)	(245,525)
General and administrative expenses	13	(254,148)	(165,897)
Impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses	14	(69,733)	(248,140)
Finance costs	15	(346,096)	(321,630)
Foreign exchange gain, net		185,459	25,222
Expected credit losses		(8,316)	(11,874)
Other expenses		(38,703)	(42,564)
Total costs and expenses		(7,780,626)	(8,045,634)
Profit before income tax		1,457,334	1,196,470
Income tax expenses	32	(363,087)	(269,792)
Net profit for the year		1,094,247	926,678

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	2024	2023 (restated)*
Other comprehensive income/(loss)			
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</i>			
Hedging effect		(1,463)	849
Exchange differences on translation of foreign operations		1,492,858	(176,614)
Net (loss)/gain on hedge of a net investment	27	(358,847)	46,152
Tax effect		(90,712)	11,101
Net other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods, net of tax		1,041,836	(118,512)
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain on defined benefit plans of the Group		870	341
Actuarial gain on defined benefit plans of the joint ventures		114	651
Tax effect		1	(327)
Net other comprehensive income not to be reclassified to profit or loss in the subsequent periods, net of tax		985	665
Net other comprehensive income/(loss) for the year, net of tax		1,042,821	(117,847)
Total comprehensive income for the year, net of tax		2,137,068	808,831
Net profit/(loss) for the year attributable to:			
Equity holders of the Parent Company		1,094,438	962,700
Non-controlling interests		(191)	(36,022)
		1,094,247	926,678
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Parent Company		2,136,253	845,194
Non-controlling interests		815	(36,363)
		2,137,068	808,831
Earnings per share** – tenge thousands			
Basic and diluted	26	1.794	1.578

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.

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

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at December 31, 2024**

<i>In millions of tenge</i>	Note	December 31, 2024	December 31, 2023 (restated)*
Assets			
Non-current assets			
Exploration and evaluation assets	17	216,448	174,187
Property, plant and equipment	16	7,834,160	7,171,242
Investment property		12,374	19,383
Intangible assets	18	943,156	883,283
Right-of-use assets	19	122,991	101,765
Investments in joint ventures and associates	21	5,378,513	4,821,427
VAT receivable		30,396	30,360
Advances for non-current assets		88,216	50,954
Other non-current non-financial assets		7,767	4,192
Loans and receivables due from related parties	24	121,673	94,334
Other non-current financial assets		48,249	23,217
Long-term bank deposits	20	74,329	63,891
Deferred income tax assets	32	50,705	65,829
		14,928,977	13,504,064
Current assets			
Inventories	22	413,741	376,444
Trade accounts receivable	23	443,057	561,258
VAT receivable		48,408	60,523
Income tax prepaid	32	41,170	33,051
Other current non-financial assets	23	180,754	157,257
Loans and receivables due from related parties	24	84,240	125,569
Other current financial assets	23	63,528	74,870
Short-term bank deposits	20	1,513,816	997,012
Cash and cash equivalents	25	1,216,451	1,050,873
		4,005,165	3,436,857
Assets classified as held for sale		505	180
		4,005,670	3,437,037
Total assets		18,934,647	16,941,101

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In millions of tenge</i>	Note	December 31, 2024	December 31, 2023 (restated)*
Equity and liabilities			
Equity			
Share capital	26	916,541	916,541
Additional paid-in capital		1,142	1,142
Other equity		(2,373)	(910)
Currency translation reserve		5,132,868	4,090,281
Retained earnings		5,985,894	5,488,964
Attributable to equity holders of the Parent Company		12,034,072	10,496,018
Non-controlling interests	26	(109,788)	(99,404)
Total equity		11,924,284	10,396,614
Non-current liabilities			
Borrowings	27	3,644,111	3,365,736
Lease liabilities	28	103,334	87,880
Other non-current financial liabilities	30	7,096	18,743
Provisions	29	308,129	306,219
Employee benefit liabilities		75,999	70,975
Other non-current non-financial liabilities	30	36,175	37,777
Deferred income tax liabilities	32	1,391,836	1,122,939
		5,566,680	5,010,269
Current liabilities			
Trade accounts payable	30	598,787	663,930
Borrowings	27	323,290	391,358
Lease liabilities	28	20,882	17,400
Other current financial liabilities	30	169,150	145,953
Provisions	29	19,524	33,576
Employee benefit liabilities		6,516	5,703
Income tax payable	32	15,600	28,285
Other taxes payable	31	83,631	116,500
Other current non-financial liabilities	30	206,303	131,513
		1,443,683	1,534,218
Total liabilities		7,010,363	6,544,487
Total equity and liabilities		18,934,647	16,941,101
Book value per ordinary share** – tenge thousands	26	17.998	15.593

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.

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

Deputy Chairman of the Management Board

D.A. Arysova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended December 31, 2024**

<i>In millions of tenge</i>	Note	2024	2023 (restated)*
Cash flows from operating activities			
Profit before income tax		1,457,334	1,196,470
Adjustments:			
Depreciation, depletion and amortization	36	642,666	599,543
Impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses	14	69,733	248,140
Gain on disposal of subsidiary	5	(16,410)	(186,225)
Realized gain from derivatives on petroleum products	10	(19,502)	(69)
Interest revenue calculated using the effective interest method	15	(184,392)	(139,449)
Other finance income	15	(123,290)	(7,332)
Finance costs	15	346,096	321,630
Loss on disposal of joint venture		1,928	90
Share in profit of joint ventures and associates, net	8	(531,230)	(534,177)
Movements in provisions		(15,912)	(6,158)
Net foreign exchange gain		(184,029)	(29,107)
Write-off of inventories to net realizable value		942	4,646
Loss on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net		5,241	501
Impairment/(reversal of impairment) of VAT receivable	13	7,063	(282)
Change in financial guarantees		1,765	344
VAT non-recoverable	13	1,237	5,811
Allowance of expected credit loss		8,316	11,874
Operating profit before working capital changes		1,467,556	1,486,250
Change in VAT receivable		6,180	(37,306)
Change in inventory		36,690	(76,763)
Change in trade accounts receivable and other current assets		199,936	4,630
Change in trade and other payables and contract liabilities		(142,667)	78,727
Change in other taxes payable		(134,049)	(127,565)
Cash generated from operations		1,433,646	1,327,973
Dividends received from joint ventures and associates	21	701,104	619,826
Income taxes paid		(182,227)	(147,166)
Interest received		138,511	123,389
Interest paid	27, 28	(247,182)	(256,408)
Net cash flow from operating activities		1,843,852	1,667,614

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Note	2024	2023 (restated)*
Cash flows from investing activities			
Placement of bank deposits		(2,068,061)	(1,460,352)
Withdrawal of bank deposits		1,734,453	1,614,940
Acquisition of subsidiary, net of cash acquired	6	-	(156,388)
Deferred consideration paid for the acquisition of subsidiary	26, 33	(1,520)	(163,770)
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		(644,752)	(683,439)
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale		1,939	3,317
Proceeds from disposal of subsidiary, net of cash disposed	5	8,010	94,624
Proceeds from disposal of share in joint venture		12,995	-
Additional contributions to joint ventures without changes in ownership	21	(74,209)	(20,117)
Loans given to related parties	33	(67,980)	(44,672)
Repayment of loans due from related parties	33	45,023	35,963
Acquisition of debt securities		(18,041)	(7,063)
Proceeds from sale of debt securities		13,736	289
Guaranteed and other payments receivable from a joint venture participant		9,905	-
Redeem of notes of the National Bank of RK	33	308,147	451,598
Acquisition of notes of the National Bank of RK	33	(302,600)	(425,263)
Other		-	697
Net cash flows used in investing activities		(1,042,955)	(759,636)
Cash flows from financing activities			
Proceeds from borrowings	27	214,894	385,304
Repayment of borrowings	27	(647,409)	(666,232)
Dividends paid to shareholders	26	(300,002)	(300,002)
Dividends paid to non-controlling interests	26	(2,759)	(1,572)
Distribution of net assets of KazMunayGas Exploration Production JSC to non-controlling interest		(5,901)	-
Distributions to Samruk-Kazyna	26	(2,059)	(120)
Contribution from the related party	26	-	14,155
Payment of principal portion of lease liabilities	28	(26,118)	(26,933)
Proceeds from the repo agreements		22,074	-
Repayment of the repo agreements		(22,074)	-
Other operations with Samruk-Kazyna	26	(6,652)	(8,962)
Other		(4,554)	-
Net cash flows used in financing activities		(780,560)	(604,362)
Effects of exchange rate changes on cash and cash equivalents		145,268	(15,942)
Change in allowance for expected credit losses		(27)	14
Net change in cash and cash equivalents		165,578	287,688
Cash and cash equivalents, at the beginning of the year		1,050,873	763,185
Cash and cash equivalents, at the end of the year		1,216,451	1,050,873

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.

Non-cash transactions

For the year ended December 31, 2024, accounts payable for purchases of property, plant and equipment decreased by 12,851 million tenge (2023: increased by 69,734 million tenge).

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

<i>In millions of tenge</i>	Attributable to equity holders of the Parent Company					Total	Non-controlling interests	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2022	916,541	1,142	(1,759)	4,209,612	4,803,431	9,928,967	(61,541)	9,867,426
Net profit/(loss) for the year (restated)*	-	-	-	-	962,700	962,700	(36,022)	926,678
Other comprehensive income/(loss)	-	-	849	(119,331)	976	(117,506)	(341)	(117,847)
Total comprehensive income/(loss) (restated)*	-	-	849	(119,331)	963,676	845,194	(36,363)	808,831
Dividends (Note 26)	-	-	-	-	(300,002)	(300,002)	(1,500)	(301,502)
Distributions to Samruk-Kazyna (Note 26)	-	-	-	-	(120)	(120)	-	(120)
Other operations with Samruk-Kazyna (Note 26)	-	-	-	-	(17,925)	(17,925)	-	(17,925)
Acquisition of Polimer Production LLP under common control (Note 26)	-	-	-	-	(1,520)	(1,520)	-	(1,520)
Transactions with Samruk-Kazyna (Note 26)	-	-	-	-	26,597	26,597	-	26,597
Contribution from the related party (Note 26)	-	-	-	-	14,827	14,827	-	14,827
As at December 31, 2023 (restated)*	916,541	1,142	(910)	4,090,281	5,488,964	10,496,018	(99,404)	10,396,614

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

<i>In millions of tenge</i>	Attributable to equity holders of the Parent Company					Total	Non-controlling interests	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2023 (restated) *	916,541	1,142	(910)	4,090,281	5,488,964	10,496,018	(99,404)	10,396,614
Net profit/(loss) for the year	-	-	-	-	1,094,438	1,094,438	(191)	1,094,247
Other comprehensive (loss)/income	-	-	(1,463)	1,042,587	691	1,041,815	1,006	1,042,821
Total comprehensive income/(loss)	-	-	(1,463)	1,042,587	1,095,129	2,136,253	815	2,137,068
Dividends (Note 26)	-	-	-	-	(300,002)	(300,002)	(2,820)	(302,822)
Distributions to Samruk-Kazyna (Note 26)	-	-	-	-	(16)	(16)	-	(16)
Other operations with Samruk-Kazyna (Note 26)	-	-	-	-	(1,989)	(1,989)	-	(1,989)
Transactions with Samruk-Kazyna (Note 26)	-	-	-	-	(296,192)	(296,192)	-	(296,192)
Effect of liquidation of KazMunaiGas Exploration Production JSC	-	-	-	-	-	-	(8,379)	(8,379)
As at December 31, 2024	916,541	1,142	(2,373)	5,132,868	5,985,894	12,034,072	(109,788)	11,924,284

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL

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

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

On August 7, 2015, the National Bank of RK (further NB RK) purchased 9.58% plus one share of the Company from Samruk-Kazyna. From December 8, 2022, 3.00% of shares of the Company are freely available on the Astana International Exchange (further AIX) and the Kazakhstan Stock Exchange (further KASE) stock exchanges.

On December 22, 2023, 20.00% of the Company’s shares owned by Samruk-Kazyna were transferred to the Ministry of Finance of the Republic of Kazakhstan.

As at December 31, 2024, the Company has interest in 64 operating companies (as of December 31, 2023: 61) (jointly “the Group”).

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

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

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

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries (*Note 3*).

These consolidated financial statements of the Group were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on March 5, 2025.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements. All values in these consolidated financial statements are rounded to the nearest millions, except when otherwise indicated.

Statement of compliance

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

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group consolidated financial statements are disclosed in *Note 4*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)**Statement of compliance (continued)**

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

Foreign currency translation*Functional and presentation currency*

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

Transactions and balances

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

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

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

Group Companies

The results and financial position of all of the Group’s subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

Exchange rates

Weighted average currency exchange rates established by KASE are used as official currency exchange rates in the Republic of Kazakhstan. The currency exchange rate of KASE as at December 31, 2024 was 525.11 tenge to 1 United States dollar (US dollar). This rate was used to translate monetary assets and liabilities denominated in US dollar as at December 31, 2024 (December 31, 2023: 454.56 tenge to 1 US dollar). The currency exchange rate of KASE as at March 5, 2025 was 496.71 tenge to 1 US dollar. For the year ended December 31, 2024, the Group had net foreign exchange gain of 185,459 million tenge due to fluctuations in foreign exchange rates to tenge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION**Changes in accounting policies and disclosures***New and amended standards and interpretations*

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024.

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

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

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

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

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

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

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

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

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

The amendments had no impact on the Group’s consolidated financial statements. The Group disclosed the information on compliance with covenants under the terms of the loan agreements in *Note 27*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Standards issued but not yet effective**

There are new pronouncements issued as at December 31, 2024:

- *Lack of exchangeability* – Amendments to IAS 21 (issued in August 2023);
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued in April 2024);
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued in May 2024);
- *Contracts Referencing Nature-dependent Electricity* – Amendments to IFRS 9 and IFRS 7 (issued in December 2024);
- Annual Improvements Volume 11 (issued in July 2024);
- *Amendments to the Classification and Measurement of Financial Instruments* – Amendments to IFRS 9 and IFRS 7 (issued in May 2024).

The amendments are not expected to have a material impact on the Group’s consolidated financial statements, except for IFRS 18 *Presentation and Disclosure in Financial Statements*. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Amended standards the Group applied the exception to recognizing and disclosing information in 2023*Pillar 2**International Tax Reform – Pillar II Model Rules - Amendments to IAS 12 Income Taxes*

The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar II rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar II model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar II income taxes arising from that legislation, particularly before its effective date.

The Group is part of Samruk-Kazyna Group that is a multinational enterprise with revenue in excess of 750 million Euro per consolidated financial statements of the international group for the financial year, immediately preceding the reporting financial year, using the arithmetic average market exchange rate determined in accordance with the tax legislation of the Republic of Kazakhstan for the respective financial year.

Samruk-Kazyna is a parent entity of the international group. Entities of the multinational enterprise are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), entering into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes in 2023.

In 2024, the Group, based on operational financial information for 2024, assessed the preliminary potential impact associated with the implementation of the Pillar II Model Rules at the legislative level.

Based on the results of its assessment, the Group has identified that preliminary potential income tax risk on profits determined under the Pillar II model rules and earned by certain companies with above-mentioned jurisdictions is not material to the consolidated financial statements of the Group.

The Group continues to progress on the assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has: power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee, and; the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the contractual arrangement with the other vote holders of the investee; rights arising from other contractual arrangements; the Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Profit or loss and each component of other comprehensive income are attributable to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Subsidiaries

As at December 31, 2024 and 2023, the following direct significant subsidiaries were included in these consolidated financial statements:

Significant entities	Main activity	Country of incorporation	Percentage ownership	
			December 31, 2024	December 31, 2023
KazMunayTeniz LLP	Exploration and production	Kazakhstan	100%	100%
KMG Karachaganak LLP	Exploration and production	Kazakhstan	100%	100%
Kazakhturkmunay LLP	Exploration and production	Kazakhstan	100%	100%
KMG Kashagan B.V.	Exploration and production	Netherlands	100%	100%
Ozenmunaigas JSC	Exploration and production	Kazakhstan	100%	–
Embamunaigas JSC	Exploration and production	Kazakhstan	100%	–
Dunga Operating GmbH (Note 6)	Production	Kazakhstan	100%	100%
KazTransOil JSC (further KTO)	Oil transportation	Kazakhstan	90%	90%
KazMorTransFlot LLP	Oil transportation and construction	Kazakhstan	100%	100%
Cooperative KazMunayGas PKI U.A.	Refinery and marketing of oil products	Netherlands	100%	100%
Atyrau Refinery LLP (further Atyrau Refinery)	Refinery	Kazakhstan	99.53%	99.53%
Pavlodar oil chemistry refinery LLP (further Pavlodar refinery)	Refinery	Kazakhstan	100%	100%
KMG International N.V. (further KMG I)	Refinery and marketing of oil products	Romania	100%	100%
KMG Drilling&Services LLP	Drilling services	Kazakhstan	100%	100%
KazMunayGas Exploration Production JSC (further KMG EP)	Exploration and production	Kazakhstan	–	99.72%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. If the contingent consideration is not within the scope of IFRS 9, it is measured at fair value through profit and loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Acquisition of subsidiaries from parties under common control

Acquisitions of subsidiaries from parties under common control are accounted for using the pooling of interest method.

The assets and liabilities of the subsidiary transferred under common control are recorded in the consolidated financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. Related goodwill, if any, inherent in the Predecessor’s original acquisition is also recorded in the consolidated financial statements. Any difference between the total book value of net assets, including the Predecessor’s goodwill, and the consideration paid is accounted for in the consolidated financial statements as an adjustment to equity.

The consolidated financial statements, including corresponding figures, are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the Predecessor.

Acquisition of joint ventures and associates from parties under common control

Acquisition of joint ventures and associates from parties under common control are accounted for using the pooling of interest method.

The Group’s share in the assets and liabilities of the joint ventures and associates transferred under common control is recorded in the consolidated financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. Any difference between the Group’s share in the total book value of net assets, and the consideration paid is accounted for in the consolidated financial statements as an adjustment to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Investments in associates and joint ventures**

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint venture and associates are accounted for using the equity method.

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

The aggregate of the Group's share in profit or loss of a joint venture and an associate is shown on the face of the consolidated statement of comprehensive income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the joint venture or associate. The financial statements of the joint venture or associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss under the item “Share in profit of joint ventures and associates, net” in the consolidated statement of comprehensive income.

Upon loss of joint control over the joint venture or significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Oil and natural gas exploration, evaluation and development expenditure*Costs incurred before obtaining subsoil use rights (licenses)*

Costs incurred before obtaining full subsoil use rights (licenses) are expensed in the period in which they are incurred, except when costs are incurred after signing preliminary agreements with the Government of RK, in such cases costs incurred after this date are capitalized in exploration and evaluation assets.

Subsoil use rights and property acquisition costs

Exploration and production subsoil use rights and related property acquisition costs are capitalized within exploration and evaluation assets and subclassified as intangible. Each property under exploration and appraisal is reviewed on an annual basis to confirm that drilling activity is planned and it is not impaired. If no future activity is planned, the carrying amount of the exploration subsoil use right and related property acquisition costs is written off. Upon determination of economically recoverable reserves (‘proved reserves’ or ‘commercial reserves’) and internal approval of development, the carrying amount of the subsoil use right and related property acquisition costs held on a field-by-field basis is aggregated with exploration and evaluation assets and transferred to oil and gas assets or intangible assets.

Exploration and evaluation costs

Once the legal right to explore has been acquired, geological and geophysical exploration costs and costs directly associated with exploration and appraisal wells, including unsuccessful development or delineation wells are capitalized as exploration and evaluation intangible or tangible assets, according to the nature of the costs, until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If no expected reserves are found, the exploration and evaluation asset is tested for impairment. If extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, are likely to be developed commercially; the costs continue to be carried as an asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbon reserves.

All such carried costs are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****Oil and natural gas exploration, evaluation and development expenditure (continued)***Exploration and evaluation costs (continued)*

When proved reserves of hydrocarbons are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas assets after impairment is assessed and impairment loss recognized, if any.

When this is no longer the case, and the Group decides to relinquish the contract territory to the Government and terminate the subsoil use contracts, the assets are written off.

Development costs

Expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, are capitalized within oil and gas assets.

Oil and gas assets and other property, plant and equipment

Oil and gas assets and other property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment.

The initial cost of an asset comprises its purchase price or construction cost, borrowing cost for long-term construction or development project, if recognition criteria is met, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligation, if there is any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Oil and gas assets are depreciated using a unit-of-production method, whereas tangible assets are depreciated over proved developed reserves and intangible assets – over proved reserves. Certain oil and gas assets with useful lives less than the remaining life of the fields or term of the subsoil use contracts are depreciated on a straight-line basis over useful lives.

Property, plant and equipment other than oil and gas assets and land principally comprise buildings, machinery and equipment, vehicles and others that are depreciated on a straight-line basis over the expected remaining useful average lives as follows:

Refinery assets	4-100 years
Pipelines	2-30 years
Buildings and improvements	2-100 years
Machinery and equipment	2-30 years
Vehicles	3-35 years
Other	2-20 years
Land	Not depreciated

The expected useful lives of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment, inclusive of production wells which stop producing commercial quantities of hydrocarbons and are scheduled for abandonment, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 item) is included in the profit or loss in the period the item is derecognized.

Intangible assets

Intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets include expenditure on acquiring subsoil use rights for oil and natural gas exploration, evaluation and development, computer software and goodwill. Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Intangible assets (continued)**

Intangible assets, except for goodwill and subsoil use rights, are amortized on a straight-line basis over the expected remaining useful life. The expected useful lives of the assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively. Computer software costs have an estimated useful life of 3 to 7 years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas development tangible and intangible assets or whenever facts and circumstances indicate impairment.

One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment (the list is not exhaustive):

- The period for which the Group entity has the right to explore and appraise in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on the further exploration for and evaluation of hydrocarbon resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of hydrocarbon resources in the specific area have not led to the discovery of commercially viable quantities of hydrocarbon resources and the Group entity has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of plant, property and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment of an amount equivalent to the provision is also created. This asset is subsequently depreciated as part of the capital costs of the production and transportation facilities based on the appropriate depreciation method.

Changes in the measurement of an existing decommissioning provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or change in the discount rate, is accounted for so that:

- (a) Changes in the provision are added to, or deducted from, the cost of the related asset in the current period;
- (b) The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the consolidated statement of comprehensive income; and
- (c) If the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss, in accordance with IAS 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial assets*****Initial recognition and measurement***

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

In order for a debt financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

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

The Group does not have financial assets at fair value through other comprehensive income.

Derecognition

A financial asset is primarily derecognized (removed from the consolidated statement of financial position) when:

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

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL 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 and other receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Derecognition (continued)***Impairment of financial assets (continued)*

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Leases

The Group assesses at contract inception whether a contract is, or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Finance lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Inventories**

Inventories are stated at the lower of cost and net realizable value on a first-in first-out (FIFO) basis. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the cost of production, including the appropriate proportion of depreciation, depletion and amortization and overheads based on normal capacity. Net realizable value of crude oil and refined products is based on estimated selling price in the ordinary course of business less any costs expected to be incurred to complete the sale.

Cash and cash equivalents

Cash and cash equivalents include cash in bank and cash on hand, demand deposits with banks with original maturities of three months or less.

Financial liabilities*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans borrowings and payables, or as derivatives financial instruments.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Trade and other payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs.

The Group does not have financial liabilities at fair value through profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the expected credit losses allowance calculated under IFRS 9 and the amount recognized less cumulative amortization, if any.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or a foreign exchange gains and losses for a non-derivative is recognized in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivatives is recognized immediately in profit or loss. The amount recognized in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Provisions**

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for obligations to the Government

The Government assigns various sponsorship and financing obligations to the Group. Management of the Group believes that such Government’s assignments represent constructive obligations of the Group and require recognition on the basis of respective resolution of the Government. Furthermore, as the Government is acting as the ultimate controlling party of the Group, the expenditures on these assignments are recognized as other distributions to the Shareholders directly in the equity, in the consolidated financial statements.

Employee benefits*Pension scheme*

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state – managed retirement benefit schemes are dealt with as defined contribution plans where the Group’s obligations under the scheme are equivalent to those arising in a defined contribution retirement benefit plan.

Long-term employee benefits

The Group provides long-term employee benefits to employees before, on and after retirement, in accordance with the collective agreements between the Group entities and their employees. The collective agreement provides for certain one-off retirement payments, financial aid for employees’ disability, anniversaries, funeral and other benefits. 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 upon the end of employment. Actuarial gains and losses arising in the year are taken to other comprehensive income. For this purpose, 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 recognized in the current period, including current service cost, any past service cost and the effect of any curtailments or settlements.

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

Employee benefits other than one-off retirement payments 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. Actuarial gains and losses on other long-term employee benefits are recognized in the profit or loss. These obligations are valued by independent qualified actuaries on an annual basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Revenue recognition**

Revenues are recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset, which usually occurs when the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured. Specifically, domestic sales of crude oil and gas, as well as petroleum products and materials are usually recognized when title passes. For export sales, title generally passes at the border of the RK. Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts, volume rebates and reimbursable taxes.

Sales of support services are recognized as services are performed provided that the service price can be determined and no significant uncertainties regarding the receipt of revenues exist.

The Group mainly recognizes revenue for the following types:

Revenue from sale of crude oil and oil products

Revenue from the sale of oil and oil products is recognized when control of the goods is transferred to the customer and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for such goods or services.

Revenue from transportation services

Revenue from transportation services is recognized when services are provided based on the actual volumes of oil transported in the reporting period.

Revenue from oil and oil products refinery services

Revenue from oil and oil products refinery services is recognized if it is probable that the economic benefits will flow to the Group and if the revenue can be measured reliably, regardless of the timing of payment.

Interest income and expense

For all financial instruments measured at amortized cost, and interest income and interest expense are recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over 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 and interest expense is included in finance costs in the consolidated statement of comprehensive income.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Income taxes

Income tax for the year comprises current income tax, excess profit tax and deferred tax. Current income tax assets and liabilities for the current and prior periods 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 by the reporting date. Current income tax (CIT) relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Income taxes (continued)**

Alternative mineral extraction tax (AMET) is treated as an income tax and forms part of income tax expense. In accordance with the applicable tax legislation, the Group accrues and pays AMET in respect of each subsoil use contract, at varying rates based on the ratio of aggregate annual income to deductions for the year for a particular subsoil use contract. The ratio of aggregate annual income to deductions in each tax year triggering the application of AMET is 1.24:1. AMET rates are applied to the part of the taxable income (taxable income after corporate income tax and allowable adjustments) related to each subsoil use contract.

Deferred tax is calculated with respect to both CIT and AMET. Deferred AMET is calculated on temporary differences for assets allocated to subsoil use contracts at the expected rate of AMET to be paid under the contract.

Deferred income 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.

Equity*Non-controlling interest*

Non-controlling interests are initially recognized in proportion to identifiable net assets at the acquisition date.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the Company's owners. Total comprehensive income is attributed to the Company's owners and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are declared before the reporting date or after the reporting date but before the consolidated financial statements are authorized for issue.

Presentation of information

The consolidated statement of comprehensive income has been restated to present Interest revenue calculated using the effective interest method separately from finance income and, Expected credit losses separately from General and administrative expenses, Finance income and Finance costs. The Group believes that this separation allows for the presentation of information that is more relevant to users of the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and assets, at the reporting date. 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.

Impairment testing assumptions

The Group assessed the existence of impairment indicators of non-current assets and where impairment indicators were identified, the Group performed the impairment tests.

The Group's long-term assumptions for Brent oil prices, KZT/USD exchange rate and inflation projections have been revised and are based on externally sourced forecasts and rates of the independent research organizations considering long-term market expectations. Production volumes estimates are based on proved developed and undeveloped reserves for subsidiaries, and on proved and probable reserves for significant investments in joint ventures and associates. Production period is either based on subsoil use contracts' expiration date or on extended license period, to which the Group has strong intention to extend its licenses. Estimated production volumes are based on the Group's production plans that are mostly used for the purposes of application filing for extension of subsoil use contracts.

Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 11.22-16.42% depending on the functional currency, production period, size, equity risk premium, beta and gearing ratio of the relevant CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)****Impairment testing assumptions (continued)**

The long-term price assumptions applied were derived from Bloomberg consensus; so did the near-term commodity price assumptions, a summary of which, in real 2024 terms, is provided below:

	2025	2026	2027	2028	2029
Brent oil (ICE Brent \$/bbl)	73.25	71.00	73.00	72.00	72.30

For 2024 in “*Exploration and production of oil and gas*” segment net impairment charges were 57,100 million tenge, which mainly relate to the impairment of a seawater desalination plant and supply infrastructure in Zhanaozen city in the amount of 53,197 million tenge (*Note 14*).

For 2024 in “*Corporate*” segment net impairment charges were 40,678 million tenge, which mainly relate the exploration and evaluation assets of Abai project in the amount of 17,703 million tenge (*Note 14*).

For 2024 in “*Other*” segment net impairment charges were 11,609 million tenge, which mainly relate to a reversal of a previously recognized impairment loss in the amount of the excess of the value in use of the Jack-up rig over its carrying amount in the amount of 16,189 million tenge (*Note 14*).

For 2023 in “*Exploration and production of oil and gas*” segment net impairment charges were 107,725 million tenge, which mainly relate to the exploration and evaluation assets of Aktoty and Kairan project in the amount of 74,255 million tenge (*Note 14*).

For 2023 in “*Corporate*” net impairment charges were 40,337 million tenge, which mainly relate the exploration and evaluation assets of Jenis project in the amount of 40,244 million tenge (*Note 14*).

For 2023 in “*Refining and trading of crude oil and refined products*” net impairment charges were 97,854 million tenge, which mainly relate to the CGU KMGJ in the amount of 97,636 million tenge (*Note 14*).

Headroom of the majority of oil and refining assets are sensitive to changes in price or other assumptions. The changes within next financial periods may result in recoverable amount of these assets above or below the current carrying amounts and therefore there is a risk of impairment reversals or charges in those periods.

Oil and gas reserves

Oil and gas reserves are a material factor in the Group’s computation of depreciation, depletion and amortization expenses. The Group estimates its oil and gas reserves in accordance with the methodology of the Society of Petroleum Engineers (SPE). In estimating its reserves under SPE methodology, the Group uses long-term planning prices. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year-end spot prices. Management believes that long-term planning price assumptions, which are also used by management for their business planning and investment decisions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves.

All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Oil and gas reserves (continued)**

Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data, availability of new data, or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for depreciation, depletion and amortization in relation to oil and gas production assets. The Group has included in proved reserves only those quantities that are expected to be produced during the initial subsoil use contract period. This is due to the uncertainties surrounding the outcome of such renewal procedures, since the renewal is ultimately at the discretion of the Government. An increase in the Group's subsoil use contract periods and corresponding increase in reported reserves would generally lead to lower depreciation, depletion and amortization expense and could materially affect earnings. A reduction in proved developed reserves will increase depreciation, depletion and amortization expense (assuming constant production), reduce income and could also result in an immediate write-down of the property's book value. Given the relatively small number of producing fields, it is possible that any changes in reserve estimates year on year could significantly affect prospective charges for depreciation, depletion and amortization.

Please refer *Note 14* for details on annual impairment test results.

Recoverability of oil and gas assets, downstream, refining and other assets

The Group assesses assets or CGU for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices, discount rates, future capital requirements, operating performance (including production and sales volumes) that are subject to risk and uncertainty. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered to be impaired and is written down to its recoverable amount. In assessing recoverable values, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

KMGI CGU, including goodwill

As at December 31, 2024 and 2023, the Group performed its annual impairment tests for goodwill and downstream, refining and other assets due to existence of impairment indicators at the CGUs of KMGI. For the detailed discussion of KMGI CGU impairment test refer to *Note 14*.

Pavlodar refinery, including goodwill

As of December 31, 2024, and 2023 the Group has goodwill of 88,553 million tenge related to acquisition of Pavlodar refinery (*Note 18*). In December 2024 and 2023 the Group performed annual impairment test for the Pavlodar refinery goodwill. In assessing the recoverable amount, the fair value less the cost of sale was calculated, determined using a marketing scheme. The Group considered the forecast for oil tolling volumes, oil tolling tariffs, capital expenditures, among other factors, when reviewing for indicators of impairment. The recoverable amount is calculated using a discounted cash flow model. In 2024, the discount rate of 14.12% (2023: 16.02%) was calculated based on the pre-tax weighted average cost of capital. The inherent risk was included by applying an individual beta factor. The beta factor was estimated based on the publicly available market data. Forecasted cash flows till to 2032 were based on five-years business plan of Pavlodar refinery 2025-2029 (2023: 2024-2028 years), which assumes current management estimates on potential changes in operating and capital costs. As at December 31, 2024 and 2023 the recoverable amount of goodwill, which was determined based on fair value less cost to sell, exceeded its book value, as such no impairment of Pavlodar refinery goodwill was recognized.

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of Pavlodar refinery goodwill are sensitive to changes in key assumptions, in particular, assumptions related to changes in discount rate and target EBITDA in terminal period. Increase in discount rates by 1.0% to 15.12% (2023: 17.02%) and decrease of target EBITDA in terminal period by 1% would not result decrease of the recoverable amount of CGU Pavlodar refinery to its carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Recoverability of oil and gas assets, downstream, refining and other assets (continued)***Other CGUs*

Revision to the Group’s commodity price and other assumptions have not resulted in impairment charges in any other CGUs of the *Refining and trading of crude oil and refined products segment*.

Assets retirement obligations*Oil and gas production facilities*

Under the terms of certain subsoil use contracts, legislation and regulations the Group has legal obligations to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group’s obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal of pipes, buildings and recultivation of the contract territories, and also obligations to dismantle and remove tangible assets and restore territory at each production site. Since the subsoil use contract terms cannot be extended at the discretion of the Group, the settlement date of the final closure obligations has been assumed to be the end of each subsoil use contract period. The extent of the Group’s obligations to finance the abandonment of wells and for final closure costs depends on the terms of the respective subsoil use contracts and current legislation.

Where neither subsoil use contracts nor legislation include an unambiguous obligation to undertake or finance such final abandonment and closure costs at the end of the subsoil use contract term, no liability has been recognized. There is some uncertainty and significant judgment involved in making such a determination. Management’s assessment of the presence or absence of such obligations could change with shifts in policies and practices of the Government or in the local industry practice.

The Group calculates asset retirement obligations separately for each contract. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term risk-free interest rates for emerging market sovereign debt adjusted for risks specific to the Kazakhstan market.

At each reporting date the Group reviews site restoration provisions, and adjusts them to reflect the current best estimate in accordance with IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*.

Estimating the future closure costs involves significant estimates and judgments by management. Most of these obligations are many years in the future and, in addition to ambiguities in the legal requirements, the Group’s estimate can be affected by changes in asset removal technologies, costs and industry practice. The Group estimates future well abandonment cost using current year prices and the average long-term inflation rate.

The long-term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at December 31, 2024 were in the range from 2.24% to 8.60% and from 6.85% to 12.15%, respectively (December 31, 2023: from 2.03% to 14.54% and from 6.20% to 11.37%, respectively). As at December 31, 2024 the carrying amounts of the Group’s asset retirement obligations relating to decommissioning of oil and gas facilities were 142,009 million tenge (December 31, 2023: 123,785 million tenge) (*Note 29*).

Major oil and gas pipelines

According to the Law of the RK *On Major Pipelines* which was made effective on July 4, 2012 KazTransOil JSC (further KTO) has legal obligation to decommission its major oil pipelines at the end of their operating life and to restore the land to its original condition. Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. As at December 31, 2024, the carrying values of the Group’s asset retirement obligations relating to decommissioning of pipelines and land were 37,405 million tenge (December 31, 2023: 45,649 million tenge) (*Note 29*).

Environmental remediation obligations provision

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. In accordance with the amendments to the Environmental Code of the RK effective from July 1, 2021, the management believes that there are possible liabilities that may have an impact on the Group’s financial position and results of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Environmental remediation obligations provision (continued)**

At the date of issuance of the consolidated financial statements the Group has analyzed the changes and, accordingly, estimated the amount of additional potential liabilities related to the asset retirement and land recultivation. As at December 31, 2024, the carrying amount of the Group's assets retirement obligations were in total amount of 41,778 million tenge (31 December, 2023: 39,271 million tenge), which is equal to the present value of future cash outflows (*Notes 29 and 35*).

The Group continues to monitor this matter and will adjust for new facts and circumstances, and any clarification provided by the State body in regards to the application of the Environmental Code of the RK.

The Group also makes judgments and estimates in establishing provisions for environmental remediation obligations. Environmental expenditures are capitalized or expensed depending upon their future economic benefit. Expenditures that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Liabilities are determined based on current information about costs and expected plans for remediation and are recorded on discounted basis. The Group's environmental remediation provision represents management best estimate based on an independent assessment of the anticipated expenditure necessary for the Group to remain in compliance with the current regulatory regime in Kazakhstan and Europe. The Group has classified this obligation as non-current except for the portion of costs, included in the annual budget for 2024. For environmental remediation provisions, actual costs can differ from estimates because of changes in laws and regulations, public expectations, discovery and analysis of site conditions and changes in clean-up technology. Movements in the provision for environmental remediation obligations are disclosed in *Note 29*.

Employee benefits

The cost of defined long-term employee benefits payable 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.

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.

Taxation

In assessing tax risks, management considers to be probable obligations the known areas of tax positions which the Group would not appeal or does not believe it could successfully appeal, if assessed by tax authorities. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsoil use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for tax risks other than on income tax are disclosed under provisions for taxes in *Note 29*. Contingent liabilities for tax risks other than on income tax are disclosed in *Note 35*. Provisions and contingent liabilities related to income tax are included or disclosed as income tax liabilities or contingencies (see *Note 32 and 35*).

Useful lives of property, plant and equipment

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

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments presented in the consolidated financial statements. Further details are disclosed in *Note 34*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. LOSS OF CONTROL*****Karaton Operating Ltd. (further Karaton)***

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

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

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

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

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

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

In millions of tenge

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

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

In millions of tenge

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

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

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

KALAMKAS-KHAZAR OPERATING LLP (further KKO)

On February 9, 2023, the Company and Lukoil PJSC signed a purchase and sale agreement for a 50% share of KKO, subsidiary of the Company, holder of a contract for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea. On September 11, 2023, KKO was re-registered after the parties fulfilled the suspensive conditions of a purchase and sale agreement. As a result of the transaction, the Group lost control over KKO.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. LOSS OF CONTROL (continued)*****KALAMKAS-KHAZAR OPERATING LLP (further KKO) (continued)***

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (further the Additional consideration). The Group recognized this Additional consideration as a financial asset measured at fair value through profit or loss in the amount of 29 million US dollars (equivalent to 14,154 million tenge) within other non-current financial assets in the consolidated statement of the financial position. As at December 31, 2024, the fair value of the Additional consideration was 33 million US dollars (equivalent to 17,461 million tenge) (December 31, 2023: 30 million US dollars (equivalent to 13,860 million tenge)).

On September 21, 2023, Lukoil PJSC made payment of cash consideration in the amount of 200 million US dollars (equivalent to 94,644 million tenge at the date of payment).

The investment retained in the former subsidiary is an investment to a joint venture accounted for using the equity method and its fair value is 93,258 million tenge at the date of loss of control. The Company and Lukoil PJSC have joint control over the KKO where decisions about the relevant activities of KKO require unanimous consent.

The results of KKO for the period from January 1, 2023 through the date of loss of control are presented below:

In millions of tenge

Finance income	7
General and administrative expenses	(108)
Finance costs	(33)
Net foreign exchange loss	(98)
Income tax expenses	(1)
Loss for the period	(233)

The net cash flows incurred by KKO for the period from January 1, 2023 through the date of loss of control are as follows:

In millions of tenge

Operating	(102)
Investing	(16,937)
Financing	17,059
Net increase in cash and cash equivalents	20

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

In millions of tenge

Assets	
Property, plant and equipment (Note 16)	5,185
Exploration and evaluation assets (Note 17)	14,678
Cash and cash equivalents	20
Other assets	626
Total assets	20,509
Liabilities	
Borrowings	2,511
Trade accounts payable	3,548
Other liabilities	5
Total liabilities	6,064
Net assets directly associated with the disposal group	14,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**5. LOSS OF CONTROL (continued)*****KALAMKAS-KHAZAR OPERATING LLP (further KKO) (continued)****In millions of tenge*

Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary	14,154
Fair value of 50% retained interest in a joint venture (Note 21)*	93,258
Gain from disposal of subsidiary	186,225

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

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

6. BUSINESS COMBINATION***Acquisition of Dunga Operating GmbH***

On October 9, 2023 KMG signed a purchase agreement with TOTALENERGIES EP DENMARK A/S for the acquisition of a 100% of the shares of Total E&P Dunga GmbH (renamed to Dunga Operating GmbH in December 2023), engaged in the exploration and production of crude oil and natural gas in Dunga field. The base consideration comprises of 358.5 million US dollars (equivalent to 165,913 million tenge). The agreement contains certain closing conditions precedent, which were met on October 30, 2023 and on November 20, 2023, the transaction was completed after the re-registration of Dunga Operating GmbH shares to KMG. KMG has obtained control over Dunga Operating GmbH, a subsidiary, increasing the KMG share in the hydrocarbon resource base and production of the crude oil and natural gas on the RK market.

At the date of issue consolidated financial statements for the year ended December 31, 2023, the initial accounting for the business combination was not completed and the Group assessed the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at provisional amounts being the fair value of the consideration given of 358.5 million US dollars (equivalent to 165,913 million tenge) in accordance with *IFRS 3 Business Combinations*.

In 2024 the Group completed the valuation of the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition to complete the initial accounting for the business combination.

The fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition was 156,099 million tenge, a decrease of 9,814 million tenge over the provisional value. These leads to decrease in depreciation charge of property, plant and equipment and corporate income tax of 1,661 and 556 million tenge, respectively, from the acquisition date to 31 December 2023.

The 2023 comparative information was restated to reflect these adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. BUSINESS COMBINATION (continued)***Acquisition of Dunga Operating GmbH (continued)*

The fair values of the identifiable assets and liabilities of *Dunga Operating GmbH* as at the date of acquisition are as presented below:

<i>In millions of tenge</i>	At the date of acquisition
Assets	
Non-current assets	
Property, plant and equipment (Note 16)	181,462
Intangible assets (Note 18)	5,481
Long-term bank deposits	5,413
Other non-current assets	3,132
Current assets	
Inventories	6,387
Trade accounts receivable	5,870
Income tax prepaid	2,284
Other current non-financial assets	5,601
Other current financial assets	55
Cash and cash equivalents	8,288
Total assets	223,973
Non-current liabilities	
Provisions (Note 29)	4,346
Deferred income tax liabilities (Note 32)	48,752
Other non-current financial liabilities	447
Current liabilities	
Trade accounts payable	8,802
Other current financial liabilities	5,527
Total liabilities	67,874
Total identifiable net assets at fair values	156,099
Purchase consideration transferred, including withholding tax	165,913
Goodwill arising on acquisition	9,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**6. BUSINESS COMBINATION (continued)*****Acquisition of Dunga Operating GmbH (continued)***

The business of Dunga Operating GmbH is represented in the Group’s *Exploration and production of oil and gas* segment in these consolidated financial statements.

The acquisition date fair value of the trade accounts receivable amounts to 5,870 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

The deferred income tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The Goodwill of 9,814 million tenge arising on acquisition represents the Group's future benefits from the exploration and production of crude oil and natural gas in the Dunga field. None of the goodwill recognised is expected to be deductible for income tax purposes.

There was no recognized contingent liability at the date of acquisition.

From the date of acquisition, Dunga Operating GmbH contributed 2,872 million tenge of revenue and 1,172 million tenge to profit before tax from continuing operations of the Group in 2023. If the combination had taken place at the beginning of the 2023, revenue from continuing operations would have been 34,032 million tenge and profit before tax from continuing operations for the Group would have been 21,468 million tenge.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

<i>In millions of tenge</i>	2024	2023
Type of goods and services		
Sales of crude oil and gas	4,695,223	4,628,125
Sales of refined products	2,697,812	2,848,921
Refining of oil and oil products	258,530	248,058
Oil transportation services	240,728	226,142
Other revenue	437,968	368,297
	8,330,261	8,319,543
Geographical markets		
Switzerland	1,852,928	1,677,575
UAE	1,850,402	223,586
Kazakhstan	1,602,854	1,454,546
Romania	1,198,203	1,334,646
The Netherlands	741,826	2,500,126
Other countries	1,084,048	1,129,064
	8,330,261	8,319,543
Timing of revenue recognition		
At a point in time	8,093,554	8,121,191
Over time	236,707	198,352
	8,330,261	8,319,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**8. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET**

<i>In millions of tenge</i>	2024	2023
Joint ventures		
Tengizchevroil LLP	303,480	340,884
Mangistau Investments B.V. Group (MMG)	35,726	38,255
KC Energy Group LLP *	27,288	–
PETROSUN LLP *	26,238	46,567
KazGerMunay LLP	25,336	20,983
Kazakhstan-China Pipeline LLP	20,844	18,720
KazRosGas LLP	19,157	32,324
Kazakhoil-Aktobe LLP	5,986	(1,869)
Valseira Holdings B.V. Group (PKOP)	(177)	17,296
Teniz Service LLP	(1,742)	116
Kazakhstan Petrochemical Industries Inc. LLP	(5,210)	(12,339)
Ural Group Limited	(8,961)	(47,006)
Other	(2,185)	3,896
	445,780	457,827
Associates		
Caspian Pipeline Consortium	81,525	64,358
PetroKazakhstan Inc.	2,253	4,889
Other	1,672	7,103
	85,450	76,350
	531,230	534,177

* *KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN LLP will be gradually transferred to KC Energy Group LLP.*

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

<i>In millions of tenge</i>	2024	2023
Purchased oil for resale	3,380,238	3,402,819
Materials and supplies	561,039	416,851
Cost of oil for refining	338,490	687,792
Purchased petroleum products for resale	67,244	90,108
Purchased gas for resale	–	24,311
	4,347,011	4,621,881

10. PRODUCTION EXPENSES

<i>In millions of tenge</i>	2024	2023
Payroll	606,560	510,927
Repair and maintenance	272,584	212,500
Transportation costs	156,399	123,310
Energy	125,666	117,957
Short-term lease expenses	92,377	102,385
Environmental protection	15,015	17,930
Write-off of inventories to net realizable value	1,485	1,590
Realized gain from derivatives on petroleum products	(19,502)	(69)
Others	148,020	133,192
	1,398,604	1,219,722

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**11. TAXES OTHER THAN INCOME TAX**

<i>In millions of tenge</i>	2024	2023
Rent tax on crude oil export	139,656	138,986
Export customs duty	124,941	113,248
Excise	120,114	112,320
Mineral extraction tax	99,446	142,900
Social tax	50,921	44,863
Property tax	33,345	31,505
Turnover tax	14,472	–
Other taxes	10,089	10,258
	592,984	594,080

As per Law no 296/2023 of Romania, the companies in the oil and gas sector with turnover of more than 50 million euro will have to pay an additional 0.5% turnover tax to the corporate income tax for 2024-2025. In 2024 KMG I paid turnover tax in the amount of 28.5 million Euro (equivalent to 14,472 million tenge).

12. TRANSPORTATION AND SELLING EXPENSES

<i>In millions of tenge</i>	2024	2023
Transportation	200,844	184,940
Payroll	21,552	19,990
Other	45,428	40,595
	267,824	245,525

13. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	2024	2023
Payroll	93,824	80,672
Trust management expenses	53,276	–
Consulting services	16,531	17,828
Maintenance	8,926	6,845
Impairment/(reversal of impairment) of VAT receivable	7,063	(282)
Social payments	6,825	6,037
Communication	2,218	2,080
VAT non-recoverable	1,237	5,811
Other	64,248	46,906
	254,148	165,897

For 2024, the total payroll amounted to 721,936 million tenge (2023: 611,589 million tenge) and was included in production expenses, transportation and selling expenses and general and administrative expenses in the consolidated statement of comprehensive income.

For 2024, the Group recognized remuneration to JSC NC QazaqGaz, a subsidiary of Samruk-Kazyna, for the services of trust management of a 50% interest in KazRosGaz LLP, a joint venture, in the amount of 53,276 million tenge as trust management expenses in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**14. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND EXPLORATION EXPENSES**

<i>In millions of tenge</i>	2024	2023
Impairment charge and reversal		
Property, plant and equipment (Note 16)	65,401	101,782
Intangible assets (Note 18)	-	483
Non – current advances for fixed assets	(17,324)	17,560
	48,077	119,825
Exploration expenses (impairment and write-off) (Note 17)		
Abai project	17,703	-
Aktoty and Kairan project	3,953	74,255
Jenis project	-	40,244
Liman project	-	8,847
Urikhtau project	-	4,876
Isatay project	-	93
	21,656	128,315
	69,733	248,140

Impairment charge and reversal was recognized for the following CGUs:

<i>In millions of tenge</i>	2024	2023
Seawater desalination plant	53,197	17,560
CGUs of KMGJ	1,010	97,636
Drilling jack-up rig	(16,189)	-
Others	10,059	4,629
	48,077	119,825

Impairment of property, plant and equipment*Impairment of a seawater desalination plant and supply infrastructure*

As part of the Comprehensive Plan for the Social and Economic Development of Mangistau region for 2021-2025, in order to provide drinking water to the population of the city of Zhanaozen, Ak Su KMG LLP, a subsidiary of Ozenmunaigas JSC, began construction of a seawater desalination plant and supply infrastructure in Zhanaozen city. The Group estimates that the recoverable amount of this property is nil and, accordingly, as at 31 December 2024, recognized an impairment charge for construction costs incurred in the amount of 70,521 million tenge, and reversed the reserve accrued in 2023 for the advances for the construction of this desalination plant in the amount of 17,324 million tenge

Reversal of impairment of Drilling jackup rig

As of December 31, 2024, KMG Drilling & Services LLP, a subsidiary of the Company, conducted an impairment test for the jack-up rig and recognized a reversal of a previously recognized impairment loss in the amount of the excess of the value in use of the jack-up rig over its carrying amount in the amount of 16,189 million tenge.

Value in use was determined by discounting the expected future cash flows from the operation of the jack-up rig under a three-year contract with Dragon Oil (Turkmenistan) Ltd for drilling operations in the Turkmen sector of the Caspian Sea, with an option to extend it for two years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**14. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND EXPLORATION EXPENSES (continued)**

The following significant assumptions were made in calculating value in use:

Discount rate	17.7%
Daily operating rate for the operation of a jack-up rig	130 thousand USD
Daily operating expenses	68 thousand USD
Number of operating days per year during which the jack-up rig will be used	365
Load factor including idle days	95%

Reversals of impairment are limited so that the carrying amount of the asset as at December 31, 2024 does not exceed its recoverable amount, and does not exceed the carrying amount at which Drilling jackup rig would have been recognized in case of had no impairment loss been recognized in prior years.

Impairment of KMGI CGU

For the year ended December 31, 2023, the Group performed its impairment tests for goodwill and downstream, refining and other assets due to existence of impairment indicators at the CGUs of KMGI: CGU Refining, CGU Petrochemicals and CGU Downstream. As the result of the impairment test, recoverable amount of KMGI CGUs were lower than its carrying values. The total impairment loss for the analyzed KMGI's CGUs was 94,962 million tenge, of which CGU Refining was estimated at 80,761 million tenge, for CGU Petrochemicals at 340 million tenge and for CGU Downstream at 13,861 million tenge.

The main impairment indicators have been i) the increased oil & gas market refining margins volatility and decreased market demand in the context of strict decarbonization regulations and geopolitical instability, ii) lack of a long-term decarbonization plan of KMGI, iii) the change in the tax environment in Romania, in particular the introduction at the end of 2023 of a turnover tax in the oil and gas sector in the amount of 0.5%, starting from 2024 to 2025, and further 1% or more depending on the turnover of enterprises.

The Group considered forecasted refining margins and production volumes, among other factors, when analyzing the impairment indicators. The recoverable amount of KMGI CGU Refining was determined based on fair value less costs of disposal (FVLCD), which was calculated using the discounted cash flow method. The key assumptions used in the FVLCD calculations for the CGU were operating profit, including the assumption that KMGI will be able to recover, through an increase in the final selling price, the costs of turnover tax from 2026, discount rates and growth rate used to extrapolate cash flows beyond the budgeted period.

In addition, KMGI applied the assumption that introduced in 2024 an additional tax burden on KMGI turnover will be recovered by a phased increase in the price for the final users.

As of 31 December 2024, KMGI retested for impairment and no additional impairment or reversal of previously recognized impairment was identified.

In June 2023, an incident occurred at the Petromedia Refinery, a subsidiary of KMGI, which led to the temporary decommissioning of the Mild Hydrocracker installation. Petromedia Refinery conducted assessments to estimate the incident consequences and recognized impairment of property, plant and equipment for 2,674 million tenge.

Exploration expenses

For the year ended December 31, 2024, the Group recognized impairment loss of 17,703 million tenge on exploration and evaluation assets relating to Abai project due to negative drilling results and the absence of signs of hydrocarbon reserves in the well.

For the year ended December 31, 2023, the Group recognized impairment loss of 40,244 million tenge on exploration and evaluation assets relating to Jenis project due to negative drilling results (the absence of hydrocarbons in the well).

For the year ended December 31, 2023, the Group recognized impairment loss of 74,255 million tenge on exploration and evaluation assets relating to Aktoty and Kairan project, due to the notification of termination of the subsoil use right for the mentioned mining areas received from the Ministry of Energy of RK.

For the year ended December 31, 2023, the Group has recognized impairment of exploration and evaluation assets in the amount of 4,876 million tenge of the Urikhtau, due to the expiration of the Contract for the use of Devonian sediments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**15. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COST****Interest revenue calculated using the effective interest method**

<i>In millions of tenge</i>	2024	2023
Interest income on bank deposits, financial assets, loans and bonds	182,627	139,105
Amortization of issued financial guarantees	1,765	344
	184,392	139,449

Other finance income

<i>In millions of tenge</i>	2024	2023
Recognition of a change in the fair value of a financial instrument due to its modification (Note 27)	59,769	–
Derecognition of loan (Note 27)	48,442	4,377
Revaluation of financial assets at fair value through profit or loss	6,806	827
Other	8,273	2,128
	123,290	7,332

Finance costs

<i>In millions of tenge</i>	2024	2023
Interest expense on loans and bonds (Note 27)	279,227	271,785
Interest expense on lease liabilities (Note 28)	8,444	7,420
Unwinding of discount on payables to Samruk-Kazyna for exercising the Option	–	3,256
Interest expense	287,671	282,461
Unwinding of discount on asset retirement obligations, for environmental obligation and other provisions (Note 29)	18,870	13,398
Discount on long-term accounts receivable (Note 33)	8,741	–
Unwinding of discount on employee benefits obligations	7,648	7,157
Other	23,166	18,614
	346,096	321,630

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

<i>In millions of tenge</i>	Oil and gas assets	Pipelines	Refinery assets	Buildings and improvements	Machinery and equipment	Vehicles	Other	Capital work in progress	Total
Net book value as at December 31, 2022	4,598,235	266,566	1,075,385	235,465	268,052	74,540	115,090	360,668	6,994,001
Business combination (<i>Note 6</i>)	159,727	–	–	6,020	854	49	104	14,708	181,462
Foreign currency translation	(72,146)	(749)	(5,719)	(2,769)	(525)	(494)	(1,418)	(3,864)	(87,684)
Change in estimate	8,755	793	–	365	–	–	–	(1,572)	8,341
Additions	52,199	2,042	63,802	3,527	6,308	11,212	3,714	575,509	718,313
Disposals	(18,295)	(559)	(7,751)	(1,566)	(3,641)	(2,533)	(5,055)	(3,473)	(42,873)
Loss of control over subsidiaries (<i>Note 5</i>)	–	–	–	–	–	–	–	(5,185)	(5,185)
Depreciation charge	(354,521)	(10,666)	(102,767)	(15,290)	(26,001)	(11,145)	(9,543)	–	(529,933)
Accumulated depreciation and impairment on disposals	17,150	438	7,735	912	3,520	2,508	4,763	1,641	38,667
(Impairment)/reversal of impairment (<i>Note 14</i>)	–	(28)	(83,187)	(13,749)	(1,595)	(888)	149	(2,484)	(101,782)
Transfers from/to assets classified as held for sale	–	–	–	208	–	(4)	2	–	206
Transfers from exploration and evaluation assets (<i>Note 17</i>)	21	–	–	–	–	–	–	19	40
Transfers to investment property	–	–	(702)	(1,742)	–	–	–	–	(2,444)
Other changes	16	(25)	–	133	44	(2)	19	(72)	113
Transfers	256,521	3,950	61,857	31,593	128,416	4,852	6,586	(493,775)	–
Net book value as at December 31, 2023 (restated)	4,647,662	261,762	1,008,653	243,107	375,432	78,095	114,411	442,120	7,171,242
At cost	7,523,664	417,598	2,856,817	610,240	782,754	234,741	261,453	513,875	13,201,142
Accumulated depreciation and impairment	(2,876,002)	(155,836)	(1,848,164)	(367,133)	(407,322)	(156,646)	(147,042)	(71,755)	(6,029,900)
Net book value as at December 31, 2023 (restated)	4,647,662	261,762	1,008,653	243,107	375,432	78,095	114,411	442,120	7,171,242

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

<i>In millions of tenge</i>	Oil and gas assets	Pipelines	Refinery assets	Buildings and improvements	Machinery and equipment	Vehicles	Other	Capital work in progress	Total
Net book value as at December 31, 2023 (restated)	4,647,662	261,762	1,008,653	243,107	375,432	78,095	114,411	442,120	7,171,242
Foreign currency translation	571,416	6,245	33,626	13,340	9,007	4,495	12,631	35,800	686,560
Change in estimate	(8,763)	(7,341)	(2,770)	(3,197)	687	-	-	-	(21,384)
Additions	56,890	59	69,497	947	7,706	10,187	3,910	519,302	668,498
Disposals	(38,605)	(59)	(5,681)	(6,650)	(7,267)	(3,124)	(7,612)	(2,217)	(71,215)
Loss of control over subsidiaries (Note 5)	-	-	-	-	-	-	(28)	-	(28)
Depreciation charge	(390,800)	(11,358)	(100,757)	(13,150)	(32,356)	(14,141)	(10,424)	-	(572,986)
Accumulated depreciation and impairment on disposals (Impairment)/reversal of impairment (Note 14)	31,438	59	5,607	6,439	7,046	3,069	6,349	1,857	61,864
Transfers from exploration and evaluation assets (Note 17)	58	-	-	-	-	-	-	-	58
Transfers to investment property	-	-	(425)	(6,273)	(27)	-	(3)	-	(6,728)
Other changes	51	(4)	174	(301)	59	(1)	485	(16,783)	(16,320)
Transfers	231,203	4,322	50,335	36,164	26,561	7,687	7,487	(363,759)	-
Net book value as at December 31, 2024	5,100,550	253,685	1,054,588	267,484	402,833	84,067	127,218	543,735	7,834,160
At cost	8,656,287	425,890	3,205,635	681,123	840,291	259,995	292,885	710,089	15,072,195
Accumulated depreciation and impairment	(3,555,737)	(172,205)	(2,151,047)	(413,639)	(437,458)	(175,928)	(165,667)	(166,354)	(7,238,035)
Net book value as at December 31, 2024	5,100,550	253,685	1,054,588	267,484	402,833	84,067	127,218	543,735	7,834,160

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

For the year ended December 31, 2024, the Group capitalized to the carrying amount of property, plant and equipment borrowing costs in the amount of 3,718 million tenge related to the construction of those property, plant and equipment at the range of capitalized interest rate from 5.71% to 15.75% (as at December 31, 2023: 9,794 million tenge at the range of capitalized interest rate from 6.86% to 18,25%).

As at December 31, 2024, the cost of fully depreciated but still in use property, plant and equipment was 404,898 million tenge (as at December 31, 2023: 370,497 million tenge).

As at December 31, 2024, property, plant and equipment with the net book value of 163,170 million tenge were mainly pledged as collateral to secure borrowings of the Group (as at December 31, 2023: 168,214 million tenge).

Capital commitments are disclosed in *Note 35*.

17. EXPLORATION AND EVALUATION ASSETS

<i>In millions of tenge</i>	Tangible	Intangible	Total
Net book value as at December 31, 2022	239,002	12,278	251,280
Additions	39,905	29,590	69,495
Foreign currency translation	(3,378)	-	(3,378)
Transfer to property, plant and equipment (<i>Note 16</i>)	(40)	-	(40)
Impairment (<i>Note 14</i>)	(118,462)	(9,853)	(128,315)
Loss of control over subsidiaries (<i>Note 5</i>)	-	(14,678)	(14,678)
Write-off	(2)	(175)	(177)
Net book value as at December 31, 2023	157,025	17,162	174,187
Additions	26,063	13,058	39,121
Foreign currency translation	21,217	-	21,217
Change in estimate	4,008	-	4,008
Transfer to property, plant and equipment (<i>Note 16</i>)	(58)	-	(58)
Impairment (<i>Note 14</i>)	(20,647)	(1,009)	(21,656)
Loss of control over subsidiaries (<i>Note 5</i>)	(191)	(100)	(291)
Other transfers	84	(84)	-
Write-off	-	(80)	(80)
Net book value as at December 31, 2024	187,501	28,947	216,448

As at December 31, 2024 and 2023, the exploration and evaluation assets are represented by the following projects:

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
North Caspian project	161,838	140,098
KMG Barlau LLP	27,199	14,346
Embamunaigas JSC	2,711	1,509
Turgai paleozoi project	14,604	-
Other	10,096	18,234
	216,448	174,187

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. INTANGIBLE ASSETS

<i>In millions of tenge</i>	Licenses	Subsoil use rights (under production)	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value as at December 31, 2022	524,701	212,220	100,656	27,286	18,254	35,144	918,261
Foreign currency translation	(9,038)	(3,637)	(212)	(477)	(314)	(274)	(13,952)
Additions	148	68	-	-	1,056	14,457	15,729
Disposals	(699)	-	-	-	(1,198)	(297)	(2,194)
Amortization charge	(33,763)	(11,004)	-	-	(6,027)	(1,007)	(51,801)
Accumulated amortization and impairment on disposals	695	-	-	-	1,198	267	2,160
Business combination (Note 6)	-	667	-	-	3,098	1,716	5,481
Goodwill arising on acquisition (Note 6)	-	-	9,814	-	-	-	9,814
Impairment (Note 14)	-	-	-	-	-	(483)	(483)
Other changes	-	62	-	-	230	(24)	268
Transfers	1,265	-	-	-	969	(2,234)	-
Net book value as at December 31, 2023 (restated)	483,309	198,376	110,258	26,809	17,266	47,265	883,283
Foreign currency translation	71,153	29,423	1,846	4,161	882	2,243	109,708
Additions	1,100	151	-	-	3,619	3,752	8,622
Disposals	(319)	-	-	-	(1,736)	(219)	(2,274)
Amortization charge	(32,175)	(10,115)	-	-	(5,472)	(1,539)	(49,301)
Accumulated amortization and impairment on disposals	319	-	-	-	1,720	56	2,095
Other changes	1,002	-	-	-	1,320	(2,322)	-
Transfers	-	387	-	-	83	(9,447)	(8,977)
Net book value as at December 31, 2024	524,389	218,222	112,104	30,970	17,682	39,789	943,156
At cost	795,467	306,196	220,849	79,497	94,036	114,224	1,610,269
Accumulated amortization and impairment	(271,078)	(87,974)	(108,745)	(48,527)	(76,354)	(74,435)	(667,113)
Net book value as at December 31, 2024	524,389	218,222	112,104	30,970	17,682	39,789	943,156
At cost	687,462	265,055	219,003	68,816	85,944	112,936	1,439,216
Accumulated amortization and impairment	(204,153)	(66,679)	(108,745)	(42,007)	(68,678)	(65,671)	(555,933)
Net book value as at December 31, 2023 (restated)	483,309	198,376	110,258	26,809	17,266	47,265	883,283

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**18. INTANGIBLE ASSETS (continued)**

As at December 31, 2024 and 2023, marketing related intangible assets were represented by trademarks of KMGI.

Carrying amount of goodwill is allocated to each of the group of cash-generating units as follows:

Cash-generating unit	December 31, 2024	December 31, 2023 (restated)
Pavlodar refinery CGU	88,553	88,553
CGUs of KMGI	13,737	11,891
CGU Dunga (<i>Note 6</i>)	9,814	9,814
Total goodwill	112,104	110,258

In 2024 and 2023, based on the impairment test results, no impairment of Pavlodar refinery, KMGI or Dunga goodwill was recognized. For the detailed discussion of Pavlodar refinery goodwill impairment test refer to *Note 4*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**19. RIGHT-OF-USE ASSETS**

<i>In millions of tenge</i>	Oil and gas assets	Refinery assets	Buildings and improve- ments	Machinery and equip- ment	Vehicles	Other	Total
Net book value as at December 31, 2022	27,643	6,336	13,143	3,593	809	25,043	76,567
Foreign currency translation	(517)	(103)	(225)	15	88	(596)	(1,338)
Change in estimate	2,057	19	335	228	336	963	3,938
Additions	1,447	-	6,028	32	7,601	40,634	55,742
Disposals	(20,711)	-	(2,337)	(115)	(4,763)	(26)	(27,952)
Depreciation charge	(5,319)	(363)	(2,788)	(3,149)	(2,185)	(4,363)	(18,167)
Accumulated depreciation and impairment on disposals	6,195	-	2,012	-	4,701	67	12,975
Net book value as at December 31, 2023	10,795	5,889	16,168	604	6,587	61,722	101,765
Foreign currency translation	1,509	816	2,010	66	28	10,381	14,810
Change in estimate	-	88	1,135	1,866	(382)	4,679	7,386
Additions	3,343	-	2,060	2,281	3,517	12,589	23,790
Disposals	(6,662)	(18)	(2,215)	(582)	(925)	(5,165)	(15,567)
Depreciation charge	(6,714)	(371)	(3,311)	(3,172)	(2,063)	(6,101)	(21,732)
Accumulated depreciation and impairment on disposals	5,880	18	644	379	525	5,093	12,539
Net book value as at December 31, 2024	8,151	6,422	16,491	1,442	7,287	83,198	122,991
At cost	23,936	7,754	28,912	16,187	9,112	76,628	162,529
Accumulated depreciation and impairment	(13,141)	(1,865)	(12,744)	(15,583)	(2,525)	(14,906)	(60,764)
Net book value as at December 31, 2023	10,795	5,889	16,168	604	6,587	61,722	101,765
At cost	20,844	8,941	34,042	22,545	11,544	101,156	199,072
Accumulated depreciation and impairment	(12,693)	(2,519)	(17,551)	(21,103)	(4,257)	(17,958)	(76,081)
Net book value as at December 31, 2024	8,151	6,422	16,491	1,442	7,287	83,198	122,991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**20. BANK DEPOSITS**

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Denominated in US dollar	1,582,708	1,055,456
Denominated in tenge	5,662	5,628
Less: allowance for expected credit losses	(225)	(181)
	1,588,145	1,060,903

As at December 31, 2024, the weighted average interest rate for long-term bank deposits was 3.54% in US dollars and 6.85% in tenge (December 31, 2023: 2.73% in US dollars and 6.23% in tenge).

As at December 31, 2024, the weighted average interest rate for short-term bank deposits was 4.88% in US dollars and 0.49% in tenge (December 31, 2023: 5.65% in US dollars and 1.38% in tenge).

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Maturities under 1 year	1,513,816	997,012
Maturities between 1 and 2 years	1,977	279
Maturities over 2 years	72,352	63,612
	1,588,145	1,060,903

As at December 31, 2024 bank deposits include those pledged as collateral with carrying value of 74,329 million tenge (December 31, 2023: 63,891 million tenge), which are represented mainly by 71,273 million tenge at restricted bank accounts designated as a liquidation fund per requirements of subsoil use contracts (December 31, 2023: 60,573 million tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

<i>In millions of tenge</i>	Main activity	Place of business	December 31, 2024		December 31, 2023	
			Carrying value	Percentage ownership	Carrying value	Percentage ownership
Joint ventures						
Tengizchevroil LLP (TCO) ¹	Oil and gas exploration and production	Kazakhstan	3,987,223	20.00%	3,598,510	20.00%
Mangistau Investments B.V. Group (MMG)	Oil and gas development and production	Kazakhstan	196,938	50.00%	203,614	50.00%
KALAMKAS-KHAZAR OPERATING LLP (KKO)	Oil and gas development and production	Kazakhstan	88,018	50.00%	93,258	50.00%
Ural Group Limited (UGL)	Oil and gas exploration and production	Kazakhstan	67,860	50.00%	7,641	50.00%
KazRosGas LLP (KRG)	Processing and sale of natural gas and refined gas products	Kazakhstan	66,539	50.00%	69,479	50.00%
Kazakhstan-China Pipeline LLP (KCP)	Oil transportation	Kazakhstan	66,202	50.00%	53,358	50.00%
Silleno LLP (Silleno) ²	Construction of the first integrated gas-chemical complex	Kazakhstan	65,079	40.00%	17,552	60.00%
KazGerMunay LLP (KGM)	Oil and gas exploration and production	Kazakhstan	44,264	50.00%	36,506	50.00%
Valseira Holdings B.V. Group (PKOP)	Oil refining	Kazakhstan	37,688	50.00%	41,515	50.00%
KC Energy Group (KCEG) ³	Sale of liquefied gas and oil products	Kazakhstan	27,749	49.00%	–	–
Kazakhoil-Aktobe LLP (KOA)	Production of crude oil	Kazakhstan	24,028	50.00%	18,042	50.00%
PETROSUN LLP (Petrosun) ³	Sale of liquefied gas and oil products	Kazakhstan	8,978	49.00%	31,740	49.00%
Karaton Operating Ltd. (Karaton)	Oil and gas development and production	Kazakhstan	8,907	50.00%	–	–
Teniz Service LLP (Teniz Service)	Design, construction and operation of infrastructure facilities, offshore oil operations support	Kazakhstan	6,468	48.996%	8,210	48.996%
Other			57,916		40,793	
Associates						
Caspian Pipeline Consortium (CPC)	Transportation of liquid hydrocarbons	Kazakhstan / Russia	484,247	20.75%	451,913	20.75%
PetroKazakhstan Inc. (PKI)	Exploration, production and processing of oil and gas	Kazakhstan	82,175	33.00%	94,887	33.00%
Other			58,234		54,409	
			5,378,513		4,821,427	

¹The share of 20% provides the Group the joint control over TCO where decisions about the relevant activities require unanimous consent.

²The share of 40% and 60% as at December 31, 2024 and 2023, respectively, provided the Group the joint control over Silleno where decisions about the relevant activities require unanimous consent.

³KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN LLP will be gradually transferred to KC Energy Group LLP.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

As at December 31, 2024, the Group’s share in unrecognized losses of joint ventures and associates was equal to 112,808 million tenge (December 31, 2023: 7,145 million tenge).

The following table summarizes the movements in the investments in 2024 and 2023:

<i>In millions of tenge</i>	2024	2023
On January 1	4,821,427	4,947,403
Share in profits of joint ventures and associates, net (Notes 8)	531,230	534,177
Recognition of investment in joint ventures (Note 5)	8,255	93,258
Disposal of share in joint venture without losing joint control	(6,393)	-
Dividends received	(701,104)	(619,826)
Change in dividends receivable	(58,263)	(107,633)
Other changes in the equity of the joint venture	57,997	41,764
Additional contributions without change in ownership	74,209	20,117
Disposals, net	-	(8,621)
Eliminations and adjustments*	(322)	(2,140)
Foreign currency translation	651,477	(78,088)
Other changes	-	1,016
On December 31	5,378,513	4,821,427

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

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2024:

<i>In millions of tenge</i>	TCO	MMG	KKO	UGL	KRG	KCP	Silleno
Non-current assets	26,176,361	453,936	31,962	242,666	19,368	119,017	132,833
Current assets, including	2,664,463	237,009	6,307	23,706	127,977	49,543	1,918
Cash and cash equivalents	1,142,568	84,851	6,301	15,317	75,084	39,103	1,884
Non-current liabilities, including	(7,086,258)	(140,577)	(43,328)	(47,481)	(403)	(22,936)	-
Non-current financial liabilities	(3,675,770)	-	-	(24,832)	-	-	-
Current liabilities, including	(1,818,449)	(159,532)	(5,819)	(19,923)	(13,864)	(13,220)	(5,623)
Current financial liabilities	(1,050,220)	-	-	-	-	-	-
Equity	19,936,117	390,836	(10,878)	198,968	133,078	132,404	129,128
Share of ownership	20%	50%	50%	50%	50%	50%	40%
Impairment of the investment	-	-	-	(20,000)	-	-	-
Equity method adjustments	-	1,520	-	(11,624)	-	-	13,428
Recognition of investment	-	-	93,258	-	-	-	-
Accumulated unrealized losses	-	-	199	-	-	-	-
Carrying amount of the investments as at December 31, 2024	3,987,223	196,938	88,018	67,860	66,539	66,202	65,079
Revenue	8,358,505	871,754	-	26,561	255,369	87,939	-
Depreciation, depletion and amortization	(2,615,840)	(94,355)	-	(6)	(312)	(10,267)	(31)
Finance income	116,985	1,800	139	-	6,602	2,688	800
Finance costs	(240,018)	(17,802)	(1,495)	(586)	-	(333)	(80)
Income tax expenses	(669,126)	(38,238)	-	9,581	(14,569)	(10,519)	-
Profit/(loss) for the year from continuing operations	1,517,402	71,452	(10,479)	(17,923)	38,314	41,688	(2,138)
Other comprehensive income / (loss)	2,693,108	4,365	-	33,036	20,455	(1)	-
Total comprehensive income/(loss)	4,210,510	75,817	(10,479)	15,113	58,769	41,687	(2,138)
Dividends received	389,991	44,584	-	-	53,276	8,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2024:

<i>In millions of tenge</i>	KGM	PKOP	KCEG	KOA	Petrosun	Karaton	Teniz Service
Non-current assets	83,427	414,933	133	30,963	–	6,272	6,332
Current assets, including	57,674	111,847	176,367	42,928	20,485	4,560	8,602
<i>Cash and cash equivalents</i>	45,346	48,361	42,673	33,661	18,020	295	7,270
Non-current liabilities, including	(18,375)	(278,761)	–	(16,468)	–	(8,130)	(736)
<i>Non-current financial liabilities</i>	–	(226,189)	–	–	–	–	–
Current liabilities, including	(34,198)	(120,536)	(119,870)	(9,366)	(2,162)	(1,399)	(998)
<i>Current financial liabilities</i>	–	(71,775)	–	–	–	–	–
Equity	88,528	127,483	56,630	48,057	18,323	1,303	13,200
Share of ownership	50%	50%	49%	50%	49%	50%	48.996%
Accumulated unrealized losses	–	(26,053)	–	–	–	–	–
Equity method adjustments	–	–	–	–	–	8,255	–
Carrying amount of the investments as at December 31, 2024	44,264	37,688	27,749	24,028	8,978	8,907	6,468
Revenue	148,440	256,007	791,620	77,345	707,668	–	2,077
<i>Depreciation, depletion and amortization</i>	(23,042)	(33,021)	–	(8,196)	(17)	–	(438)
Finance income	1,066	1,968	2,374	5,528	3,179	1,704	849
Finance costs	(1,096)	(29,742)	(1,170)	(2,344)	(2,622)	(383)	(68)
Income tax expenses	(25,528)	(7,484)	(13,918)	(2,814)	(13,687)	–	–
Profit/(loss) for the year from continuing operations	50,672	(353)	55,690	11,973	53,547	1,304	(3,556)
Other comprehensive income/(loss)	9,658	(86)	–	–	–	–	–
Total comprehensive income/(loss)	60,330	(439)	55,690	11,973	53,547	1,304	(3,556)
Dividends received	23,389	3,285	–	–	49,000	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2023:

<i>In millions of tenge</i>	TCO	MMG	KKO	UGL	KRG	KCP	Silleno
Non-current assets	24,831,196	462,565	9,192	193,637	33,032	127,038	36,284
Current assets, including	1,863,832	199,708	1,232	11,475	148,932	49,554	5,546
<i>Cash and cash equivalents</i>	696,871	89,410	112	6,905	65,122	23,837	5,516
Non-current liabilities, including	(7,434,076)	(132,981)	(10,376)	(145,798)	(238)	(23,107)	-
<i>Non-current financial liabilities</i>	(4,091,040)	-	-	(119,188)	-	-	-
Current liabilities, including	(1,268,404)	(119,109)	(324)	(4,033)	(42,769)	(46,768)	(18,222)
<i>Current financial liabilities</i>	-	-	-	-	-	(32,843)	-
Equity	17,992,548	410,183	(276)	55,281	138,957	106,717	23,608
Share of ownership	20%	50%	50%	50%	50%	50%	60%
Impairment of the investment	-	-	-	(20,000)	-	-	-
Equity method adjustments	-	(1,477)	-	-	-	-	3,560
Recognition of investment	-	-	93,258	-	-	-	-
Accumulated unrealized losses	-	-	138	-	-	-	(173)
Carrying amount of the investments as at December 31, 2023	3,598,510	203,614	93,258	7,641	69,479	53,358	17,552
Revenue	8,796,634	878,362	-	(352)	260,125	86,843	-
<i>Depreciation, depletion and amortization</i>	(2,426,361)	(107,455)	-	(109)	(295)	(10,170)	-
Finance income	86,023	784	2	-	2,243	585	(14)
Finance costs	(283,225)	(14,411)	(118)	(606)	-	(3,628)	215
Income tax expenses	(730,465)	(47,354)	-	8,206	(13,996)	(9,341)	-
Profit/(loss) for the year from continuing operations	1,704,419	76,510	(44)	(94,011)	64,648	37,440	(992)
Other comprehensive (loss)/income	(325,499)	1,285	-	(3,243)	(305)	1	-
Total comprehensive income/(loss)	1,378,920	77,795	(44)	(97,254)	64,343	37,441	(992)
Dividends received	426,893	-	-	-	553	2,500	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2023:

<i>In millions of tenge</i>	KGM	PKOP	KOA	Petrosun	Teniz Service
Non-current assets	64,031	431,261	41,969	17	8,898
Current assets, including	52,764	114,561	23,956	137,202	16,907
<i>Cash and cash equivalents</i>	<i>44,840</i>	<i>66,459</i>	<i>10,794</i>	<i>6,440</i>	<i>14,619</i>
Non-current liabilities, including	(14,966)	(304,590)	(18,608)	-	(545)
<i>Non-current financial liabilities</i>	<i>-</i>	<i>(258,338)</i>	<i>-</i>	<i>-</i>	<i>-</i>
Current liabilities, including	(28,817)	(106,740)	(11,233)	(72,443)	(8,504)
<i>Current financial liabilities</i>	<i>-</i>	<i>(80,398)</i>	<i>-</i>	<i>-</i>	<i>-</i>
Equity	73,012	134,492	36,084	64,776	16,756
Share of ownership	50%	50%	50%	49%	48.996%
Impairment of the investment	-	-	-	-	-
Equity method adjustments	-	-	-	-	-
Accumulated unrealized losses	-	(25,731)	-	-	-
Carrying amount of the investments as at December 31, 2023	36,506	41,515	18,042	31,740	8,210
Revenue	145,728	250,435	80,064	1,336,888	13,994
<i>Depreciation, depletion and amortization</i>	<i>(20,007)</i>	<i>(41,216)</i>	<i>(10,365)</i>	<i>(14)</i>	<i>(632)</i>
Finance income	1,292	6,013	851	3,258	313
Finance costs	(1,667)	(36,390)	(375)	(1,006)	(56)
Income tax expenses	(27,450)	(12,954)	(11,617)	(23,812)	(3,390)
Profit/(loss) for the year from continuing operations	41,965	34,592	(3,737)	95,034	237
Other comprehensive loss	(1,729)	16	-	-	-
Total comprehensive income/(loss)	40,236	34,608	(3,737)	95,034	237
Dividends received	15,793	-	7,000	39,200	2,303

The following tables illustrate summarized financial information of material associates, based on their financial statements for 2024:

<i>In millions of tenge</i>	December 31, 2024	
	CPC	PKI
Non-current assets	2,109,714	174,833
Current assets	288,618	139,072
Non-current liabilities	(8,147)	(16,382)
Current liabilities	(299,418)	(27,971)
Equity	2,090,767	269,552
Share of ownership	20.75%	33%
Goodwill	50,413	-
Impairment of the investment	-	(6,778)
Carrying amount of the investment	484,247	82,175
Revenue	1,063,100	132,943
Depreciation, depletion and amortization	(221,309)	(25,378)
Finance income	15,676	2,011
Finance costs	(1,558)	(1,269)
Income tax expenses	(95,835)	(9,368)
Profit for the year	392,890	6,828
Other comprehensive loss	334,726	20,354
Total comprehensive income	727,616	27,182
Dividends received	105,910	17,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

The following tables illustrate summarized financial information of material associates, based on their financial statements for 2023:

<i>In millions of tenge</i>	December 31, 2023	
	CPC	PKI
Non-current assets	1,969,703	206,008
Current assets	295,663	138,626
Non-current liabilities	(18,722)	(20,063)
Current liabilities	(279,064)	(16,497)
Equity	1,967,580	308,074
Share of ownership	20.75%	33%
Goodwill	43,640	–
Impairment of the investment	–	(6,778)
Carrying amount of the investment	451,913	94,887
Revenue	1,039,509	128,343
Depreciation, depletion and amortization	(245,423)	(25,990)
Finance income	14,080	926
Finance costs	(1,519)	(1,172)
Income tax expenses	(118,490)	(7,009)
Profit for the year	310,160	14,814
Other comprehensive loss	(42,915)	(4,927)
Total comprehensive income	267,245	9,887
Dividends received	113,892	2,864

The following tables illustrate aggregate financial information of individually immaterial joint ventures (the Group’s proportional share):

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Group share in:		
Non-current assets	70,182	46,566
Current assets	30,806	19,485
Non-current liabilities	(27,553)	(16,170)
Current liabilities	(17,652)	(10,560)
Goodwill	172	172
Accumulated unrecognized share of losses	1,961	1,300
Carrying amount of the investments as at December 31	57,916	40,793
Profit for the year from continuing operations	2,497	4,286
Other comprehensive loss	(118)	(844)
Total comprehensive income	2,379	3,442
Unrecognized share of loss	(761)	(204)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

The following tables illustrate aggregate financial information of individually immaterial associates (the Group’s proportional share):

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Group share in:		
Non-current assets	65,590	60,636
Current assets	85,423	92,172
Non-current liabilities	(12,685)	(17,916)
Current liabilities	(80,094)	(81,358)
Accumulated unrecognized share of losses	–	875
Carrying amount of the investments as at December 31	58,234	54,409
Profit for the year from continuing operations	1,672	7,103
Other comprehensive income	3,066	375
Total comprehensive income	4,738	7,478

22. INVENTORIES

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Materials and supplies (at cost)	231,205	232,469
Crude oil (at cost)	92,028	61,621
Refined products (at lower of cost and net realizable value)	90,508	82,354
	413,741	376,444

As at December 31, 2024 carrying value of inventories under pledge as collateral amounted to 225,073 million tenge (December 31, 2023: 186,378 million tenge).

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

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Trade accounts receivable		
Trade accounts receivable	472,143	593,448
Less: allowance for expected credit losses	(29,086)	(32,190)
	443,057	561,258
Other current financial assets		
Other receivables	117,313	97,771
Dividends receivable	7,997	20,952
Less: allowance for expected credit losses	(61,782)	(43,853)
	63,528	74,870
Other current non-financial assets		
Advances paid and prepaid expenses	137,553	91,769
Taxes receivable, other than VAT	37,414	63,188
Other	6,643	5,659
Less: impairment allowance	(856)	(3,359)
	180,754	157,257
Total other current assets	244,282	232,127

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**23. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT FINANCIAL AND NON-FINANCIAL ASSETS (continued)**

As at December 31, 2024, trade accounts receivable with a carrying value of 181,246 million tenge are pledged as collateral (December 31, 2023: 197,546 million tenge).

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

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
US dollars	280,970	364,490
Tenge	94,420	121,165
Romanian Leu	63,296	68,896
Euro	2,770	3,324
Other currency	1,601	3,383
	443,057	561,258

Movements in the allowance for expected credit losses and impairment were as follows:

<i>In millions of tenge</i>	Individually impaired	
	Trade accounts receivable and other current financial assets	Other current non-financial assets
As at December 31, 2022	71,494	157
Charge for the year, net	8,691	3,204
Written-off	(4,336)	-
Foreign currency translation	194	(2)
As at December 31, 2023	76,043	3,359
Charge for the year, net	8,134	(2,545)
Written-off	(1,175)	-
Foreign currency translation	7,866	42
As at December 31, 2024	90,868	856

Set out below is the information about credit risk exposure on the Group’s trade receivables using a provision matrix:

<i>In millions of tenge</i>	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
December 31, 2024						
Expected credit loss rate	0.38%	0.96%	5.72%	3.64%	79.41%	
Trade accounts receivable	405,631	21,091	3,347	8,240	33,834	472,143
Expected credit losses	(1,524)	(202)	(191)	(300)	(26,869)	(29,086)
December 31, 2023						
Expected credit loss rate	0.23%	12.18%	14.33%	5.84%	58.78%	
Trade accounts receivable	519,801	16,351	1,594	7,527	48,175	593,448
Expected credit losses	(1,214)	(1,991)	(229)	(439)	(28,317)	(32,190)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**24. LOANS AND RECEIVABLES DUE FROM RELATED PARTIES**

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
At amortized cost		
NB RK notes (Note 33)	38,329	43,709
Loans due from related parties (Note 33)	35,074	50,103
Bonds receivable from Samruk-Kazyna (Note 33)	32,539	21,021
Other	6,933	7,032
Less: allowance for expected credit losses	(705)	(1,863)
	112,170	120,002

At fair value through profit or loss

Loans due from related parties (Note 33)	82,945	86,173
Guaranteed returns from shareholders of joint venture	10,798	13,728
	93,743	99,901
Total loans and receivables due from related parties	205,913	219,903

Loans and receivables due from related parties are denominated in the following currencies:

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Tenge	105,256	114,939
US dollars	100,657	104,964
	205,913	219,903

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Current portion	84,240	125,569
Non-current portion	121,673	94,334
	205,913	219,903

Movements in the allowance for expected credit losses of loans and receivables due from related parties were as follows:

<i>In millions of tenge</i>	
As at December 31, 2022	1,878
Charged, net	(17)
Foreign currency translation	2
As at December 31, 2023	1,863
Charged, net	(73)
Written off	(1,086)
Foreign currency translation	1
As at December 31, 2024	705

As at December 31, 2024 and 2023 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). Since initial recognition of the loans and receivables due from related parties there have been no significant increases in credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**25. CASH AND CASH EQUIVALENTS**

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Term deposits with banks – US dollar	848,432	580,214
Term deposits with banks – tenge	172,922	124,702
Term deposits with banks – other currencies	60,346	76,316
Current accounts with banks – US dollar	78,600	120,787
Current accounts with banks – tenge	7,786	13,321
Current accounts with banks – other currencies	17,689	10,409
The contracts of reverse repo with original maturities of three months or less	26,395	116,091
Cash in transit	1,864	5,463
Cash-on-hand and cheques	2,487	3,613
Less: allowance for expected credit losses	(70)	(43)
	1,216,451	1,050,873

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

As at December 31, 2024, the weighted average interest rate for time deposits with banks was 4.22% in US dollars, 14.53% in tenge and 5.18% in other currencies (December 31, 2023: 5.40% in US dollars, 15.45% in tenge and 5.99% in other currencies).

As at December 31, 2024 and 2023, cash and cash equivalents were not pledged as collateral for obligations of the Group.

26. EQUITY**Share capital**

Total number of outstanding, issued and paid shares comprises:

	December 31, 2024 and 2023
Number of shares issued and paid, including	610,119,493
Par value of 27,726.63 tenge	137,900
Par value of 10,000 tenge	20,719,604
Par value of 5,000 tenge	59,707,029
Par value of 2,500 tenge	71,104,187
Par value of 2,451 tenge	1
Par value of 1,000 tenge	1
Par value of 921 tenge	1
Par value of 858 tenge	1
Par value of 838 tenge	1
Par value of 704 tenge	1
Par value of 592 tenge	1
Par value of 500 tenge	458,450,766
Share capital (thousands of tenge)	916,540,545

As at December 31, 2024 and 2023, the Company had only one class of issued shares. As at December 31, 2024 and 2023, common shares in the number of 239,440,103 were authorized, but not issued. In 2024, there was no issuance of any ordinary share.

Dividends

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)**Dividends (continued)**

In 2024, the Group declared and paid-off dividends to the non-controlling interest holders of KTO, KMGI in the total amount of 2,820 million tenge and 2,759 million tenge, respectively (2023: 1,500 million tenge and 1,572 million tenge, respectively).

Transactions with Samruk-Kazyna

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

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within finance income (*Note 15*) in these consolidated financial statements in the amount of 59,769 million tenge.

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

In 2023, Samruk-Kazyna purchased the Company placed bonds for 70,000 million tenge. The difference between the fair value and nominal amount of bonds of 30,824 million tenge was recognized as an increase in equity within Transactions with Samruk-Kazyna in the consolidated statement of changes in equity (*Note 33*).

In 2023, Samruk-Kazyna received a loan from KMG Karachaganak LLP, subsidiary of the Company, in the amount of 25,000 million tenge with maturity in December 2024. The difference between the fair value and nominal amount of bonds of 4,227 million tenge was recognized as a decrease in equity within Transactions with Samruk-Kazyna in the consolidated statement of changes in equity. In November 2024, the loan term was extended until December 2025. As a result, the Group recognized the effect of the loan modification in the amount of 2,904 million tenge as Transactions with Samruk-Kazyna in the consolidated statement of changes in equity.

Distributions to Samruk-Kazyna

In 2024, in accordance with the Government decree on the construction of social objects in Zhana-ozen town and housing for the residents, living in Zhana-ozen town, the Group accrued liabilities and paid liabilities for 16 million tenge and 2,059 million tenge, respectively (2023: 120 million tenge).

Contributions from the related party

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

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

The difference of 1,520 million tenge between the consideration and net assets of Polimer was recognized in equity.

In 2023, SKO, a previous shareholder of Polimer, made a contribution to the share capital of Polimer for 14,155 million tenge and repaid Polimer's debt to a third party in the amount of 672 million tenge. The Group recognized this as Contribution from the related party in the consolidated statement of changes in equity.

Other operations with Samruk-Kazyna

In 2023, in accordance with the Order of the President of the RK on the construction of the Sport Complex in the city of Uralsk as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Group recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge and recognized it in the consolidated statement of changes in equity. The Company made an advance payment in the amount of 8,962 million tenge. In 2024, the Group increased accrued liabilities for the construction of the Sports Complex in the city of Uralsk in the amount of 1,989 million tenge (*Note 29*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**26. EQUITY (continued)****Other operations with Samruk-Kazyna (continued)**

As of December 31, 2024, the Group completed the construction of the Sports Complex in the city of Uralsk, and on January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act. As of December 31, 2024, the Company offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sports Complex.

Book value per share

In accordance with the decision of KASE dated October 4, 2010 financial statements shall disclose book value per share (ordinary and preferred) as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023 (restated)
Total assets	18,934,647	16,941,101
Less: intangible assets	943,156	883,283
Less: total liabilities	7,010,363	6,544,487
Net assets	10,981,128	9,513,331
Number of ordinary shares	610,119,493	610,119,493
Book value per ordinary share (in thousand tenge)	17.998	15.593

Earnings per share

<i>In thousand tenge</i>	2024	2023
Weighted average number of common shares for basic and diluted earnings per share	610,119,493	610,119,493
Basic and diluted earnings per share	1.794	1.578

Non-controlling interests

The following tables illustrate information of subsidiaries in which the Group has significant non-controlling interests:

	Country of incorporation and operation	December 31, 2024		December 31, 2023	
		Non- controlling shares	Carrying value	Non- controlling shares	Carrying value
Rompetrol Downstream S.R.L.	Romania	45.37%	82,724	45.37%	67,535
KTO	Kazakhstan	10.00%	63,870	10.00%	59,156
Rompetrol Petrochemicals S.R.L.	Romania	45.37%	22,120	45.37%	18,572
Rompetrol Vega	Romania	45.37%	(29,521)	45.37%	(25,320)
KMG EP	Kazakhstan	–	–	0.28%	8,215
Rompetrol Rafinare S.A.	Romania	45.37%	(310,421)	45.37%	(253,347)
Other			61,440		25,785
			(109,788)		(99,404)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**26. EQUITY (continued)****Non-controlling interests (continued)**

The following tables illustrate summarized financial information of subsidiaries on a stand-alone basis, in which the Group has significant non-controlling interests as at December 31, 2024 and for the year then ended:

<i>In millions of tenge</i>	Rompetro Downstream S.R.L.	KTO	Rompetro Petrochemicals S.R.L.	Rompetro Vega	Rompetro Refinare S.A.
Summarized statement of financial position					
Non-current assets	133,296	840,928	2,897	27,976	118,375
Current assets	234,461	139,023	46,503	17,223	56,753
Non-current liabilities	(71,025)	(204,199)	(500)	(47,700)	(176,147)
Current liabilities	(114,409)	(112,191)	(147)	(62,563)	(683,150)
Total equity	182,323	663,561	48,753	(65,064)	(684,169)
Attributable to:					
Equity holder of the Parent Company	99,599	599,691	26,633	(35,543)	(373,748)
Non-controlling interests	82,724	63,870	22,120	(29,521)	(310,421)
Summarized statement of comprehensive income					
Revenue	889,308	311,900	-	87,742	1,522,309
Profit/(loss) for the year from continuing operations	8,990	65,092	1,312	402	(31,651)
Total comprehensive income/(loss) for the year, net of tax	33,477	72,136	7,821	(9,257)	(125,792)
Attributable to:					
Equity holder of the Parent Company	18,288	64,922	4,273	(5,057)	(68,718)
Non-controlling interests	15,189	7,214	3,548	(4,200)	(57,074)
Dividends declared to non-controlling interests	-	(2,500)	-	-	-
Summarized cash flow information					
Operating activity	7,648	90,771	-	22,895	495,168
Investing activity	(4,358)	(69,457)	-	(22,862)	(540,019)
Financing activity	(7,147)	(27,500)	-	(61)	16,742
Net decrease in cash and cash equivalents	(3,858)	(4,029)	-	(28)	(28,109)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**26. EQUITY (continued)****Non-controlling interests (continued)**

The following tables illustrate summarized financial information of subsidiaries on a stand-alone basis, in which the Group has significant non-controlling interests as at December 31, 2023 and for the year then ended:

<i>In millions of tenge</i>	Rompetrol Downstream S.R.L.	KTO	Rompetrol Petrochemicals S.R.L.	KMG EP	Rompetrol Vega	Rompetrol Refinare S.A.
Summarized statement of financial position						
Non-current assets	123,201	812,534	1,784	1,190,313	22,949	123,516
Current assets	216,576	132,793	39,749	1,546,121	11,676	76,687
Non-current liabilities	(66,489)	(216,157)	(433)	(91,794)	(42,739)	(148,648)
Current liabilities	(124,441)	(112,746)	(168)	(217,704)	(47,693)	(609,932)
Total equity	148,847	616,424	40,932	2,426,936	(55,807)	(558,377)
Attributable to:						
Equity holder of the Parent Company	81,312	557,268	22,360	2,418,721	(30,487)	(305,030)
Non-controlling interests	67,535	59,156	18,572	8,215	(25,320)	(253,347)
Summarized statement of comprehensive income						
Revenue	1,012,646	290,386	–	1,184,834	108,639	1,696,983
Profit/(loss) for the year from continuing operations	5,439	69,508	3,125	37,360	(4,278)	(98,216)
Total comprehensive income/(loss) for the year, net of tax	2,352	70,146	2,440	34,250	(3,422)	(90,054)
Attributable to:						
Equity holder of the Parent Company	1,285	63,131	1,333	34,154	(1,869)	(49,195)
Non-controlling interests	1,067	7,015	1,107	96	(1,553)	(40,859)
Dividends declared to non-controlling interests	–	(1,500)	–	–	–	–
Summarized cash flow information						
Operating activity	(44,926)	87,839	5	144,334	2,501	(988,089)
Investing activity	(3,264)	(160,028)	–	(319,182)	(2,470)	(64,948)
Financing activity	49,441	64,418	–	55,725	(31)	1,118,004
Net increase/(decrease) in cash and cash equivalents	1,251	(8,485)	5	(124,491)	–	64,967

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

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Fixed interest rate borrowings	3,396,818	3,253,754
Weighted average nominal interest rates	6.25%	5.36%
Floating interest rate borrowings	570,583	503,340
Weighted average nominal interest rates (Note 34)	8.41%	8.93%
	3,967,401	3,757,094

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

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
US dollar	2,982,986	3,018,895
Tenge	937,610	700,223
Euro	35,601	24,850
Other currencies	11,204	13,126
	3,967,401	3,757,094

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Current portion	323,290	391,358
Non-current portion	3,644,111	3,365,736
	3,967,401	3,757,094

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

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective Interest Rate	December 31, 2024	December 31, 2023
Bonds					
KASE 2023	70 billion KZT	2033	11.74% (0.50% nominal interest rate)	45,873	41,375
KASE 2022	751.6 billion KZT	2035	12.105% (9.30% nominal interest rate)	642,749	392,158
Bonds LSE 2020	750 million USD	2033	3.50%	396,299	343,005
AIX 2019	150 million USD	2024	5.00%	-	19,800
Bonds LSE 2018	1.5 billion USD	2048	6.375%	778,795	673,677
Bonds LSE 2018	1.25 billion USD	2030	5.375%	653,507	569,892
Bonds LSE 2017	1.25 billion USD	2047	5.75%	639,143	552,309
Bonds LSE 2017	1 billion USD	2027	4.75%	131,604	454,062
Total				3,287,970	3,046,278

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

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within other finance income (Note 15) in these consolidated financial statements in the amount of 59,769 million tenge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

The negative difference of 293,288 million tenge between the fair value of the bond derecognized and the fair value of the newly recognized bond was presented as a transaction with Samruk-Kazyna in the consolidated statement of changes in equity (*Note 26*).

On September 12, 2024, the Company made a partial early repayment of bonds maturing in 2027 in the amount of 750 million US dollars (equivalent to 358,171 million tenge).

On April 26, 2023, the Company made an early repayment of Eurobonds in the amount of 501 million US dollars (equivalent to 227,520 million tenge), including premium for early repayment and coupon payment with an interest rate of 4.75% and maturity in 2025.

On April 27 and November 22, 2023, the Company placed bonds for 70,000 million tenge at a coupon interest rate of 0.50% per annum and due in 2033. Samruk-Kazyna purchased the bonds. The coupon rate of the bonds is below market rate. The difference between the fair value and nominal amount of bonds of 30,824 million tenge was recognized as a transaction with Samruk-Kazyna in the consolidated statement of changes in equity (*Note 26*).

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

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

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective Interest Rate	December 31, 2024	December 31, 2023
Loans					
The Syndicate of banks (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank, Alpha Bank, Garanti Bank, OTP Bank, Intesa Sanpaolo)	551.8 million USD ¹	2026	SOFR O/N+2.50% SOFR 1M+2.750% SOFR1M+2.50%	149,937	141,506
Bank of Tokyo-Mitsubishi UFJ, Ltd (London Branch)	200 million USD	2025	COF ² (4.33%) + 1.50%	91,405	62,800
Halyk bank JSC (Halyk bank)	110 billion KZT	2025	11.00%	64,883	94,999
Cargill	100 million USD	2026	SOFR 3M+2.80%	52,732	46,176
Halyk Bank	169 billion KZT	2032	Base rate of NBRK + 1.50% 15.20%	49,219	–
Development bank of Kazakhstan JSC (DBK)	79 billion KZT	2026	(7.99% nominal rate)	43,892	80,992
The European Bank for Reconstruction and Development (EBRD)	61 billion KZT	2028	CPI 6M + 4.00% CPI + 3.75%	37,730	11,822
Halyk bank	41.4 billion KZT	2032	Key Rate of National Bank of RK + 1.50%	31,157	47,391
The Syndicate of banks (BCR, Raiffeisen Bank, OTP, Alpha, Garanti)	83 million EUR	2029	EURIBOR 6M + 3.00%	28,471	24,844
Eni Isatay	–	After the start of commercial mining	CME TERM SOFR + 3.00%	24,761	5,751
The European Development Bank	21 billion KZT	2033	Base rate of NBRK – 2.00%	22,107	–
BCP	170 million USD	2025	COF (4.63%) + 2.00% SOFR 1M + 2.50%	21,181	37,893
Banca Transilvania	57.96 million EUR	2025	ROBOR 1M + 2.00%	17,975	15,710
OTP Bank	119 million RON	2030	ROBOR 3M + 1.10%	10,087	10,964
ING Bank NV	250 million USD	2025	COF (4,55%) + 1.80%	7,714	13,839
Halyk bank	41 billion KZT	2024	17.75 - 18.75%	–	31,487
Credit Agricole	150 million USD	2024	COF (5.6%) + 2.00%	–	26,936
Lukoil Kazakhstan Upstream	–	After the start of commercial mining	O/N SOFR + 2.85%	–	47,363
Other	–	–	–	26,180	10,343
Total				679,431	710,816

¹ 275.9 million USD with revolving credit facility;² Cost of funding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

In 2024, KMGJ partially repaid a syndicated loan for a total amount of 71.88 million US dollars (equivalent to 33,735 million tenge), including interest.

In 2024, KMGJ received a loan from Bank of Tokyo-Mitsubishi UFJ, Ltd. for a total amount of 35.91 million US dollars (equivalent to 16,854 million tenge) at a COF rate of (4.33%) + 1.50% and maturing by the end of 2025 to finance working capital.

In 2024, Atyrau Refinery and Pavlodar partially repaid the loan of DBK for a total amount of 46,688 million tenge, including interest (*Note 33*).

In 2024, Atyrau Refinery received a loan from the EBRD for a total amount of 26,600 million tenge at a rate of CPI + 3.75% and maturing until 2028 to refinance the loan from Halyk Bank.

In 2024, Atyrau Refinery and KTO partially repaid a loan from Halyk Bank totaling 21,000 million tenge, including interest.

In 2024, KMGJ repaid a loan from ING Bank in the total amount of 29.21 million US dollars (equivalent to 13,709 million tenge).

In 2024, Kazakh Gas Processing Plant LLP, subsidiary of the Company, received a loan from Halyk Bank for a total amount of 48,246 million tenge at a Base rate of National Bank of RK + 1.50% and maturing by the end of 2032 for the construction of Oil and Gas Refinery plant.

In 2024, based on the notification of the Ministry of Energy of the RK on the termination of the contract for subsoil use under the Zhenis project, the Company derecognized the loan received from Lukoil Kazakhstan Upstream (carry-financing) in the amount of 48,432 million tenge (*Note 15*).

In 2023, KMGJ received Syndicated loan (Unicredit Tiriak Bank, ING Bank, BCR, Raiffeisen Bank) used to finance its working capital for the total amount of 307 million US dollars (equivalent to 140,232 million tenge), on a net basis.

In 2023, KMGJ partially repaid a Syndicated Loan (Unicredit Tiriak Bank, ING Bank, BCR, Raiffeisen Bank) in the amount of 73.94 million US dollars (equivalent to 33,734 million tenge), including interest.

In 2023, KMGJ received a loan from Bank of Tokyo-Mitsubishi UFJ, Ltd to finance working capital for 101 million US dollars (equivalent to 45,855 million tenge), on a net basis, at the rate of COF (5.37%) + 1.80% per annum and maturity in 2024.

In 2023, KMGJ received a loan from BCP to finance working capital for 83 million US dollars (equivalent to 38,031 million tenge), on a net basis, at the rate of COF (5.7481%) + 1.50% per annum and maturity in 2024.

In 2023, Atyrau refinery made full repayment of the loan from VTB Bank (PJSC) for 42,371 million Rubles (equivalent to 213,729 million tenge), including accrued interest.

In 2023, Atyrau refinery partially repaid loans from Halyk Bank for a total amount of 102,674 million tenge, respectively, including interest.

In 2023, Atyrau refinery received a loan from Halyk Bank in the amount of 31,410 million tenge at an interest rate of 17.75-18.75% per annum and maturing in 2024 for the purpose of repayment of current liabilities.

In 2023, Atyrau refinery and Pavlodar refinery partially repaid a loan from the DBK in the total amount of 31,261 million tenge, including interest.

In 2023, based on the notification of the Ministry of Energy of the RK on the termination of the subsoil use contract, the Company derecognized the loan of Eni Isatai B.V. for the Isatai project in the amount of 4,377 million tenge (*Note 15*).

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

Changes in liabilities arising from financing activities:

<i>In millions of tenge</i>	2024				2023			
	Short-term loans	Long-term loans	Bonds	Total	Short-term loans	Long-term loans	Bonds	Total
On January 1	214,457	496,360	3,046,277	3,757,094	173,053	699,611	3,281,722	4,154,386
Received in cash	34,975	179,919	–	214,894	138,787	176,517	70,000	385,304
Repayment of principal in cash	(118,862)	(145,496)	(383,051)	(647,409)	(95,296)	(329,830)	(241,106)	(666,232)
Interest accrued (Note 15)	19,383	41,729	218,115	279,227	17,198	68,901	185,686	271,785
Interest paid*	(19,422)	(34,195)	(192,286)	(245,903)	(17,030)	(63,606)	(173,836)	(254,472)
Effect of loan modification	–	–	233,519	233,519	–	–	–	–
Effect of initial loan recognition	–	–	–	–	–	–	(30,824)	(30,824)
Foreign currency translation	21,907	32,849	358,847	413,603	(2,297)	(2,526)	(46,152)	(50,975)
Foreign exchange(gain)/loss	(897)	2,245	6,549	7,897	42	(53,380)	(1,520)	(54,858)
Derecognition of loan (Note 15)	–	(48,442)	–	(48,442)	–	(4,377)	–	(4,377)
Other	–	2,921	–	2,921	–	5,050	2,307	7,357
On December 31	151,541	527,890	3,287,970	3,967,401	214,457	496,360	3,046,277	3,757,094
Current portion	151,541	122,729	49,020	323,290	214,457	125,152	51,749	391,358
Non-current portion	–	405,161	3,238,950	3,644,111	–	371,208	2,994,528	3,365,736

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

Covenants

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**27. BORROWINGS (continued)****Hedge of net investment in the foreign operations**

As at December 31, 2024, certain borrowings denominated in foreign currency were designated as hedge instrument for the net investment in the foreign operations. These borrowings are being used to hedge the Group’s exposure to the US dollar foreign exchange risk on these investments. In 2024, a loss of 358,847 million tenge (2023: gain of 46,152 million tenge) on the translation of these borrowings were transferred to other comprehensive income and offset against translation gains of the net investments in foreign operations.

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

28. LEASE LIABILITIES

Future minimum lease payments under leases together with the present value of the net minimum lease payments comprised the following:

<i>In millions of tenge</i>	Minimum lease payments		Present value of minimum lease payments	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Within one year	26,471	19,767	20,882	17,400
Two to five years inclusive	56,149	49,777	29,308	26,128
After five years	102,326	89,424	74,026	61,752
	184,946	158,968	124,216	105,280
Less: amounts representing finance costs	(60,730)	(53,688)	-	-
Present value of minimum lease payments	124,216	105,280	124,216	105,280
Less: amounts due for settlement within 12 months	(26,471)	(19,767)	(20,882)	(17,400)
Amounts due for settlement after 12 months	158,475	139,201	103,334	87,880

As at December 31, 2024, interest calculation was based on effective interest rates ranging from 2.95% to 25.29% (December 31, 2023: from 2.95% to 20.65%).

Changes in lease liabilities for the year ended December 31, 2024 and 2023:

<i>In millions of tenge</i>	2024	2023
On January 1	105,280	81,554
Additions of leases	23,790	55,740
Interest accrued (<i>Note 15</i>)	8,444	7,420
Repayment of principal	(26,118)	(26,933)
Interest paid	(1,279)	(1,936)
Foreign exchange (gain)/loss	(4,611)	1,964
Foreign currency translation	14,842	(1,442)
Modification	7,386	3,938
Early termination	(2,661)	(15,025)
Other	(857)	-
On December 31	124,216	105,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**29. PROVISIONS**

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environ- mental obligation	Provision for taxes	Other	Total
As at December 31, 2022	128,872	81,353	10,923	48,397	269,545
Foreign currency translation	(1,506)	(1,062)	(44)	(333)	(2,945)
Change in estimate	10,019	(1,198)	-	142	8,963
Unwinding of discount (<i>Notes 15</i>)	10,556	2,719	-	123	13,398
Provision for the year	57,996	416	482	31,608	90,502
Business combination (<i>Note 6</i>)	4,346	-	-	-	4,346
Unused amounts reversed (<i>Note 35</i>)	(356)	-	(4,319)	(28,364)	(33,039)
Use of provision	(1,222)	(5,167)	(68)	(4,518)	(10,975)
As at December 31, 2023	208,705	77,061	6,974	47,055	339,795
Foreign currency translation	11,879	9,137	158	3,002	24,176
Change in estimate	(18,446)	(210)	-	(14)	(18,670)
Unwinding of discount (<i>Note 15</i>)	17,082	1,647	-	141	18,870
Provision for the year	4,225	-	61	6,601	10,887
Transfers and reclassifications to other financial liabilities (<i>Note 35</i>)	-	-	-	(4,742)	(4,742)
Unused amounts reversed	(788)	(2,377)	(4,305)	(131)	(7,601)
Use of provision (<i>Note 26</i>)	(1,465)	(6,139)	-	(27,458)	(35,062)
As at December 31, 2024	221,192	79,119	2,888	24,454	327,653

Detailed description of significant provisions, including critical estimates and judgments used, is included in *Note 4*.

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

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environ- mental obligation	Provision for taxes	Other	Total
Current portion	1,440	1,910	2,888	13,286	19,524
Long-term portion	219,752	77,209	-	11,168	308,129
As at December 31, 2024	221,192	79,119	2,888	24,454	327,653
Current portion	2,847	3,751	6,974	20,004	33,576
Long-term portion	205,858	73,310	-	27,051	306,219
As at December 31, 2023	208,705	77,061	6,974	47,055	339,795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**30. TRADE ACCOUNTS PAYABLE AND OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES**

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Trade accounts payable	598,787	663,930
Other financial liabilities		
Due to employees	78,950	72,970
Other trade payables	40,534	42,562
Derivative financial instruments	2,950	114
Other	53,812	49,050
	176,246	164,696
Current portion	169,150	145,953
Non-current portion	7,096	18,743
	176,246	164,696
Other non-financial liabilities		
Contract liabilities	227,046	153,962
Other	15,432	15,328
	242,478	169,290
Current portion	206,303	131,513
Non-current portion	36,175	37,777
	242,478	169,290

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

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
US dollars	389,492	444,674
Tenge	137,939	153,016
Romanian Leu	56,388	51,244
Euro	6,296	8,157
Other currency	8,672	6,839
Total	598,787	663,930

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

31. OTHER TAXES PAYABLE

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
VAT	28,394	23,233
Mineral Extraction Tax	15,782	30,485
Rent tax on crude oil export	15,071	37,557
Social tax	7,436	7,620
Individual income tax	6,042	9,424
Turnover tax	4,847	-
Excise tax	1,871	1,537
Withholding tax from non-residents	59	1,957
Other	4,129	4,687
	83,631	116,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**32. INCOME TAX EXPENSES**

As at December 31, 2024 income taxes prepaid of 41,170 million tenge (2023: 33,051 million tenge) are mainly represented by corporate income tax. As at December 31, 2024 income taxes payable of 15,600 million tenge (2023: 28,285 million tenge) are mainly represented by corporate income tax.

Income tax expense comprised the following for the years ended December 31, 2024 and 2023:

<i>In millions of tenge</i>	2024	2023 (restated)
Current income tax		
Corporate income tax	168,573	117,003
Withholding tax on dividends and interest income	81,138	86,287
Alternative mineral extraction tax	2,628	–
Excess profit tax	1,149	691
Deferred income tax		
Corporate income tax	131,419	109,578
Alternative mineral extraction tax	5,734	(10,391)
Withholding tax on dividends	(27,554)	(33,376)
Income tax expenses	363,087	269,792

A reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2024 and 2023) to income tax expenses was as follows for the years ended December 31:

<i>In millions of tenge</i>	2024	2023 (restated)
Profit before income tax	1,457,334	1,196,470
Statutory tax rate	20%	20%
Income tax expense on accounting profit	291,467	239,294
Share in profit of joint ventures and associates	(60,724)	(55,703)
Other non-deductible expenses and non-taxable income	28,874	44,981
Effect of different corporate income tax rates	61,780	74,959
Alternative mineral extraction tax	8,362	(10,391)
Excess profit tax	1,149	691
Change in unrecognized deferred tax assets	32,179	(24,039)
Income tax expenses	363,087	269,792

KMG Kashagan B.V. and KMG Karachaganak have a Production Sharing Agreement and a Final Production Sharing Agreement, respectively, that provide for a stabilized tax regime under the 1997 Tax Code, which must be applied throughout the entire abovementioned agreements period. The most significant tax impact of the stabilized tax regime is the application of a 30% corporate income tax rate to taxable profit.

Income tax rates for companies operating in jurisdictions such as the Netherlands, Romania and Switzerland range from 11.89% to 25.8%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**32. INCOME TAX EXPENSES (continued)**

Deferred tax balances, calculated by applying the statutory tax rates effective at the respective reporting dates to the temporary differences between the tax basis of assets and liabilities and the amounts reported in the consolidated financial statements, are comprised of the following at December 31:

<i>In millions of tenge</i>	2024				2023 (restated)					
	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total	Recognized in profit and loss	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total	Recognized in profit and loss
Deferred tax assets										
Property, plant and equipment	23,894	-	-	23,894	875	23,019	-	-	23,019	(934)
Tax loss carryforward	608,820	-	-	608,820	(74,465)	683,285	-	-	683,285	(2,191)
Employee benefits related accruals	5,360	-	-	5,360	(2,268)	7,628	-	-	7,628	1,004
Impairment of financial assets	9,361	-	-	9,361	1,256	8,105	-	-	8,105	8,104
Environmental liability	2,070	-	-	2,070	(961)	3,031	-	-	3,031	(728)
Other	86,668	4,291	-	90,959	59,281	105,081	10,334	-	115,415	68,186
Less: unrecognized deferred tax assets	(583,520)	-	-	(583,520)	(32,179)	(551,341)	-	-	(551,341)	24,039
Less: deferred tax assets offset with deferred tax liabilities	(106,239)	-	-	(106,239)	117,074	(223,313)	-	-	(223,313)	(35,364)
Deferred tax assets	46,414	4,291	-	50,705	68,613	55,495	10,334	-	65,829	62,116
Deferred tax liabilities										
Property, plant and equipment	858,119	231	-	858,350	88,577	769,233	540	-	769,773	204,863
Undistributed earnings of joint ventures and associates	-	-	634,427	634,427	(27,554)	-	-	571,270	571,270	(33,376)
Other	5,298	-	-	5,298	115	5,209	-	-	5,209	(8,196)
Less: deferred tax assets offset with deferred tax liabilities	(106,239)	-	-	(106,239)	117,074	(223,313)	-	-	(223,313)	(35,364)
Deferred tax liabilities	757,178	231	634,427	1,391,836	178,212	551,129	540	571,270	1,122,939	127,927
Net deferred tax liability	710,764	(4,060)	634,427	1,341,131		495,634	(9,794)	571,270	1,057,110	
Deferred tax expense					109,599					65,811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**32. INCOME TAX EXPENSES (continued)**

Deferred corporate income tax and excess profit tax are determined with reference to individual subsoil use contracts. Deferred corporate income tax is also determined for activities outside of the scope of subsoil use contracts. 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. Unrecognized deferred tax asset arising mainly from tax losses carry forward amounted to 583,520 million tenge as at December 31, 2024 (as at December 31, 2023: 551,341 million tenge).

Tax losses carry forward as at December 31, 2024 and 2023 in the RK expire for tax purposes after ten years from the date they are incurred.

The movements in the deferred tax liability/(asset) were as follows:

	2024				2023 (restated)			
	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
<i>In millions of tenge</i>								
Net deferred tax liability as at January 1, net	495,634	(9,794)	571,270	1,057,110	341,068	597	615,747	957,412
Foreign currency translation	83,737	–	90,711	174,448	(4,091)	–	(11,101)	(15,192)
Tax expense/(income) during the year recognized in profit and loss	131,419	5,734	(27,554)	109,599	109,578	(10,391)	(33,376)	65,811
Tax expense during the year recognized in other comprehensive income	(26)	–	–	(26)	327	–	–	327
Business combination (Note 6)	–	–	–	–	48,752	–	–	48,752
Net deferred tax liability as at December 31, net	710,764	(4,060)	634,427	1,341,131	495,634	(9,794)	571,270	1,057,110

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**33. RELATED PARTY DISCLOSURES****Terms and conditions of transactions with related parties**

Related party transactions were made on terms agreed between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties. Outstanding balances at the year-end are mainly unsecured and interest free and settlement occurs in cash, except as indicated below. The Group recognizes allowances for ECL on debt from related parties in accordance with the same principles and policies for ECL applied to determine ECL on debt owed to third parties.

Transactions balances

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

<i>In millions of tenge</i>	December 31,	Due from related parties*	Due to related parties*	Cash and deposits placed with related parties	Borrowings payable to related parties	Financial assets and loans due from related parties
Samruk-Kazyna entities	2024	57,787	2,716	56,849	688,622	54,489
	2023	43,080	4,392	5,911	453,333	50,665
Associates	2024	18,314	13,650	–	–	–
	2023	8,681	2,962	–	–	–
Other state-controlled parties	2024	2,611	3,407	–	65,999	38,329
	2023	3,188	1,419	–	80,992	43,709
Joint ventures	2024	32,014	162,787	–	–	106,338
	2023	68,413	235,725	–	–	104,706

* *The amounts are mainly classified as «Trade accounts receivables» and «Trade accounts payables»*

Due from/to related parties*Samruk-Kazyna entities*

In 2024, the Company sold investment property to Samruk-Kazyna with a carrying value of 13,503 million tenge. According to the terms of the purchase and sale agreement, the sales price was 22,872 million tenge with deferred payment until June 2027. The difference between the sales price, which is the fair value, and the nominal amount of the debt of Samruk-Kazyna in the amount of 8,741 million tenge is reflected in these consolidated financial statements as finance expenses (*Note 15*).

As at December 31, 2024, due from related parties are mainly represented by the sale of oil products of JSC "NC Kazakhstan Temir Zholy", subsidiary of Samruk-Kazyna, in the amount of 26,027 million tenge (December 31, 2023: 30,793 million tenge).

As at December 31, 2023, payable due to Samruk-Kazyna for exercising the option with a right to buy back 50% of shares of KMG Kashagan B.V. was fully repaid for 364 million US dollars (equivalent to 163,770 million tenge per exchange rate at the date of repayment).

Joint ventures

As at December 31, 2024 due to joint ventures were mainly represented by accounts payable for crude oil to TCO for 143,651 million tenge (December 31, 2023: 181,831 million tenge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. RELATED PARTY DISCLOSURES (continued)**Cash and deposits placed with related parties***Samruk-Kazyna entities*

As at December 31, 2024, the Group has current accounts and time deposits consisting of cash in tenge and dollars on the accounts of Kazpost JSC, subsidiary of Samruk-Kazyna, in the total amount of 56,849 million tenge (December 31, 2023: 5,911 million tenge).

Borrowings payable to related parties*Samruk-Kazyna entities*

As at December 31, 2024 the borrowings payable to related parties were mainly represented by the bonds placed by the Company in 2022 and acquired by Samruk-Kazyna for 642,749 million tenge (December 31, 2023: 392,158 million tenge) (Note 27).

Other state-controlled parties

As at December 31, 2024 the borrowings payable to related parties include loans received from DBK by Atyrau refinery in the amount of 43,892 million tenge (December 31, 2023: loans received from DBK by Atyrau and Pavlodar refineries in the amount of 80,992 million tenge) (Note 27).

Financial assets and loans due from related parties*Samruk-Kazyna entities*

As at December, 31, 2024 financial assets and loans due from related parties were mainly represented by the bonds receivable from the Samruk-Kazyna of 22,461 million tenge, net of expected credit losses (December 31, 2023: 20,963 million tenge).

Other state-controlled parties

During 2024, the Group purchased short-term notes of NB RK in the total amount of 308,147 million tenge with an interest rate of 13.71%, as well as short-term notes of NB RK acquired in 2023 and 2024 in the amount of 302,600 million tenge were redeemed.

During 2023, the Group purchased short-term notes of NB RK in the total amount of 451,598 million tenge with an interest rate of 15.96%, as well as short-term notes of NB RK acquired in 2022 and 2023 in the amount of 425,263 million tenge were redeemed.

Joint ventures

As at December, 31, 2024 financial assets and loans due from related parties were mainly represented by loans issued to Ural Group Limited, KALAMKAS-KHAZAR OPERATING LLP and Kazakhstan Petrochemical Industries Inc. LLP for the total amount of 94,732 million tenge (December 31, 2023: 73,990 million tenge).

During 2024, the Group provided loans to related parties in the amount of 67,980 million tenge and received 45,023 million tenge as a loan repayment from related parties (2023: 44,672 million tenge and 35,963 million tenge, respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**33. RELATED PARTY DISCLOSURES (continued)****Transactions turnover**

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

<i>In millions of tenge</i>		Sales to related parties*	Purchases from related parties*	Interest earned from related parties	Interest incurred to related parties
Samruk-Kazyna entities	2024	169,073	90,515	68,847	80,315
	2023	158,392	33,705	4,058	39,795
Associates	2024	43,888	84,599	154	–
	2023	12,742	81,497	194	–
Other state-controlled parties	2024	1,329	49,934	7,458	10,773
	2023	346	31,349	5,421	12,475
Joint ventures	2024	410,418	1,744,984	13,534	6,324
	2023	439,502	1,709,923	17,540	–

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

Sales to related parties / purchases from related parties*Joint ventures*

In 2024, sales to joint ventures were mainly represented by transportation and cargo servicing provided to TCO for 21,138 million tenge (2023: 22,613 million tenge), transportation charges and oil servicing provided to MMG for 67,770 million tenge and for 113,330 million tenge, respectively (2023: 67,755 million tenge and 137,855 million tenge, respectively).

In 2024, purchases from joint ventures were mainly attributable to purchases of crude oil from TCO to perform the oil delivery customer contract for 1,703,581 million tenge (2023: 1,602,095 million tenge).

Key management employee compensation

Total compensation to key management personnel (members of the Boards of directors and Management boards of the Group) included in general and administrative expenses in the accompanying consolidated statement of the comprehensive income was equal to 7,568 million tenge and 7,769 million tenge for the years ended December 31, 2024 and 2023, respectively. Compensation to key management personnel mainly consists of contractual salary and performance bonus based on operating results.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group’s principal financial instruments mainly consist of borrowings, loans given, financial guarantees, cash and cash equivalents, bank deposits as well as accounts receivable and accounts payable. The Group is exposed to interest rate risk, foreign currency risk and credit risk. The Group further monitors the market risk and liquidity risk arising from all financial instruments.

Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency, and securities, all of which are exposed to general and specific market movements. The Group manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing appropriate margin and collateral requirements. The sensitivity analyses in the following sections relate to the position as of December 31, 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)****Market risk (continued)***Foreign currency risk*

As a result of significant borrowings and accounts payable denominated in the US dollars, the Group’s consolidated statement of financial position can be affected significantly by movement in the US dollar/tenge exchange rates. The Group also has transactional currency exposures. Such exposure arises from revenues in the US dollars. The Group has a policy on managing its foreign currency risk in US dollar by matching US dollar denominated financial assets with US dollar denominated financial liabilities. The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group’s profit before income tax (due to changes in the cash flows of monetary assets and liabilities). The sensitivity of possible changes in exchange rates for other currencies are not considered due to its insignificance to the consolidated financial results of Group’s operations.

<i>In millions of tenge</i>	Increase/ (decrease) in tenge to US dollar exchange rate	Effect on profit before tax
2024	+9%	(100,651)
	(7%)	81,317
2023	+14%	(224,731)
	(14%)	224,731

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long-term borrowings with floating interest rates. The Group’s policy is to manage its interest rate cost using a mix of fixed and variable rate borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group’s profit before income tax (through the impact on floating rate borrowings). There is no significant impact on the Group’s equity.

<i>In millions of tenge</i>	Increase/ decrease in basis points	Effect on profit before tax
2024	+4.50	(25,680)
SOFR	+0.39	(2,226)
2023		
SOFR	+3.97	(19,982)
	-3.97	19,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)****Credit risk**

The Group trades only with recognized, creditworthy parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in *Note 23*. There are no significant concentrations of credit risk within the Group.

With respect to credit risks arising on other financial assets of the Group, which comprise cash and cash equivalents, bank deposits, loans and receivables from related parties and other financial assets, the Group’s exposure to credit risks arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The table below shows the risk profile of the Group’s cash and cash equivalents, short-term and long-term deposits held in banks as at December 31, 2024 and 2023 using the Fitch credit ratings, or in their absence, using their equivalent rates in S&P and Moody’s:

	As at December 31	
	2024	2023
AA- to A+	18%	19%
A to A-	65%	58%
BBB+ to BBB-	11%	18%
BB+ to BB-	6%	5%
B+ to B-	–	–

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)****Liquidity risk (continued)**

<i>In millions of tenge</i>	Due less than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due after 5 years*	Total
As at December 31, 2024						
Borrowings*	8,311	4,279	508,247	1,760,405	5,449,825	7,731,067
Trade accounts payable	208,205	226,758	163,824	-	-	598,787
Financial guarantees**	-	59	32,269	14,991	-	47,319
Lease liabilities	2,788	4,488	19,195	56,149	102,326	184,946
Other financial liabilities	63,206	44,567	77,932	8,990	-	194,695
	282,510	280,151	801,467	1,840,535	5,552,151	8,756,814
As at December 31, 2023						
Borrowings*	38,896	1,329	503,846	1,413,755	4,738,778	6,696,604
Trade accounts payable	122,306	340,634	200,991	-	-	663,931
Financial guarantees**	-	64	-	46,555	-	46,619
Lease liabilities	2,124	1,964	15,679	49,777	89,424	158,968
Other financial liabilities	71,323	24,605	69,792	20,067	-	185,787
	234,649	368,596	790,308	1,530,154	4,828,202	7,751,909

* The Group excludes from the maturity profile table the borrowings payable to project partners under the carry-in financing agreements, due to the uncertainty of maturity of these loans. As of December 31, 2024, the borrowings due to partners were 31,926 million tenge (December 31, 2023: 57,656 million tenge).

** The Group includes financial guarantees to the maturity profile table, however, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2024 and 2023 there was no significant instances of financial guarantees execution.

Capital management

The primary objective of the Group’s capital management is to maximise the shareholder value. The Group manages its capital to ensure that Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company seeks to maintain a prudent capital structure to support its capital investment plans and maintain investment grade credit rating through the cycle. Maintaining sufficient financial flexibility is considered strategically important to mitigate industry cyclicalities while also enabling the pursuit of organic and inorganic investment opportunities. The Company has a comprehensive and disciplined internal approval process for capital expenditures, new projects and debt incurrence.

For the purpose of the Group’s capital management, the capital structure of the Group consists of borrowings (Note 27) less cash (Note 25) and short-term deposits (Note 20) and equity, comprising share capital, additional paid-in capital, other reserves and retained earnings (Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)**

The Group’s management regularly reviews the capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Also to achieve this overall objective, the Group’s capital management, among other things, aims to ensure that it meets financial covenants attached to borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any borrowing in the years ended December 31, 2024 and 2023 (*Note 27*).

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023 (restated)
Borrowings	3,967,401	3,757,094
less: cash, cash equivalents and short-term bank deposits	2,730,267	2,047,885
Net debt	1,237,134	1,709,109
Equity	11,924,284	10,396,614
Capital and net debt	13,161,418	12,105,823

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)****Fair values of financial instruments**

The carrying amount of the Group financial instruments as at December 31, 2024 and 2023 are reasonable approximation of their fair value, except for the financial instruments disclosed below:

<i>In millions of tenge</i>	December 31, 2024					December 31, 2023				
	Carrying amount	Fair value	Fair value by level of assessment			Carrying amount	Fair value	Fair value by level of assessment		
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Bonds receivable from Samruk-Kazyna	32,479	27,650	–	27,650	–	20,963	16,797	–	16,797	–
NB RK notes	38,329	38,329	–	38,329	–	43,708	43,708	–	43,708	–
Loans and receivables due from related parties at fair value through profit and loss	93,743	93,743	–	–	93,743	99,901	99,901	–	–	99,901
Loans given to related parties at amortized cost	34,445	36,700	–	21,838	14,862	48,299	48,502	–	–	48,502
Fixed interest rate borrowings	3,396,818	3,238,502	2,406,715	831,787	–	3,253,754	3,051,997	2,452,370	599,627	–
Floating interest rate borrowings	570,583	570,656	–	570,656	–	503,340	503,340	–	503,340	–

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)****Fair values of financial instruments (continued)**

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

	Valuation technique	Significant unobservable inputs	Range as of December 31,	
			2024	2023
Loans given to related parties at amortized cost	Discounted cash flow method	Interest and discount rate	12.20-17.90%	7.30-18.5%
Financial guarantee issued			7.6%	7.8%

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 the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

Commodity price risk

The Group generates most of its revenue from the sale of commodities, primarily crude oil and oil products. Historically, the prices of these products have been volatile and have fluctuated widely in response to changes in supply and demand, market uncertainty, the performance of the global or regional economies and cyclicalities in industries. Prices may also be affected by the Government actions, including the imposition of tariffs and import duties, speculative trades, an increase in capacity or oversupply of the Group’s products in its main markets. These external factors and the volatility of the commodity markets make it difficult to estimate future prices. A substantial or extended decline in commodity prices would materially and adversely affect the Group’s business and the consolidated financial results and cash flows of operations. The Group mainly does not hedge its exposure to the risk of fluctuations in the price of its products.

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. 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 the Republic 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 the authorities in respect of taxes for five calendar years preceding the year of review.

Management believes that as at December 31, 2024 its interpretation of the relevant legislation is appropriate and that it is probable that the Group’s tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

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 law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Group’s position, which could result in additional taxes, fines and interest. As at December 31, 2024 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group’s positions with regard to transfer pricing will be sustained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Comprehensive tax audit at oil refineries of the Group**

All three major oil refineries in the Group, Atyrau refinery, Pavlodar refinery and PKOP were subject to a comprehensive tax audit covering periods of a few years (up to 2020) in 2020-2022. As a result of the audits, the total amount of additional charges for VAT for 37,728 million tenge, for income tax for 17,830 million tenge, for other taxes for 476 million tenge, including penalties for all additional charges of 8,959 million tenge and reduction in tax carry-forward losses for 119,871 million tenge.

Atyrau refinery, Pavlodar refinery and PKOP did not agree with the assessment and appealed to the Ministry of Finance of RK. The refineries' appeals are under consideration by the Ministry of Finance of the RK.

PKOP partially appealed one of the notifications regarding the amount of additional taxes and penalties for 3,694 million tenge. However, on February 15, 2024, the Civil Chamber of the Supreme Court canceled the decision in favor of PKOP made on November 15, 2021 by the Civil Chamber of the Shymkent City Court.

During 2024, PKOP took measures to appeal the decision of the Judicial Collegium for Civil Cases of the Supreme Court to the Prosecutor General's Office of the Republic of Kazakhstan. However, due to the lack of procedural opportunity, consideration of the petitions was refused. Accordingly, PKOP recognized a provision and paid tax and fine in the amount of 3,694 million tenge. However, the Group continues to work to appeal the decision.

The potential amount of additional value added tax (VAT) assessments for the period from 2020 to 2024 is calculated by applying the VAT rate of 12% to the amount of excise tax reimbursed by the toller, excluding potential fines and penalties as stipulated in accordance with the Administrative Code of the Republic of Kazakhstan.

The excise tax amount is determined by applying the excise tax rate per ton, established by Government Resolution of the Republic of Kazakhstan (hereinafter referred to as "GRRK") No. 173 dated April 6, 2018 (as amended by GRRK No. 841 dated November 25, 2021, and GRRK No. 155 dated March 24, 2022) to the volume of petroleum products (gasoline and diesel fuel) transferred to tollers annually. The total volume of petroleum products transferred to tollers from 2020 to 2024 amounted to 28,788 thousand tons, including 14,352 thousand tons of gasoline and 14,436 thousand tons of diesel fuel. Additionally, from January 1, 2022, to April 4, 2022 (before the amendments introduced by GRRK No. 155 dated March 24, 2022, took effect on April 5, 2022), the volume of transferred petroleum products amounted to 978 thousand tons of gasoline and 1,030 thousand tons of diesel fuel.

Legal issues and claims**The civil litigation at KMGI**

Faber Invest & Trade Inc. (further Faber), the non-controlling shareholder of KMGI subsidiaries, resumed several previous civil filings in 2020, one of which challenged the increase in the Rompetrol Rafinare Constanta, the KMGI subsidiary, share capital in 2003-2005. The hearings have been held periodically. As of December 31, 2024, all Faber claims were dismissed and the case was closed.

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

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

On May 23, 2024, the court dismissed the appeal filed by OEBS, and obliged OEBS to pay 10.1 million U.S. dollars. OEBS approached NAMR and the Romanian fiscal authorities with a proposal to gradually pay the amount until 2026. As a result, OEBS was authorized to make the payment as follows: 30% of the liabilities will be paid by NAMR, while 70% will be paid in accordance with the debt Restructuring Plan with the Romanian tax authorities.

As of December 31, 2024, OEBS paid 30% directly to NAMR the remaining 70% was included in the restructuring plan and will be paid until 2026. The Group also reclassified the previously recognized provision into other financial liabilities (*Note 29 and 30*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Competition investigation in Moldova**

Since the beginning of 2021, Rompetrol Moldova (further RPM), a subsidiary of KMG operating in Moldova, is involved in an investigation and related court proceedings initiated by the Competition Council of Moldova (further CCM) alleging RPM agreed with other industry players on retail prices for petroleum products. RPM is challenging the competition report prepared by the CCM investigation division that forms the basis for the allegations in accordance with applicable regulations. A few attempts to dismiss the said report were unsuccessful with the latest ruling rejecting RPM's request to dismiss the report issued by the local court on May 26, 2022. RPM has filed an appeal and a first hearing is scheduled for March 21, 2023. In 2022, the Group recognized a provision in the amount of 12 million dollars (equivalent to 5,552 million tenge). During 2023, RPM filed in an appeal and the first hearing was scheduled for October 4, 2023, however, the court rejected the appeal. The second appeal was filed in on January 24, 2024. The first hearing was scheduled for October 16, 2024. However, on July 3, 2024, the SCM announced that RPM was found guilty. On August 1, 2024, RPM filed an appeal against the fine and requested a deferment of payment pending the resolution of the underlying case. On August 26, 2024, the court issued a decision suspending payment of the fine pending the resolution of the litigation. The CCM filed in an appeal and on December 9, 2024 the Court rejected the appeal of CCM regarding the suspension of payment until a final court decision on this dispute.

The case of arbitration between KazRosGas LLP, a joint venture of the company, (further KRG) and Karachaganak Petroleum Operating B.V. (further KPO)

On August 23, 2022, the Secretariat of the International Chamber of Commerce in Paris submitted to KRG a Notice of Initiation of Arbitration Proceedings by KPO, which is the operator under the Final Production Sharing Agreement for the contract area of the Karachaganak oil and gas condensate field dated January 27, 1997, with amendments and additions (further FPSA). KPO intends to increase the gas sale price under the existing Karachaganak Gas Purchase and Sale Agreement. If the gas price is agreed later than October 1, 2022, KRG and KPO shall recalculate the gas price for the period from October 1, 2022 to the date of the price agreement.

In October 2022, a working group was established to develop a negotiating position of the Kazakh side on the peaceful settlement of the dispute over the arbitration process between the KRG and KPO, chaired by the First Vice Minister of Energy of RK. The working group also includes representatives of the Ministry of Energy of RK, JSC "NC "QazaqGaz", KMG and KRG.

In August 2023, the Tribunal approved the Procedural Timetable for the Arbitration (further Arbitration Timetable), according to which the final hearing is scheduled for the week of November 18, 2024, and the deadline for the Tribunal to make decision is until the end of March 2025.

In January 2024, a meeting was held between the Ministry of Energy of the Republic of Kazakhstan, KPO, KMG and the KRG to peacefully resolve the dispute. From 18 to 22 November 2024, an evidentiary hearing of the Tribunal was held, at which the parties and experts presented their final positions on the merits of the dispute to the Tribunal, and barristers, together with the Tribunal, cross-examined the experts. On 1 January 2025, legal representatives of both Parties notified the Tribunal and the Secretariat of the conclusion of an agreement on the settlement of the dispute and the termination of the arbitration proceedings. As a result, the price formula remains the same.

The case of an administrative offense of the Pavlodar refinery initiated by the Department of Agency for protection and development of competition of RK (hereafter – Antimonopoly agency) of the Pavlodar region

In 2022 the Prosecutor's Office of the Pavlodar region together with the Antimonopoly agency conducted an inspection of the Pavlodar refinery operations for compliance with the legislation of the RK in the field of oil and petroleum products turnover, labor, tax and antimonopoly legislation for 2020-2021. On March 16, 2022 Antimonopoly agency issued the Conclusion which stated that Pavlodar refinery set monopolistically high tariff for oil refining services. On July 25, 2022, Antimonopoly agency of the Pavlodar region initiated an administrative offence and issued a Protocol to the Specialized Court for Administrative Offenses of Pavlodar city for setting by the Pavlodar refinery monopolistically high tariff for oil refining services in 2021 and to confiscate revenue for 2021 of 21,961 million tenge and impose fine of 6,226 million tenge.

On June 9, 2023, Specialized Court for Administrative Offenses of Pavlodar city issued a resolution to terminate administrative proceedings. On June 30, 2023, Decree on the consumption of administrative proceedings and the cancellation of the protocol entered into legal force. As a result, as at December 31, 2023, administrative proceedings were closed, and Pavlodar refinery reversed a provision accrued in 2022 in the amount of 28,187 million tenge and recognized in other operating income (*Note 29*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Environmental issues**

In 2021, a new Environmental Code came into force, which increases the responsibility of industrial enterprises for environmental pollution, and also provides for the introduction of a waste management hierarchy and the construction of waste energy recycling plants. According to the Environmental Code, facilities belonging to category I after the cessation of operation of facilities that have a negative impact on the environment must eliminate the consequences of the operation of such facilities and provide the authorized body in the field of environmental protection with financial security for obligations related to the elimination of the consequences of the activity within three years, starting July 1, 2029. In accordance with the Environmental Code of the Republic of Kazakhstan, the Company has legal obligations to dismantle and liquidate fixed assets and restore land plots. As of December 31, 2024, the carrying amount of the reserve for the largest oil refineries of the Group: Atyrau and Pavlodar Refineries amounted to 41,778 million tenge (as of December 31, 2023: 39,271 million tenge) (*Note 29*), which is equal to the present value of future cash outflows associated with the dismantling of the plant and land reclamation. For tax purposes, the Company did not take into an account these expected expenses as part of deferred taxes, since it does not expect taxable profit after the liquidation of assets.

Environmental audits

The Department Ecology of the Atyrau Region of the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan conducted an inspection of the land facilities of the North Caspian Operating Company N.V., which is the operator under the Production Sharing Agreement for the North Caspian Sea (further Operator). Based on the results of the inspection, an order was issued to the Operator to eliminate violations, including regarding the excessive placement of sulfur in the amount of 1,020 thousand tons. The Operator did not agree with the inspection results and filed an administrative claim to dispute the given order. On June 14, 2023, the Specialized Inter-District Administrative Court of the city of Astana ruled in favor of the Operator regarding the placement of sulphur. On February 27, 2024, the Judicial Panel for Administrative Cases of the Court the city of Astana annulled this decision. The dispute is now pending before the Supreme Court of the Republic of Kazakhstan. Should the Operator be held accountable as per the administrative ruling, the fine amount will be determined in line with the Administrative Code of the Republic of Kazakhstan. As at December 31, 2024, the Group did not recognize provisions for this case.

Cost recovery audits

KMG Kashagan B.V. has a share of 16.88% in the North Caspian Production Sharing Agreement dated November 18, 1997, as amended (further PSA).

KMG Karachaganak LLP, subsidiary of the Company, has a share of 10% in the Final Production Sharing Agreement in respect of the contract area of the Karachaganak oil and gas condensate field dated January 27, 1997, as amended (further FPSA).

Under the base principles of the PSA and FPSA, the RK transferred to the participants of these agreements (further Contractors) the exclusive rights to conduct activities in the subsurface areas, but did not transfer neither ownership rights, nor lease rights to these areas. Thus, all extracted and processed oil (i.e. the hydrocarbons produced) are the property of the RK.

Subsoil use operations are carried out on the basis of reimbursement of certain expenditures and the RK reimburses such expenditures to Contractors not in cash but in the form of the portion of oil production, thereby allowing Contractors to recover their expenditures (further Recoverable Costs) and earn profit.

PSA and FPSA provides for a procedure of expense reimbursement and determine the list of expenses that are not Recoverable Costs.

PSA LLP conducts audits of Recoverable Costs as an organization authorized to act on behalf of the RK within the framework of the PSA and FPSA (further the Authorized Body).

The RK and the Contractors under the PSA and FPSA (except for KMG Kashagan B.V. and KMG Karachaganak LLP) have a number of disputes concerning the application of certain PSA and FPSA provisions, which have been referred to arbitration under the PSA and FPSA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)****Kazakhstan local market obligation**

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

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such supplies will take precedence over market sales and will generate substantially less revenue (not less than cost of production) than crude oil sold on the export market, which may materially and adversely affect the Group’s business, prospects, consolidated financial position and performance.

In 2024, in accordance with its obligations, the Group delivered to the Kazakhstan market 8,146 thousand tons of crude oil, including its share in the joint ventures and associates in the total volume of 2,880 thousand tons (2023: 7,541 thousand tons, including its share in the joint ventures and associates of 2,560 thousand tons).

Commitments under subsoil use contracts

As at December 31, 2024, the Group had the following commitment (net of VAT) related to minimal working program in accordance with terms of licenses, production sharing agreements and subsoil use contracts, signed with the Government, including its share in joint ventures and associate:

<i>In millions of tenge</i>	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenses, including joint ventures and associates	Operational expenses of joint ventures and associates
Year				
2025	360,885	33,962	83,986	57,911
2026	229,843	14,581	52,601	12,821
2027	144,476	10,771	19,501	13,309
2028	152,571	10,794	19,958	13,946
2029-2049	175,134	9,334	42,089	14,544
Total	1,062,909	79,442	218,135	112,531

As at December 31, 2023 commitments (net of VAT) under subsoil use contracts included:

<i>In millions of tenge</i>	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenses, including joint ventures and associates	Operational expenses of joint ventures and associates
Year				
2024	342,291	25,633	76,014	69,296
2025	262,118	7,690	22,549	11,650
2026	285,609	10,933	20,392	12,330
2027	352,313	6,344	18,876	13,026
2028-2048	340,207	7,316	41,345	13,568
Total	1,582,538	57,916	179,176	119,870

Oil supply commitments

As of December 31, 2024, KMG Kashagan B.V. had commitments under the oil supply agreements in the total amount of 2.4 million tons (December 31, 2023: 3.0 million tons). The monetary equivalent is determined based on the market prices at the moment of realization.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)****Other contractual commitments**

As at December 31, 2024, the Group, had other capital commitments related to acquisition and construction of long-term assets of approximately 136,221 million tenge, net of VAT, including its share in joint ventures commitments of 17,862 (as at December 31, 2023: 166,049 million tenge, net of VAT, including its share in joint ventures commitments of 15,465 million tenge).

As at December 31, 2024, the Group had commitments in the total amount of 58,483 million tenge (as at December 31, 2023: 93,919 million tenge) under the investment programs approved by the joint order of Ministry of Energy of RK and *Committee on Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy of RK* to facilitate production units.

Non-financial guarantees

As of December 31, 2024 and 2023, the Group has outstanding performance guarantees issued in favour of third parties whereas it provides guarantee should its joint venture or associate fail to perform their obligations under the natural gas purchase-sale, transportation and other agreements.

As of December 31, 2024 and 2023, the management of the Group believes that there were no expected cases of non-performance from the guaranteed parties and, accordingly, no obligations related to the above stated non-financial contingencies were recognized.

36. SEGMENT REPORTING

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

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

Disaggregation of revenue by types of goods and services is presented in *Note 7* to the consolidated financial statements.

As at December 31, 2024 and 2023 disaggregated revenue mainly represents sales and services made to the external parties by the following operating segments:

	December 31, 2024					
	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Total
<i>In millions of tenge</i>						
Sales of crude oil and gas	767,376	–	3,927,847	–	–	4,695,223
Sales of refined products	4,999	–	1,805,243	871,374	16,196	2,697,812
Refining of oil and oil products	–	–	258,530	–	–	258,530
Oil transportation services	–	237,475	1,595	1,466	192	240,728
Other revenue	26,573	55,342	164,607	1,845	189,601	437,968
Total	798,948	292,817	6,157,822	874,685	205,989	8,330,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**36. SEGMENT REPORTING (continued)**

<i>In millions of tenge</i>	December 31, 2023					Total
	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	
Sales of crude oil and gas	887,301	–	3,740,824	–	–	4,628,125
Sales of refined products	4,948	–	2,008,452	823,828	11,693	2,848,921
Refining of oil and oil products	–	–	248,058	–	–	248,058
Oil transportation services	–	218,890	1,892	5,172	188	226,142
Other revenue	17,519	48,112	145,168	1,668	155,830	368,297
Total	909,768	267,002	6,144,394	830,668	167,711	8,319,543

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

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

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

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

Geographic information

The Group’s property, plant and equipment (*Note 16*) are located in the following countries:

<i>In millions of tenge</i>	2024	2023 (restated)
Kazakhstan	7,155,527	6,617,819
Other countries	678,633	553,423
	7,834,160	7,171,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. SEGMENT REPORTING (continued)

The following represents information about profit and loss for 2024 and assets and liabilities as at December 31, 2024 of operating segments of the Group:

<i>In millions of tenge</i>	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
Revenues from sales to external customers	798,948	292,817	6,157,822	874,685	205,989	-	8,330,261
Revenues from sales to other segments	1,687,114	156,087	197,018	104,826	186,154	(2,331,199)	-
Total revenue	2,486,062	448,904	6,354,840	979,511	392,143	(2,331,199)	8,330,261
Cost of purchased oil, gas, petroleum products and other materials	(53,766)	(20,815)	(5,447,383)	(553,840)	(63,400)	1,792,193	(4,347,011)
Production expenses	(639,251)	(254,754)	(387,897)	(236,265)	(299,386)	418,949	(1,398,604)
Taxes other than income tax	(397,851)	(21,315)	(33,173)	(128,808)	(11,837)	-	(592,984)
Transportation and selling expenses	(210,806)	(19,094)	(108,751)	(13,041)	-	83,868	(267,824)
General and administrative expenses	(52,639)	(17,651)	(61,045)	(113,171)	(27,673)	18,031	(254,148)
Share in profit of joint ventures and associates, net	359,311	104,204	55,150	-	12,565	-	531,230
EBITDA	1,491,060	219,479	371,741	(65,614)	2,412	(18,158)	2,000,920
EBITDA, %	74%	11%	19%	(3%)	-	(1%)	
Depreciation, depletion and amortization	(453,254)	(44,489)	(130,315)	(3,346)	(11,262)	-	(642,666)
Interest revenue calculated using the effective interest method	27,165	11,553	40,522	208,689	14,247	(117,784)	184,392
Other finance income	2,451	1,088	225	113,374	6,152	-	123,290
Finance costs	(45,579)	(19,788)	(109,221)	(237,334)	(12,421)	78,247	(346,096)
(Impairment)/reversal of impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses	(57,100)	(2,475)	(4,064)	(40,678)	11,609	22,975	(69,733)
Gain from disposal of subsidiary	-	-	-	16,410	-	-	16,410
Foreign exchange gain, net	20,602	1,799	2,922	160,363	651	(878)	185,459
Excepted credit losses	(16,787)	(782)	3,210	(458)	(260)	6,761	(8,316)
Other operating income	11,431	5,350	4,451	26,492	7,993	(3,340)	52,377
Other expenses	37,483	(2,079)	(3,884)	(6,017)	(12,404)	(51,802)	(38,703)
Income tax expenses	(220,400)	(9,426)	(38,129)	(90,576)	(4,556)	-	(363,087)
Profit/(loss) for the year from continuing operations	797,072	160,230	137,458	81,305	2,161	(83,979)	1,094,247
Other segment information							
Investments in joint ventures and associates	4,503,070	582,045	134,681	-	158,717	-	5,378,513
Capital expenditures	433,140	63,777	154,161	32,512	32,651	-	716,241
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non- financial assets	(30,523)	(7,554)	(54,589)	(31,966)	(10,170)	-	(134,802)
Assets of the segment	11,643,803	1,550,949	3,238,703	2,254,912	601,821	(355,541)	18,934,647
Liabilities of the segment	1,967,848	362,981	1,814,519	5,747,682	220,781	(3,103,448)	7,010,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**36. SEGMENT REPORTING (continued)**

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

<i>In millions of tenge</i>	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
Revenues from sales to external customers	909,768	267,002	6,144,394	830,668	167,711	–	8,319,543
Revenues from sales to other segments	1,415,539	165,242	180,601	81,526	145,221	(1,988,129)	–
Total revenue*	2,325,307	432,244	6,324,995	912,194	312,932	(1,988,129)	8,319,543
Cost of purchased oil, gas, petroleum products and other materials*	(47,394)	(19,317)	(5,434,056)	(544,457)	(44,900)	1,468,243	(4,621,881)
Production expenses	(534,569)	(252,477)	(394,240)	(212,249)	(245,707)	419,520	(1,219,722)
Taxes other than income tax	(424,909)	(19,181)	(17,571)	(122,151)	(10,268)	–	(594,080)
Transportation and selling expenses	(191,482)	(10,514)	(99,054)	(10,505)	(2)	66,032	(245,525)
General and administrative expenses	(40,731)	(16,826)	(53,752)	(44,229)	(25,109)	14,750	(165,897)
Share in profit of joint ventures and associates, net	356,257	85,161	70,926	–	21,833	–	534,177
EBITDA*	1,442,479	199,090	397,248	(21,397)	8,779	(19,584)	2,006,615
EBITDA, %*	72%	10%	20%	(1%)	–	(1%)	
Depreciation, depletion and amortization*	(414,098)	(39,611)	(132,820)	(3,549)	(9,465)	–	(599,543)
Interest revenue calculated using the effective interest method	16,764	10,528	37,772	114,743	14,105	(54,463)	139,449
Other finance income	121	172	316	5,180	2,062	(519)	7,332
Finance costs	(28,732)	(8,773)	(113,789)	(190,867)	(9,227)	29,758	(321,630)
Impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses	(107,725)	(1,658)	(97,854)	(40,337)	(566)	–	(248,140)
Gain from disposal of subsidiary	–	–	–	186,225	–	–	186,225
Foreign exchange gain, net	(6,842)	643	47,910	(17,396)	(135)	1,042	25,222
Excepted credit losses	(2,403)	(627)	(2,171)	(8,061)	(141)	1,529	(11,874)
Other operating income	5,334	2,341	37,567	5,277	13,417	(8,558)	55,378
Other expenses	(5,001)	(2,219)	(11,564)	(12,068)	(12,031)	319	(42,564)
Income tax expenses*	(154,329)	(9,307)	(36,967)	(67,780)	(1,409)	–	(269,792)
Profit/(loss) for the year from continuing operations*	745,568	150,579	125,648	(50,030)	5,389	(50,476)	926,678
Other segment information							
Investments in joint ventures and associates	4,056,464	536,576	129,442	–	98,945	–	4,821,427
Capital expenditures*	389,846	193,008	153,989	44,097	22,597	–	803,537
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	(14,486)	(7,365)	(49,875)	(35,150)	(11,337)	–	(118,213)
Assets of the segment*	11,573,073	1,475,597	3,091,573	1,857,357	430,184	(1,486,683)	16,941,101
Liabilities of the segment*	1,626,832	370,240	1,844,550	4,546,456	137,282	(1,980,873)	6,544,487

* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. SUBSEQUENT EVENTS

On February 17, 2025, the civilian industrial facility of the international Caspian Pipeline Consortium, the Kropotkinskaya oil pumping station, was attacked by unmanned aerial vehicles of the aircraft type. As a result of the attack, the facility was damaged and decommissioned. As at the date of this report oil is pumped from the Republic of Kazakhstan without any restrictions.

Annex No.2
to the resolution on item No.1
of the agenda of the
Annual General Meeting of
Shareholders of NC KazMunayGas JSC
dated “29” May 2025
(Minutes No.2/2025)

Approved
by the Minutes of the Annual General
Meeting of Shareholders of
NC KazMunayGas JSC
dated 29 May 2025 No.2/2025

“National Company “KazMunayGas” JSC

Separate financial statements

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

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SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

<i>In millions of tenge</i>	Note	For the years ended December 31,	
		2024	2023 (restated)*
Revenue from contracts with customers	8	960,184	898,847
Cost of sales	9	(890,892)	(855,680)
Gross profit		69,292	43,167
General and administrative expenses	10	(117,255)	(48,651)
Transportation and selling expenses	11	(20,362)	(18,914)
Loss on impairment of investments in subsidiaries	16	(90,120)	(40,343)
Loss on impairment and disposal of exploration and evaluation assets	15	(40,678)	(40,512)
Interest revenue calculated using the effective interest method	12	211,922	95,468
Other finance income	12	110,140	24,456
Finance costs	12	(237,334)	(190,867)
Share in profit and loss of subsidiaries	13	573,311	584,830
Share in profit and loss of joint ventures and associates	14	476,649	491,011
Gain on sale of subsidiary, net	5	16,410	186,225
Loss on sale of joint venture, net	17	(1,928)	(90)
Gain on sale of investment property, net	19	9,369	-
Foreign exchange (loss)/gain, net		(198,484)	28,757
Expected credit losses		(901)	(8,344)
Other income		19,637	5,447
Other expenses		(6,537)	(12,335)
Profit before income tax		773,131	1,099,305
Income tax expense	25	(63,021)	(34,404)
Profit for the year		710,110	1,064,901

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	For the years ended December 31	
		2024	2023 (restated)*
Other comprehensive income/(loss)			
<i>Other comprehensive income/(loss) for the year to be reclassified to profit or loss in subsequent periods</i>			
Hedging effect of subsidiaries		(1,463)	849
Exchange differences on translation of foreign operations	16, 17	1,351,686	(216,378)
Tax effect	25	(90,711)	11,101
Other comprehensive income/(loss) for the year to be reclassified to profit or loss in subsequent periods, net of tax		1,259,512	(204,428)
<i>Other comprehensive income/(loss) for the year not to be reclassified to profit or loss in subsequent periods</i>			
Share in income of subsidiaries from revaluation of actuarial liabilities on defined benefit plans		749	331
Share in loss of subsidiary and joint venture from fair value adjustments to the carrying amount of equity instruments, classified as financial assets at fair value through other comprehensive income	16, 17	-	(3,182)
Share in actuarial gain on defined benefit plans of subsidiaries, net of tax		157	643
Tax effect		1	(321)
Net other comprehensive income/(loss) for the year not to be reclassified to profit or loss in subsequent periods, net of tax		907	(2,529)
Net other comprehensive income/(loss) for the year, net of tax		1,260,419	(206,957)
Total comprehensive income for the year, net of tax		1,970,529	857,944
Earnings per share** – tenge thousands			
Basic and diluted		1.164	1.745

* Certain numbers shown here do not correspond to the separate financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 3.

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

Deputy Chairman of the Management Board

D.A. Arysova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

<i>In millions of tenge</i>	Note	As at December 31	
		2024	2023
Assets			
Non-current assets			
Exploration and evaluation assets	15	19,219	12,596
Property, plant and equipment		19,665	21,875
Investment property	19	14,339	22,123
Intangible assets		5,959	13,866
Investments in subsidiaries	16	10,942,615	11,388,887
Investments in joint ventures and associates	17	4,821,728	4,342,921
Other non-current non-financial assets	19	100	9,126
Loans due from related parties	26	420,237	332,411
Other non-current financial assets	19	38,212	13,860
Long-term bank deposits	18	309	504
Deferred tax asset	25	8,371	18,958
		16,290,754	16,177,127
Current assets			
Inventories		17,803	24,475
Trade accounts receivables	19	72,639	92,114
VAT receivable		5,673	3,318
Income tax prepaid		244	740
Other current non-financial assets	19	18,612	17,555
Loans due from related parties	26	156,749	128,732
Dividends receivable from subsidiaries and joint ventures	26	13,752	24,202
Other current financial assets	19	22,376	19,061
Short-term bank deposits	18	1,117,141	511,126
Cash and cash equivalents	20	303,511	596,546
		1,728,500	1,417,869
Total assets		18,019,254	17,594,996

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

<i>In millions of tenge</i>	Note	As at December 31	
		2024	2023
Equity			
Share capital	21	916,541	916,541
Additional paid-in capital		1,136	1,136
Other capital reserves		(7,828)	(7,272)
Foreign currency translation reserve		5,658,015	4,397,040
Fair value reserve of financial assets at fair value through other comprehensive income		9,504	9,504
Retained earnings		7,271,589	7,156,774
Total equity		13,848,957	12,473,723
Non-current liabilities			
Borrowings and bonds	22	3,276,442	3,053,528
Provisions	21	–	17,925
Other non-current financial liabilities	15	25,418	–
Deferred tax liabilities	25	634,849	571,920
		3,936,709	3,643,373
Current liabilities			
Trade accounts payable	24	36,655	55,516
Borrowings and bonds	22	50,509	1,173,718
Loan commitment	26	68,693	102,204
Financial guarantee obligations	23	22,969	13,340
Income tax payable		399	751
Other current financial liabilities	24	29,391	111,452
Other current non-financial liabilities	24	24,972	20,919
		233,588	1,477,900
Total equity and liabilities		18,019,254	17,594,996

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

<i>In millions of tenge</i>	Note	For the years ended December 31	
		2024	2023
Cash flows from operating activities			
Receipts from customers		1,090,564	992,610
Dividend received from subsidiaries, joint ventures and associates	16, 17	708,241	708,425
Interest received on loans due from related parties		6,426	10,569
Interest received on bank deposits		61,721	48,184
Payments to suppliers of goods and services		(1,109,186)	(976,935)
Salary and other related payments to employees		(9,757)	(8,434)
Interest paid	22	(191,817)	(172,358)
Sponsorship	10	(10,504)	(10)
Income tax paid		(2,002)	(2,114)
Other taxes and payments to the budget		(24,483)	(24,555)
Other receipts/(payments)		9,263	(11,340)
Net cash flows from operating activities		528,466	564,042
Cash flows from investing activities			
Placement of bank deposits		(1,565,819)	(797,194)
Withdrawal of bank deposits		1,085,068	991,458
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		(30,604)	(56,298)
Acquisition of subsidiary	6, 7	(1,520)	(164,349)
Acquisition of joint venture		(2,279)	-
Contributions to share capital of subsidiaries and joint ventures	16, 17	(146,183)	(75,949)
Loans given to related parties		(167,527)	(436,544)
Proceeds from sale of exploration and evaluation assets		90	196
Proceeds from loans due from related parties		97,649	125,164
Proceeds from sale of investments in subsidiaries and share in joint venture	5, 17	21,184	94,644
Cash withdrawal from share capital	16	484,329	522,403
Acquisition of notes of the National Bank of RK and Eurasian development bank	26	(51,000)	(265,047)
Redeem of notes of the National Bank of RK and Eurasian development bank	26	51,000	335,047
Net cash flows (used in)/from investing activities		(225,612)	273,531

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Note	For the years ended December 31	
		2024	2023
Cash flows from financing activities			
Proceeds from borrowings and bonds	22	28,072	152,106
Redemption of bonds	22	(358,284)	(227,520)
Dividends paid	21	(300,002)	(300,002)
Proceeds from the repo agreements		(22,074)	-
Redemption of the repo agreements		22,074	-
Other operations	21	(6,652)	(8,962)
Other payments		(72)	(109)
Net cash flows used in financing activities		(636,938)	(384,487)
Effects of exchange rate changes on cash and cash equivalents		41,062	(3,318)
Change in allowance for expected credit losses		(13)	(9)
Net (decrease)/increase in cash and cash equivalents		(293,035)	449,759
Cash and cash equivalents, at the beginning of the year		596,546	146,787
Cash and cash equivalents, at the end of the year		303,511	596,546

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

<i>In millions of tenge</i>	Share capital	Additional paid-in capital	Other capital reserves	Currency translation reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Total
At January 1, 2023	916,541	1,136	(8,774)	4,602,317	12,686	6,379,096	11,903,002
Net income for the year	-	-	-	-	-	1,064,901	1,064,901
Other comprehensive loss	-	-	1,502	(205,277)	(3,182)	-	(206,957)
Total comprehensive income	-	-	1,502	(205,277)	(3,182)	1,064,901	857,944
Dividends (<i>Note 21</i>)	-	-	-	-	-	(300,002)	(300,002)
Transactions with Samruk-Kazyna (<i>Note 21</i>)	-	-	-	-	-	30,824	30,824
Other operations (<i>Note 21</i>)	-	-	-	-	-	(18,045)	(18,045)
At December 31, 2023	916,541	1,136	(7,272)	4,397,040	9,504	7,156,774	12,473,723

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY (continued)

<i>In millions of tenge</i>	Share capital	Additional paid-in capital	Other capital reserves	Currency translation reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Total
At January 1, 2024	916,541	1,136	(7,272)	4,397,040	9,504	7,156,774	12,473,723
Net income for the year	-	-	-	-	-	710,110	710,110
Other comprehensive income	-	-	(556)	1,260,975	-	-	1,260,419
Total comprehensive income	-	-	(556)	1,260,975	-	710,110	1,970,529
Dividends (Note 21)	-	-	-	-	-	(300,002)	(300,002)
Transactions with Samruk-Kazyna (Notes 21, 22)	-	-	-	-	-	(293,288)	(293,288)
Other operations (Note 21)	-	-	-	-	-	(2,005)	(2,005)
At December 31, 2024	916,541	1,136	(7,828)	5,658,015	9,504	7,271,589	13,848,957

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS**For the year ended December 31, 2024**

1. GENERAL

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

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

On August 7, 2015, the National Bank of RK (further NB of RK) purchased 9.58% plus one share of the Company from Samruk-Kazyna. From December 8, 2022, 3.00% of shares of the Company are freely available on the Astana International Exchange and the Kazakhstan Stock Exchange (further KASE) stock exchanges.

On December 22, 2023, 20.00% of the Company’s shares owned by Samruk-Kazyna were transferred to the Ministry of Finance of the RK.

As at December 31, 2024, the Company has interest in 64 operating companies (as of December 31, 2023: 61).

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

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

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

These separate financial statements of the Company were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on March 26, 2025.

These separate financial statements of the Company have been issued in addition to the consolidated financial statements of the Company and its subsidiaries for the same reporting period. The consolidated financial statements of the Company were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on March 5, 2025. The consolidated financial statements can be obtained on the Company’s official website or in the Company’s office.

2. BASIS OF PREPARATION

These separate financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the Notes to these separate financial statements. All values in these separate financial statements are rounded to the nearest millions, except when otherwise indicated.

Statement of compliance

These separate financial statements of the Company have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standards Board.

The preparation of the separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policy. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these separate financial statements are disclosed in *Note 4*.

In course of preparation of these separate financial statements the Company’s management considered the current international economic and geopolitical environment in the world, considering the presence of a number of uncertainties. The separate financial statements were prepared on a going concern basis.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)**Going concern principle**

These separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

Foreign currency translation*Functional and presentation currency*

These separate financial statements are presented in Kazakhstan tenge, which is the Company’s functional and presentation currency.

Transactions and balances

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

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.

Exchange rates

Weighted average currency exchange rates established by KASE are used as official currency exchange rates in the RK.

The currency exchange rate of KASE as at December 31, 2024 was 525.11 tenge to 1 US dollar. This rate was used to translate monetary assets and liabilities denominated in United States dollars (US dollar) as at December 31, 2024 (December 31, 2023: 454.56 tenge to 1 US dollar). The currency exchange rate of KASE as at March 26, 2025 was 501.81 tenge to 1 US dollar. For the year ended December 31, 2024, the Company had a net foreign exchange loss of 198,484 million tenge due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION**Changes in accounting policies and disclosures****New and amended standards and interpretations**

The accounting policies adopted in the preparation of the separate financial statements are consistent with those followed in the preparation of the Company’s annual separate financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024.

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

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the separate financial statements of the Company.

The Company presented only the list of standards effective and applicable for the Company.

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Changes in accounting policies and disclosures (continued)****New and amended standards and interpretations (continued)***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 recognize 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.

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. The Company disclosed its compliance with covenants regarding long-term obligations in *Note 22*.

Standards issued but not yet effective

There are new pronouncements issued as at 31 December 2024:

- *Lack of exchangeability* – Amendments to IAS 21 (issued in August 2023);
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued in April 2024);
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued in May 2024);
- *Contracts Referencing Nature-dependent Electricity* – Amendments to IFRS 9 and IFRS 7 (issued in December 2024);
- Annual Improvements Volume 11 (issued in July 2024);
- *Amendments to the Classification and Measurement of Financial Instruments* – Amendments to IFRS 9 and IFRS 7 (issued in May 2024).

The amendments are not expected to have a material impact on the Company’s separate financial statements, except for IFRS 18 *Presentation and Disclosure in Financial Statements*. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Amended standards the Company applied the exception to recognizing and disclosing information in 2023***International Tax Reform – Pillar II Model Rules - Amendments to IAS 12 Income Taxes*

The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar II rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar II model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar II income taxes arising from that legislation, particularly before its effective date.

The Company is part of Samruk-Kazyna Group that is a multinational enterprise with revenue in excess of 750 million Euro per consolidated financial statements of the international group for the financial year, immediately preceding the reporting financial year, using the arithmetic average market exchange rate determined in accordance with the tax legislation of the RK for the respective financial year.

Samruk-Kazyna is a parent entity of the international group. Entities of the multinational enterprise are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), entering into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

The Company has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes in 2023.

In 2024, the Company, based on operational financial information for 2024, assessed the preliminary potential impact associated with the implementation of the Pillar II Model Rules at the legislative level.

Based on the results of its assessment, the Company has identified that preliminary potential income tax risk on profits determined under the Pillar II model rules and earned by certain companies with above-mentioned jurisdictions. The preliminary potential effect of Pillar II on Company is not material. The Company continues to progress on the assessment.

Business combinations*Acquisition of subsidiaries from parties under common control*

Acquisitions of subsidiaries from parties under common control are accounted for using the pooling of interest method.

The assets and liabilities of the subsidiary transferred under common control are recorded in the separate financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. Any difference between the total book value of net assets and the consideration paid is accounted for in the separate financial statements as an adjustment to equity.

Acquisition of joint ventures and associates from parties under common control

Acquisition of joint ventures and associates from parties under common control are accounted for using the pooling of interest method.

The Company’s share in the assets and liabilities of the joint ventures and associates transferred under common control is recorded in the separate financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. The difference between the Company’s share in the total book value of net assets and the consideration paid is accounted for in the separate financial statements as an adjustment to equity.

Segment reporting

Operating segments at the consolidated level are determined based on the type of the produced goods and services provided in different markets. For management purposes, the Company has three main operating segments: “Exploration and production of oil and gas”, “Oil transportation”, and “Refining and trading of crude oil and refined products”. The Management Board is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment disclosures are presented in *Note 36* to the consolidated financial statements for the year ended December 31, 2024 in accordance with IFRS 8.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Investments in subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in a subsidiary, a joint venture or an associate is initially recognized at cost.

The separate statement of comprehensive income reflects the Company’s share of the financial results of a subsidiary, a joint venture or an associate. Changes in other comprehensive income of such investment objects are included in other comprehensive income of the Company. In addition, when there has been a change directly recognized in the equity of the subsidiary, joint venture or associate, the Company recognizes its share of any changes, when applicable, in the separate statement of changes in equity.

The financial statements of subsidiaries, joint ventures and associates are prepared for the same reporting period as the separate financial statements of the Company. If necessary, adjustments are made to bring the accounting policy of subsidiaries, joint ventures and associates in compliance with the accounting policy of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in a subsidiary, a joint venture or an associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary, joint venture or associate is impaired. If there is such evidence, the Company calculates the amount of the impairment as the difference between the recoverable amount of the subsidiary, joint venture or associate and its carrying value, and then recognizes that amount in a separate statement of comprehensive income.

In accordance with IFRS 3 and IFRS 10, upon loss of control over the subsidiary, joint control over the joint venture or significant influence over the associate, the Company measures and recognizes any retained investments at its fair value. Any difference between the carrying amount of the investment in the subsidiary, joint venture or associate upon loss of control, joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss in the period when loss of control occurs.

Donated assets to subsidiaries, joint ventures and associated, as investments, are initially recognized at fair value.

Oil and natural gas exploration and development expenditures*The costs incurred before obtaining subsoil use right (licenses)*

Costs incurred before obtaining full subsoil use rights (licenses) are expensed in the period in which they are incurred. Costs incurred after signing preliminary agreements with the Government, are capitalised.

Subsoil use rights acquisition costs

Subsoil use rights acquisition costs are capitalised and classified as intangible assets. Each property under exploration and evaluation is reviewed on an annual basis to confirm that drilling activity is planned, and it is not impaired. If no future activity is planned, the current amount of the exploration subsoil use right and related property acquisition costs is written off. Upon determination of economically recoverable reserves (‘proved reserves’ or ‘commercial reserves’) and internal approval of development, the carrying amount of the subsoil use right and related property acquisition costs held on a field-by-field basis is aggregated with exploration and evaluation assets and transferred to oil and gas exploration assets as development costs.

Exploration and evaluation costs

Once the legal right to explore has been acquired, geological and geophysical exploration costs and costs directly associated with exploration and appraisal wells are capitalised as exploration and evaluation intangible or tangible assets, according to the nature of the costs, until the drilling of the well is complete, and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If no expected reserves are found, the exploration and evaluation asset is tested for impairment. If extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, are likely to be developed commercially; the costs continue to be carried as an intangible or tangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbon reserves.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration and development expenditures (continued)

Exploration and evaluation costs (continued)

All such carried costs are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the field. When this is no longer the case, the assets are written off.

When proved reserves of hydrocarbons are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas development assets after impairment is assessed and any resulting impairment loss is recognized.

When this is no longer the case, and the Company decides to relinquish the contract territory to the Government and terminate the subsoil use contract, the assets are written off.

Development costs

Costs of construction, installation or completion of infrastructure facilities such as platforms, pipelines and drilling of producing wells, including non-producing development wells or delineation wells, are capitalised within oil and gas development assets.

Borrowing costs

As the future economic benefits from exploration and evaluation assets are not probable, the Company does not capitalise borrowing costs into the cost of exploration and evaluation assets.

Intangible assets

Intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets include expenditure on acquiring subsoil use rights for oil and natural gas exploration, evaluation and development, computer software. Intangible assets acquired are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Intangible assets are amortized on a straight-line basis over the expected remaining useful life. The expected useful lives of the assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively. Computer software costs and licenses have an estimated useful life of 3 to 7 years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Property, plant and equipment

Property, plant and equipment are initially recognized at cost less accumulated depreciation, depletion and impairment.

The initial cost of an asset comprises its purchase price or construction cost, borrowing cost for long-term construction or development project, if recognition criteria is met, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligation, if there is any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciated on a straight-line basis over the expected remaining useful average lives as follows:

Buildings and improvements	2-100 years
Machinery and equipment	3-30 years
Other	2-20 years
Land	Not depreciated

Derecognition of previously recognized property, plant and equipment or their significant component occurs when they are disposed of or if no economic benefits are expected in the future from the use or disposal of these assets. Income or expense arising from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the profit and loss for the reporting year in which the asset was derecognized.

The residual value, useful life and depreciation methods for fixed assets are analysed at the end of each annual reporting period and, if necessary, adjusted on a prospective basis.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Investment properties**

Investment property is initially measured at cost. Transaction costs shall be included in the initial cost.

After initial recognition, investment property is accounted for in accordance with the cost model.

The calculation of depreciation and provision for impairment of investment property is similar to the calculation as for property, plant and equipment.

The Company transfers a property to or from a category of investment property if and only if there is a change in the nature of its use. Examples of evidence of a change in usage patterns include the following:

- When the Company commences the use of the property previously leased out under operating leases or property held for unidentified use for its own purposes – for cases when investment property is transferred to property occupied by the owner;
- When the Company commences the redevelopment of property with a review for subsequent sale – for cases when investment property is transferred to the property inventory;
- When operating lease contract has been signed with a lessee – for cases when the assets is transferred from the property occupied by owner to the investment property category.

The transfer of assets in the categories of “investment property”, “property occupied by the owner” and “property inventory” does not lead to a change in the book value of assets.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible oil and gas assets or whenever facts and circumstances indicate impairment of those assets.

One or more of the following facts and circumstances indicate that the Company should test exploration and evaluation assets for impairment (the list is not exhaustive):

- The period for which the Company has the right to explore and evaluate in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on the further exploration for and evaluation of hydrocarbon resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of hydrocarbon resources in the specific area have not led to the discovery of commercially viable quantities of hydrocarbon resources and the Company has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial assets (continued)***Initial recognition and measurement (continued)*

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are ‘solely payments of principal and interest 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 cashflows, 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

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

The Company does not have financial assets at fair value through other comprehensive income.

Derecognition

A financial asset is primarily derecognized (removed from the separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- 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.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss.

Expected credit losses 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, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). 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 expected credit losses).

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

The Company considers a financial asset in default when contractual payments 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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Inventories**

Inventories are stated at the lower of cost and net realisable value on a first-in first-out (FIFO) basis. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the cost of production, including the appropriate proportion of depreciation, depletion and amortization and overheads based on normal capacity.

Net realisable value of crude oil and refined products is based on estimated selling price in the ordinary course of business less any costs expected to be incurred to complete the sale.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash on demand deposits, other short-term highly liquid investments with original maturities of three months or less.

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, financial guarantee contracts, or as derivatives financial instruments.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Trade and other payables

After initial recognition trade and other payables are recognized at amortized cost using the effective interest rate. Gain and losses from such financial liabilities are recognized in profit or loss on derecognition and as depreciation is charged using the effective interest rate.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the separate statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on initial recognition and fee or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in finance costs in the separate statement of comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount initially recognized less cumulative amortization recognized in the profit or loss, and the expected credit losses provision.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial liabilities (continued)***Derecognition of financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss within the separate statement of comprehensive income in profit or loss.

Provisions

Provisions are recognized 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. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Revenue recognition

Revenues are recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset, which usually occurs when the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured. Specifically, domestic sales of petroleum products are usually recognized when title passes. For export sales, title generally passes at the border. Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts, volume rebates and reimbursable taxes.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Expense recognition

Expenses are recognized as incurred and are reported in the separate financial statements in the period to which they relate on an accrual basis.

Interest and similar income and expenses

For all financial instruments measured at amortized, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts 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 financial liability. Interest income is included in finance income and interest expense is included in finance costs in the separate statement of comprehensive income.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Income taxes**

Income tax for the year comprises current income tax, alternative subsoil use tax and deferred tax. Current income tax assets and liabilities for the current and prior periods 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 by the reporting date. Current income tax (further CIT) relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Alternative subsoil use tax (further ASUT) is treated as an income tax and forms part of income tax expense. In accordance with the applicable tax legislation, the Company accrues and pays ASUT in respect of each subsoil use contract, at varying rates based on the ratio of aggregate annual income to deductions for the year for a particular subsoil use contract. The ratio of aggregate annual income to deductions in each tax year triggering the application of ASUT is 1.25:1. ASUT rates are applied to the part of the taxable income (taxable income for ASUT and allowable adjustments) related to each subsoil use contract.

Deferred tax is calculated with respect to both CIT and ASUT. Deferred ASUT is calculated on temporary differences for assets allocated to subsoil use contracts at the expected rate of ASUT to be paid under the contract.

Deferred income 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.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Information on dividends are disclosed when they are declared after the reporting date but before the separate financial statements are authorized for issue.

Presentation of information

The separate statement of comprehensive income has been restated to present Interest revenue calculated using the effective interest method separately from finance income and, Expected credit losses separately from General and administrative expenses, Finance income and Finance costs. The Company believes that this separation allows for the presentation of information that is more relevant to users of the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company’s separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and assets, at the reporting date. 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.

Taxation

In assessing tax risks, management considers as probable obligations the known areas of non-compliance with tax legislation, which the Company cannot appeal or does not believe it could successfully appeal, if additional taxes are charged by tax authorities. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments in terms of taxation of Company’s subsoil use contracts, the determination of expected outcomes from pending tax proceedings and the outcome of ongoing compliance audits by tax authorities.

Deferred tax assets

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable profit will be available against which deferred tax assets may be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at December 31, 2024 unrecognized deferred tax assets amounted to 580,952 million tenge (2023: 531,927 million tenge) (Note 25).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Fair value of financial instruments**

Where the fair value of financial assets and financial liabilities recorded in the separate statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the separate financial statements. Detailed information is disclosed in *Note 27*.

Recoverability of investments in subsidiaries, joint ventures and associates

The Company assesses, at each reporting date, whether there is an indication that investments in subsidiaries, joint ventures and associates may be impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices, discount rates, future capital requirements, operating performance (including production and sales volumes) that are subject to risk and uncertainty. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered to be impaired and is written down to its recoverable amount.

In assessing recoverable amount the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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.

As at December 31, 2024 and 2023 the Company performed its annual impairment tests of investments in subsidiaries, joint ventures and associates due to existence of impairment indicators. As a result of the impairment analysis of the recoverable amount of investments in subsidiaries, joint ventures and associates impairment charges were recognized in the separate financial statements for the year ended December 31, 2024 and 2023 (*Notes 16, 17*).

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested by the Company for impairment when reclassified to development tangible and intangible oil and gas assets or whenever facts and circumstances indicate impairment of these assets. Impairment loss is recognized at the amount by which the current amount of exploration and evaluation assets exceeds its recoverable amount. The recoverable amount is determined as the greater of: fair value of exploration and evaluation assets less selling costs and value in use.

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

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

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

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

The investment retained in the former subsidiary is accounted as an investment in joint venture accounted for using the equity method and its' initial fair value equalled 8,255 million tenge at the date of loss of control (*Note 17*).

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

5. LOSS OF CONTROL (continued)

Karaton Operating Ltd. (further Karaton) (continued)

At the date of loss of control, the carrying value of the investment was:

In millions of tenge

Carrying value of investment at the date of loss of control	100
Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture	8,255
Gain from disposal of subsidiary	16,410

Liquidation of KazMunayGas Exploration and Production JSC (further KMG EP)

In August-September 2024, in connection with the completion of the voluntary liquidation procedure, KMG EP, a subsidiary of the Company, distributed the assets among the shareholders of the Company. As a result, the Company became the legal successor of net assets liquidated by KMG EP with total value of 2,570,085 million tenge (*Note 16*), which is equal to their carrying value based on Predecessor’s accounting books. The main net assets transferred are:

- 100% share of OzenMunayGas JSC (further OMG) and 100% share of EmbaMunayGas JSC (further EMG) valued at 792,548 million tenge and 312,009 million tenge, respectively. Assets were recognized as investments in the Company's subsidiaries (*Note 16*);
- 87.65% interest in Cooperatieve KMG EP U.A. valued at 208,942 million tenge and 95.10% interest in KMG EP NETHERLANDS ENERGY Cooperatieve U.A. valued at 15,237. Assets were recognized as investments in the Company's subsidiaries (*Note 16*);
- 6.12% interest in KazMunayGas-Service LLP (further KMGS), a subsidiary of the Company, valued at 164 million tenge. As a result of the liquidation of KMG EP, the Company's ownership interest in KMGS amounted to 100% (*Note 16*);
- The right of claim under the loan agreement issued to the Company in the amount of 1,147,602 million tenge (*Note 22*) and the right of claim for accounts receivable from the Company in the amount of 86,724 million tenge (*Note 24*). As the result, the Company offset the debts and derecognized mentioned financial instruments.

KALAMKAS-KHAZAR OPERATING LLP (further KKO)

On February 9, 2023, the Company and Lukoil PJSC signed a purchase and sale agreement for a 50% share of KKO, a subsidiary of the Company, holder of a contract for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea. On September 11, 2023, KKO was re-registered after the parties fulfilled the suspensive conditions of a purchase and sale agreement. As a result of the transaction, the Company lost control over KKO.

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (further the Additional consideration). The Company recognized this Additional consideration as a financial asset measured at fair value through profit or loss. As at December 31, 2024, the fair value of this Additional consideration was 33 million US dollars (equivalent to 17,461 million tenge), that was recognized within other non-current financial assets (December 31, 2023: 30 million US dollars (equivalent to 13,860 million tenge) (*Notes 19, 27*).

On September 21, 2023, Lukoil PJSC made payment of cash consideration in the amount of 200 million US dollars (equivalent to 94,644 million tenge at the date of payment).

The investment retained in the former subsidiary is an investment to a joint venture accounted for using the equity method and its fair value at the date of loss of control is 93,258 million tenge.

In millions of tenge

Carrying value of investments at the date of loss of control	14,445
Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary	14,154
Fair value of 50% retained interest in a joint venture (<i>Note 17</i>)	93,258
Gain from disposal of subsidiary	186,225

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)**6. BUSINESS COMBINATION*****Acquisition Dunga Operating GmbH (further Dunga)***

On October 9, 2023 the Company signed a purchase agreement with TOTALENERGIES EP DENMARK A/S for the acquisition of a 100% of the shares of Total E&P Dunga GmbH (renamed to Dunga in December 2023), engaged in the exploration and production of crude oil and natural gas in Dunga field. The base consideration comprises of 358.5 million US dollars (equivalent to 165,913 million tenge). The agreement contains certain closing conditions precedent, which were met on October 30, 2023 and on November 20, 2023, the transaction was completed after the re-registration of shares to the Company. The Company has obtained control over Dunga, a subsidiary, increasing the Company share in the hydrocarbon resource base and production of the crude oil and natural gas on the RK market.

Since as of December 31, 2023, the initial accounting for the business combination was not completed and the Company assessed the fair value of the net identifiable assets and liabilities of Dunga at provisional amounts being the fair value of the consideration given of 358.5 million US dollars (equivalent to 165,913 million tenge) in accordance with IFRS 3 *Business Combinations*.

As of December 31, 2024, the Company completed the valuation of the fair value of the net identifiable assets and liabilities of Dunga at the date of acquisition.

The fair value of the net identifiable assets and liabilities of Dunga at the date of acquisition was 156,099 million tenge, which is lower than the provisional value by 9,814 million tenge.

The fair values of the identifiable assets and liabilities of Dunga as at the date of acquisition are as presented below:

<i>In millions of tenge</i>	At the date of acquisition
Assets	
Non-current assets	
Property, plant and equipment	181,462
Intangible assets	5,481
Long-term bank deposits	5,413
Other non-current assets	3,132
Current assets	
Inventories	6,387
Trade accounts receivable	5,870
Income tax prepaid	2,284
Other current non-financial assets	5,601
Other current financial assets	55
Cash and cash equivalents	8,288
Total assets	223,973
Non-current liabilities	
Provisions	4,346
Deferred tax liabilities	48,752
Other non-current financial liabilities	447
Current liabilities	
Trade accounts payable	8,802
Other current financial liabilities	5,527
Total liabilities	67,874
Total identifiable net assets at preliminary fair value	156,099
Company's share in net assets	156,099
Goodwill arising on acquisition	9,814
Investment value at the date of acquisition of control	165,913

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

7. ACQUISITION UNDER COMMON CONTROL

Acquisition of subsidiaries under common control

Polimer Production LLP (further Polimer)

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

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

8. REVENUE FROM CONTRACTS WITH CUSTOMERS

<i>In millions of tenge</i>	2024	2023
Sales of refined products on domestic markets	858,788	795,043
Sales of refined products on export	100,843	103,235
Freight forwarding fee	553	569
Total revenue from contracts with customers	960,184	898,847
Geographical markets		
RK	859,341	795,612
Other countries	100,843	103,235
Total revenue from contracts with customers	960,184	898,847
Revenue recognition		
Goods are transferred at a point in time	959,631	898,278
Services are rendered over a period of time	553	569
Total revenue from contracts with customers	960,184	898,847

For the year ended December 31, 2024 revenue from major customers of refined products PetroRetail LLP, VITOL S.A., Sinooil LLP, Helios LLP and KTZ-Freight transportation LLP amounted to 147,213 million tenge, 99,243 million tenge, 98,799 million tenge, 83,328 million tenge and 79,959 million tenge, respectively (2023: revenue from major customers of refined products PetroRetail LLP, Sinooil LLP, Helios LLP, VITOL S.A. and KTZ-Freight transportation LLP amounted to 172,652 million tenge, 100,469 million tenge, 96,071 million tenge, 94,898 million tenge and 94,813 million tenge, respectively).

9. COST OF SALES

<i>In millions of tenge</i>	2024	2023
Crude oil	549,052	539,902
Operational works and services	216,938	198,903
Excise taxes	120,114	112,320
Fuel additive	4,788	4,555
	890,892	855,680

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

10. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	2024	2023
Trust management services	53,276	553
Professional services	11,900	10,409
Payroll and other employee costs	11,222	10,370
Sponsorship	10,504	10
Outsources and outstaffing services	6,653	5,572
Repair and maintenance	4,000	1,643
Depreciation and amortization	3,155	3,282
Information and reference assistance services	2,514	1,651
Communication services	1,440	1,316
Taxes other than income tax	1,373	1,423
Business trip expenses	803	959
Transportation services	605	497
VAT non-recoverable	172	4,922
Other	9,638	6,044
	117,255	48,651

In 2024, the Company recognized remuneration to NC QazaqGaz JSC, a subsidiary of Samruk-Kazyna, for the services of trust management of a 50% interest in KazRosGas LLP (further KRG), a joint venture, in the amount of 53,276 million tenge as trust management expenses in this separate financial statement (*Note 26*).

In 2024, the Company provided sponsorship to flood-affected regions of RK in the amount of 10,000 million tenge.

11. TRANSPORTATION AND SELLING EXPENSES

<i>In millions of tenge</i>	2024	2023
Transportation	12,656	9,412
Export customs duty	7,315	8,404
Other	391	1,098
	20,362	18,914

12. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COSTS

Interest revenue calculated using the effective interest method

<i>In millions of tenge</i>	2024	2023
Interest income on loans and bonds due from related parties (<i>Note 26</i>)	78,643	49,287
Recognition of a change in the fair value of a financial instrument due to its modification (<i>Notes 21, 26</i>)	59,769	–
Interest income on bank deposits	70,958	46,181
Interest income on bank deposits from related parties (<i>Note 26</i>)	1,325	–
Interest income on non-current accounts receivable due from related parties (<i>Note 26</i>)	1,227	–
	211,922	95,468

Other finance income

<i>In millions of tenge</i>	2024	2023
Derecognition of loans due from related parties (<i>Note 26</i>)	49,649	–
Derecognition of loan (<i>Note 22</i>)	48,442	4,377
Amortization of financial guarantee (<i>Note 23</i>)	8,114	19,796
Other	3,935	283
	110,140	24,456

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

12. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COSTS (continued)

Finance costs

<i>In millions of tenge</i>	2024	2023
Interest expenses on loans and bonds received from third parties (Note 22)	147,918	152,748
Interest expenses on loans and bonds received from related parties (Notes 22, 26)	71,876	37,833
Interest expenses on long-term receivable from related parties (Notes 19, 26)	8,741	–
Effect of initial recognition of loan due from related party (Note 26)	6,402	–
Interest expenses on long-term payable to related parties (Note 26)	2,296	–
Total interest expenses	237,233	190,581
Other	101	286
Total finance costs	237,334	190,867

13. SHARE IN PROFIT AND LOSS OF SUBSIDIARIES

<i>In millions of tenge</i>	2024	2023
Cooperatieve KazMunaiGaz U.A.	354,944	324,133
KazTransOil JSC (KTO)	58,583	62,557
KMG EP	57,855	37,233
OOO KazMunayTeniz LLP (KMT)	45,959	–
Atyrau Refinery LLP (Atyrau Refinery)	31,920	91,339
EMG	31,436	–
KMG Karachaganak LLP (KMG Karachaganak)	27,889	45,036
Pavlodar oil chemistry refinery LLP (Pavlodar Refinery)	18,789	48,404
Dunga	16,596	(16)
KMG International N.V. (KMG I)	11,526	(51,659)
Kazmortransflot LLP (KMTF)	9,967	9,051
KazakhTurkMunay LLP (KTM)	7,404	3,670
Ken-Kurylys-Service LLP (KKS)	5,876	676
KMG EP NETHERLANDS ENERGY Cooperatieve U.A.	4,627	–
KMG-Aero LLP (KMG-Aero)	3,542	4,916
OMG	(62,873)	–
Cooperatieve KMG EP U.A.	(27,127)	–
OzenMunayService LLP (OMS)	(10,811)	(2,974)
Kazakh Gaz Processing Plant LLP (KazGPP)	(4,096)	(4,048)
KMG Systems & Services LLP (KMG SS)	(1,423)	1,792
TH KazMunaiGaz N.V. (TH N.V.)	(100)	17,212
Others	(7,172)	(2,492)
	573,311	584,830

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

14. SHARE IN PROFIT AND LOSS OF JOINT VENTURES AND ASSOCIATES

<i>In millions of tenge</i>	2024	2023
Joint ventures		
Tengizchevroil LLP (TCO)	303,480	340,884
KC Energy Group LLP (KCEG)	27,288	–
PETROSUN LLP (PETROSUN)	26,238	46,568
JV Kazgermunai LLP (KGM)	25,336	20,983
KRG	19,157	32,323
Kazakhoil Aktobe LLP (KOA)	5,986	(1,869)
Kazakhstan Pipeline Ventures LLC (KPV)	4,099	4,503
KKO	(5,240)	–
Kazakhstan Petrochemical Industries Inc. LLP (KPI)	(5,210)	(12,339)
TenizService LLP (TenizService)	(1,742)	116
Others	1,357	(316)
Associates		
Caspian Pipeline Consortium (CPC)	74,649	58,930
Others	1,251	1,228
	476,649	491,011

15. EXPLORATION AND EVALUATION ASSETS

<i>In millions of tenge</i>	Total
Net book value at December 31, 2022	25,284
Additions	42,602
Disposals	(14,953)
Impairment	(40,337)
Net book value at December 31, 2023	12,596
Additions	47,381
Disposals	(80)
Impairment	(40,678)
Net book value at December 31, 2024	19,219

As at December 31, 2024 and 2023 the net book value of the exploration and evaluation assets are represented by the following projects:

<i>In millions of tenge</i>	2024	2023
Project “Turgai Paleozoic”	14,604	3,767
Project “Becturly Vostochny”	4,615	3,437
Project “Abay”	–	5,392
	19,219	12,596

In 2024, the Company acquired from KMT 50% interest in the rights and obligations under the Production Sharing Agreement (further PSA) on the “Kurmangazy” structure located in the Caspian Sea, concluded on July 6, 2005 (further “Kurmangazy” project).

The acquisition cost was 47,972 million tenge with deferred payment by the end of 2029. The Company recognized the “Kurmangazy” project at the present value of future cash payments in the amount of 22,974 million tenge and the corresponding accounts payable was reflected as part of other long-term financial liabilities.

According to the terms of the PSA, the first exploration period was completed on July 31, 2011. Currently, the Company is working on obtaining an additional exploration period of 6 years with the possibility of further extension for 4 years and an increase in the contract territory. Accordingly, for the year ended December 31, 2024, the Company recognized an impairment loss on the “Kurmangazy” project in the amount of 22,974 million tenge.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

15. EXPLORATION AND EVALUATION ASSETS (continued)

In 2024, the Company recognized an impairment loss of exploration and evaluation assets on “Abay” project in the amount of 17,703 million tenge due to the lack of evidence of hydrocarbons in the well.

In 2023, the Company recognized an impairment loss of exploration and evaluation assets on “Zhenis” project in the amount of 40,244 million tenge due to the obtained drilling results that there were no hydrocarbons in the well. The Company recognized impairment loss as part of exploration and evaluation expenses.

In 2023, the Company entered into a contract with the Ministry of Energy of the RK for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea (further Contract), under which paid the signature bonus in the amount of 14,678 million tenge (Note 16). In April 2023, the Company transferred 100% of the subsoil use rights under the Contract, including the signature bonus, to KKO for 1 tenge.

16. INVESTMENTS IN SUBSIDIARIES

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

<i>In millions of tenge</i>	December 31 2024	December 31 2023
Cooperatieve KazMunaiGaz U.A.	6,641,271	6,220,632
KMG Karachaganak	824,596	730,488
OMG	729,672	-
KTO	603,976	561,555
Atyrau Refinery	377,467	344,316
EMG	343,445	-
Pavlodar Refinery	334,259	320,617
KMGI	290,444	260,187
Dunga	198,030	163,539
Cooperatieve KMG EP U.A.	187,306	-
KMTF	71,572	64,195
TH N.V.	63,916	67,444
KMG PetroChem LLP (KMG PetroChem)	62,602	31,572
KMG Green Energy LLP (KMG Green Energy)	49,257	30,137
KTM	42,633	35,229
KazGPP	28,121	12,243
KMG Engineering LLP (KMG Engineering)	27,438	18,095
KMG EP NETHERLANDS ENERGY Cooperatieve U.A.	21,770	-
KMG-Aero	11,342	11,799
KKS	10,282	4,646
KMG SS	7,899	11,621
KMG Kumkol LLP (KMG Kumkol)	7,474	7,454
KMG Security LLP (KMG Security)	3,412	3,687
Water Production and Transport Department LLP (WPTD)	2,499	2,661
OMS	1,337	5,626
Polimer	595	1,521
KMG EP	-	2,479,523
Karaton	-	100
	10,942,615	11,388,887

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

16. INVESTMENTS IN SUBSIDIARIES (continued)

The following table demonstrates activities, country of registration or location of subsidiaries of the Company as at December 31, 2024 and 2023 as well as share of the Company in these subsidiaries:

Company	Type of activity	Country	2024	2023
KMG EP (Note 5)	Oil and gas exploration and production	Kazakhstan	–	99.72%
KMT	Oil and gas exploration and production	Kazakhstan	99.81%	99.81%
Urikhtau Operating LLP (Urikhtau Operating)	Oil and gas exploration and production	Kazakhstan	100.00%	100.00%
KMG Karachaganak	Oil and gas exploration and production	Kazakhstan	100.00%	100.00%
KTM	Oil and gas exploration and production	Kazakhstan	100.00%	100.00%
Karaton (Note 5)	Oil and gas exploration and production	Kazakhstan	–	100.00%
Dunga (Note 6)	Exploration and production of crude oil and natural gas	Germany	100.00%	100.00%
OMG (Note 5)	Production of crude oil, associated and natural gas, except methane	Kazakhstan	100.00%	–
EMG (Note 5)	Production of crude oil, associated and natural gas, except methane	Kazakhstan	100.00%	–
KazGPP	Oil and natural gas production	Kazakhstan	100.00%	100.00%
Ayrau Refinery	Refining of oil	Kazakhstan	99.53%	99.53%
Pavlodar Refinery	Refining of oil	Kazakhstan	100.00%	100.00%
KMGI	Refining and sale of refined products	Romania	100.00%	100.00%
TH N.V.	Sale of oil and oil products	Netherlands	100.00%	100.00%
KMG-Aero	Sale of aviation fuel and related refined products	Kazakhstan	100.00%	100.00%
KTO	Oil transportation	Kazakhstan	90.00%	90.00%
KMTF	Marine transportation of oil and other cargo	Kazakhstan	100.00%	100.00%
KMG Barlau LLP (KMG Barlau)	Conducting geological exploration and surveys	Kazakhstan	100.00%	100.00%
Kurmangazy Petroleum LLP	Operator on subsoil use operations	Kazakhstan	100.00%	100.00%
Zhambyl Petroleum LLP	Operator on subsoil use operations	Kazakhstan	100.00%	100.00%
KMG Engineering	Scientific and research works	Kazakhstan	100.00%	100.00%
Cooperatieve KazMunaiGaz U.A.	Holding company	Netherlands	99.74%	99.79%
KMG Green Energy	Holding company	Kazakhstan	100.00%	100.00%
KMG EP NETHERLANDS ENERGY Cooperatieve U.A. (Note 5)	Holding company	Netherlands	95.10%	–
Cooperatieve KMG EP U.A. (Note 5)	Holding company	Netherlands	88.70%	–
KMG SS	Leasing of Northern Caspian Environmental Response to Oil Spill Base	Kazakhstan	100.00%	100.00%
KMGs (Note 5)	Services	Kazakhstan	100.00%	93.88%
Oil Construction Company LLP (OCC)	Oil services	Kazakhstan	100.00%	100.00%
Oil Service Company LLP (OSC)	Oil services	Kazakhstan	100.00%	100.00%
Oil Transport Corporation LLP (OTC)	Oil services	Kazakhstan	100.00%	100.00%
Mangystauenergomunai LLP	Oil services	Kazakhstan	100.00%	100.00%
Munaitелеком LLP	Oil services	Kazakhstan	100.00%	100.00%
KMG – Security	Security services	Kazakhstan	100.00%	100.00%
KMG Drilling & Services LLP (KMG DS)	Drilling services	Kazakhstan	99.72%	99.71%
KMG-Kumkol	Shared Services Center for information technology services	Kazakhstan	100.00%	100.00%
OMS	Maintenance and workover of wells	Kazakhstan	100.00%	100.00%
WPTD	Production and transportation of water	Kazakhstan	100.00%	100.00%
KKS	Construction of oil and gas trunk pipelines	Kazakhstan	100.00%	100.00%
KMG EP-Catering LLP	Services	Kazakhstan	100.00%	100.00%
KMG PetroChem	Construction of the first integrated gas chemical complex	Kazakhstan	100.00%	100.00%
Polimer (Note 7)	Production and sale of petrochemical polymer products	Kazakhstan	100.00%	100.00%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

16. INVESTMENTS IN SUBSIDIARIES (continued)

The following table demonstrates movements of investment in subsidiaries in 2024 and 2023:

<i>In millions of tenge</i>	2024	2023
At January 1	11,388,887	11,134,077
Share in profits of subsidiaries, net (Note 13)	573,311	584,830
Dividends received	(86,418)	(106,510)
Change in dividends receivable	(10,030)	(3,781)
Acquisitions (Notes 6, 7)	-	167,433
Acquisitions as a result of liquidation of KMG EP (Note 5)	1,328,900	-
Additional contributions to share capital by cash	103,485	65,529
Additional contribution to share capital by property	8,774	-
Transfer of the subsoil use rights (Note 15)	-	14,778
Cash withdrawal from share capital	(484,329)	(522,403)
Guarantee issued (Note 23)	17,005	1,716
Disposals (Note 5)	(100)	(14,438)
Liquidation of KMG EP (Note 5)	(2,570,085)	-
Discount on financial aid and loans given to subsidiaries	35,527	250,277
Acquisition as a result of liquidation of KMG EP (Note 5)	1,081,462	-
Impairment, net	(90,120)	(40,343)
Distributions to Samruk-Kazyna (Note 21)	(16)	(120)
Foreign currency translation	728,380	(141,103)
Other changes	(556)	(1,055)
At December 31	10,942,615	11,388,887

Accumulated unrecognized losses of subsidiaries as at December 31, 2024, amounted to 240,011 million tenge (December 31, 2023: 237,698 million tenge).

In 2024, unrecognized losses were mainly presented by losses of subsidiaries OSC, OTC, KMG DS and Urikhtau Operating in the amount of 62,254 million tenge, 59,610 million tenge, 44,145 million tenge and 33,694 million tenge, respectively (2023: OSC, OTC, KMG DS and Urikhtau Operating in the amount of 58,571 million tenge, 57,494 million tenge, 52,461 million tenge and 20,021 million tenge, respectively).

Dividends

In 2024, the Company received dividends in the total amount of 86,418 million tenge, including from KMG Karachaganak, KTO and KMTF for 45,257 million tenge, 22,501 million tenge and 7,360 million tenge, respectively (2023: in the total amount of 106,510 million tenge, including from KMG Karachaganak, KTO, Pavlodar Refinery and KMG I for 65,323 million tenge, 13,501 million tenge, 10,000 million tenge and 8,936 million tenge, respectively).

As at December 31, 2024, changes in dividends receivable are mainly represented by receivable from KMG I in the amount of 9,624 million tenge and positive exchange rate difference in the amount of 406 million tenge (December 31, 2023: receivable from KTM in the amount of 3,250 million tenge and positive exchange rate difference in the amount of 531 million).

Contributions to share capital of subsidiaries by cash

In 2024, the Company made additional contributions in cash to the share capital of subsidiaries in the total amount of 103,485 million tenge, including KMG PetroChem, KMG Green Energy, KMG Barlau, OSC, OMS, KMG DS and KazGPP for 32,524 million tenge, 19,082 million tenge, 15,250 million tenge, 12,903 million tenge, 6,500 million tenge, 4,476 million tenge and 4,265 million tenge, respectively.

In 2023, the Company made additional contributions in cash to the share capital of subsidiaries in the total amount of 65,529 million tenge, including KMG Barlau, KMG Green Energy, OSC, KMTF, KMG PetroChem and KazGPP for 15,954 million tenge, 14,000 million tenge, 7,911 million tenge, 7,050 million tenge, 6,740 million tenge and 4,591 million tenge, respectively.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

16. INVESTMENTS IN SUBSIDIARIES (continued)**Contribution to share capital by property**

In 2024, the Company made additional contribution to the share capital of KMG Engineering by property in the form of the information system ABAI with the carrying value of 8,774 million tenge (the fair value equals the carrying value at the date of contribution).

Withdrawals from share capital

In 2024, Cooperatieve KazMunaiGaz U.A. and TH N.V. returned the share capital in cash in the amount of 1,000 million US dollars (equivalent to 480,590 million tenge) and 7.3 million US dollars (equivalent to 3,739 million tenge), respectively.

In 2023, Cooperatieve KazMunaiGaz U.A. and TH N.V. returned the share capital in cash in the amount of 1,137 million US dollars (equivalent to 520,351 million tenge) and 4.6 million US dollars (equivalent to 2,052 million tenge), respectively.

Guarantees issued

In 2024, the Company has increased investments in KazGPP by recognizing the fair value of the issued guarantee in the amount of 15,718 million tenge to ensure financing obligations for “Construction of a new gas processing plant in Zhanaozen town” project.

In 2024, the Company has increased investments in Atyrau Refinery by recognizing the fair value of the issued guarantee in the amount of 1,287 million tenge to ensure financing obligations for “Tazalyk” project (2023: 443 million tenge).

In 2023, the Company has increased investments in KTO by recognizing the fair value of the issued guarantee in the amount of 1,273 million tenge to ensure obligations of Main Waterline LLP, a 100% subsidiary of KTO.

Discount of financial aid and loans given

In 2024, the Company provided loans to KMG DS, OMG, OTC and Polimer with the interest rate lower than the market rate. Discount in the total amount of 12,228 million tenge, calculated as the difference between the fair value of the bonds and their nominal value, was recognized as increase in the investment in these subsidiaries.

In 2024, the Company recognized additional loan commitments to OMG, Atyrau Refinery, Urikhtau Operating, OTS, KMG DS and Polimer at a discount in the total amount of 23,299 million tenge, calculated as the difference between the fair value of these loans and their nominal value, and recognized it as increase in investments in these subsidiaries (2023: 91,130 million tenge). As at December 31, 2024, the total amount of unused credit limit on loans within the terms of loan agreements concluded with subsidiaries amounted to 181,822 million tenge (2023: 252,325 million tenge). At the same time, as at December 31, 2024, loan commitments recognized at a discount amounted to 68,649 million tenge (2023: 91,130 million tenge).

In 2023, the Company purchased coupon bonds of Main Waterline LLP in the amount of 70,000 million tenge, maturing in 2033 at a rate of 0.50% per annum (Note 26). At the same time, a discount in the total amount of 30,824 million tenge, calculated as the difference between the fair value of the bonds and their nominal value, was recognized as increase in the investment in KTO (*Notes 21, 22 and 26*).

In 2023, the Company provided loans to Atyrau Refinery, OMG, subsidiary of KMG EP, Urikhtau Operating, KMG DS, OSC, KMT and OTC with the interest rate lower than the market rate. Discount in the total amount of 128,323 million tenge was calculated as the difference between the fair value of loans given and their nominal value and recognized as increase in investments in these subsidiaries.

Impairment

In 2024, the Company recognized impairment loss of investments in subsidiaries for the total amount of 90,120 million tenge, including KMT, KMG Barlau, OSC, KMG DS and OTC in the amount of 45,959 million tenge, 15,250 million tenge, 12,903 million tenge, 8,365 million tenge и 7,437 million tenge, respectively.

In 2023, the Company recognized impairment loss of investments in subsidiaries for the total amount of 40,343 million tenge, including KMG Barlau, OSC, Urikhtau Operating, KMG DS and OTC in the amount of 15,954 million tenge, 9,190 million tenge, 8,336 million tenge, 4,068 million tenge and 3,615 million tenge, respectively.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

<i>In millions of tenge</i>	Type of activity	Place of business	December 31			
			2024		2023	
			Carrying value	Percentage ownership*	Carrying value	Percentage ownership*
Joint ventures						
TCO ¹	Oil and gas exploration and production	Kazakhstan	3,987,223	20.00%	3,598,510	20.00%
KKO	Oil and gas development and production	Kazakhstan	88,018	50.00%	93,258	50.00%
KRG	Processing and sale of natural gas and processed products	Kazakhstan	66,539	50.00%	69,479	50.00%
KPV	Oil transportation	Netherlands	50,106	49.90%	44,062	49.90%
Silleno LLP (Silleno)	Production of polyethylene	Kazakhstan	48,647	29.90%	14,597	49.90%
KGM	Oil and gas exploration and production	Kazakhstan	44,264	50.00%	36,506	50.00%
KCEG ²	Sale of liquefied gas and oil products	Kazakhstan	27,749	49.00%	-	-
KOA	Crude oil production and sale	Kazakhstan	24,028	50.00%	18,042	50.00%
PETROSUN ²	Sale of liquefied gas and oil products	Kazakhstan	8,978	49.00%	31,740	49.00%
Karaton	Oil and gas exploration and production	Kazakhstan	8,907	50.00%	-	-
TenizService	Design, construction, facilities and offshore oil operations support	Kazakhstan	6,468	48.99%	8,210	48.99%
Other			5,987		5,853	
Associates						
CPC	Transportation of liquid hydrocarbons	Kazakhstan/ Russia	443,406	19.00%	413,799	19.00%
Other			11,408		8,865	
			4,821,728		4,342,921	

* Under the terms of an agreement providing for joint control the Company may own less than 50% of shares in joint ventures. In this case, all decisions are made unanimously by all parties exercising joint control. Under the terms of an agreement providing for a significant influence, the Company may own less than a 20% interest in associates.

¹ The share of 20% provides the Company the joint control over TCO where decisions about the relevant activities require unanimous consent.

² KCEG was founded under conditions similar to the current activities of PETROSUN with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN will be gradually transferred to KCEG.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following table summarises the movements in the investments in joint ventures and associates in 2024 and 2023:

<i>In millions of tenge</i>	2024	2023
As at January 1	4,342,921	4,523,406
Share in profits, net (<i>Note 14</i>)	476,649	491,011
Dividends received	(621,823)	(601,915)
Acquisitions (<i>Note 5</i>)	8,255	93,258
Change in dividends receivable	(49,114)	(104,761)
Share in loss of joint venture from fair value adjustment to the carrying amount of equity instruments, classified as financial assets at fair value through other comprehensive income	-	(1,588)
Additional contributions by cash without change in ownership	42,698	10,420
Discount of financial aid provided to joint venture	4,472	14,756
Guarantees given (<i>Note 23</i>)	738	2,230
Disposal	(6,374)	(8,621)
Foreign currency translation	623,306	(75,275)
As at December 31	4,821,728	4,342,921

Dividends

In 2024, the Company received dividends in the total amount of 621,823 million tenge, including from TCO, CPC, KRG, PETROSUN and KGM of 389,991 million tenge, 100,989 million tenge, 53,276 million tenge, 49,000 million tenge and 23,389 million tenge, respectively.

In 2023, the Company received dividends in the total amount of 601,915 million tenge, including from TCO, CPC and PETROSUN of 426,893 million tenge, 104,901 million tenge and 39,200 million tenge, respectively.

Contributions in cash without change in ownership

In 2024, the Company made additional contributions in cash to the share capital of joint ventures in the total amount of 42,698 million tenge, including Silleno for 40,945 million tenge.

In 2023, the Company made additional contribution in cash to the share capital of Silleno in the amount of 10,420 million tenge.

Discount of loans given

In 2024, the Company provided loan to KPI with the interest rate lower than the market rate. Discount in the amount of 4,428 million tenge was calculated as the difference between the fair value of loan given and its nominal value and recognized as increase in investments in this joint venture.

As at December 31, 2024, the total amount of unused credit limit on loans within the terms of loan agreements concluded with KPI and Silleno amounted to 152 million tenge (2023: 45,255 million tenge). At the same time, as at December 31, 2024, loan commitments recognized at a discount amounted to 44 million tenge (2023: 11,074 million tenge).

In 2023, the Company provided loans to KPI and Silleno with the interest rate lower than the market rate. Discount in the total amount of 3,682 million tenge was calculated as the difference between the fair value of loans given and their nominal value and recognized as increase in investments in these joint ventures.

Disposal

In 2024, the Company sold to Sinopec Overseas Investment Holding 20% of 49.9% interest in joint venture Silleno with a carrying value of 6,374 million tenge for 4,446 million tenge, by recognizing a loss on disposal of interest in joint venture in the amount of 1,928 million tenge. As a result of transaction, the Company retained its joint control over Silleno.

In 2023, the Company sold its 25% interest in Butadien with a carrying value of 8,621 million tenge to Samruk-Kazyna for a consideration of 8,531 million tenge, which were paid in 2024 (*Note 26*). As a result, the Company lost its joint control over Butadien.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of material joint ventures, based on financial statements of these entities for 2024:

<i>In millions of tenge</i>	TCO	KKO	KRG	KPV	Silleno	KGM	KCEG	KOA	PETROSUN	Karaton	KPI	Teniz-Service
Non-current assets	26,176,361	31,962	19,368	86,392	132,833	83,427	133	30,963	-	6,272	988,585	6,332
Current assets, including	2,664,463	6,307	127,977	6,668	1,918	57,674	176,367	42,928	20,485	4,560	77,935	8,602
<i>Cash and cash equivalents</i>	1,142,568	6,301	75,084	1,315	1,884	45,346	42,673	33,661	18,020	295	50,580	7,270
Non-current liabilities, including	(7,086,258)	(43,328)	(403)	-	-	(18,375)	-	(16,468)	-	(8,130)	(1,092,836)	(736)
<i>Non-current financial liabilities</i>	(3,675,770)	-	-	-	-	-	-	-	-	-	-	-
Current liabilities, including	(1,818,449)	(5,819)	(13,864)	(661)	(5,623)	(34,198)	(119,870)	(9,366)	(2,162)	(1,399)	(197,214)	(998)
<i>Current financial liabilities</i>	(1,050,220)	-	-	-	-	-	-	-	-	-	-	-
Equity	19,936,117	(10,878)	133,078	92,399	129,128	88,528	56,630	48,057	18,323	1,303	(223,530)	13,200
Share of ownership	20.00%	50.00%	50.00%	49.90%	29.90%	50.00%	49.00%	50.00%	49.00%	50.00%	49.50%	48.996%
Equity accounting adjustment	-	-	-	-	10,038	-	-	-	-	8,255	-	-
Recognition of investment	-	93,258	-	-	-	-	-	-	-	-	-	-
Accumulated unrealized share of losses	-	199	-	-	-	-	-	-	-	-	110,647	-
Adjustments	-	-	-	3,999	-	-	-	-	-	-	-	-
Carrying amount of the investments as at December 31, 2024	3,987,223	88,018	66,539	50,106	48,647	44,264	27,749	24,028	8,978	8,907	-	6,468
Revenue	8,358,505	-	255,369	-	-	148,440	791,620	77,345	707,668	-	-	2,077
Depreciation and amortization	(2,615,840)	-	(312)	-	-	(23,042)	-	(8,196)	(17)	-	(4,407)	(438)
Finance income	116,985	139	6,602	114	-	1,066	2,374	5,528	3,179	1,704	188	849
Finance costs	(240,018)	(1,495)	-	(1,459)	-	(1,096)	(1,170)	(2,344)	(2,622)	(383)	(63,802)	(68)
Income tax expense	(669,126)	-	(14,569)	-	-	(25,528)	(13,918)	(2,814)	(13,687)	-	-	-
Profit/(loss) for the year from continuing operations	1,517,402	(10,479)	38,314	8,214	(2,138)	50,672	55,690	11,973	53,547	1,304	(225,649)	(3,556)
Other comprehensive loss	2,693,108	-	20,455	-	-	9,658	-	-	-	-	-	-
Total comprehensive income/(loss)	4,210,510	(10,479)	58,769	8,214	(2,138)	60,330	55,690	11,973	53,547	1,304	(225,649)	(3,556)
Dividends received	389,991	-	53,276	4,203	-	23,389	-	-	49,000	-	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of material joint ventures, based on financial statements of these entities for 2023:

<i>In millions of tenge</i>	TCO	KKO	KRG	KPV	Silleno	KGM	KOA	PETROSUN	KPI	TenizService
Non-current assets	24,831,196	9,192	33,032	74,785	36,284	64,031	41,969	17	1,008,345	8,898
Current assets, including	1,863,832	1,232	148,932	5,503	5,546	52,764	23,956	137,202	55,898	16,907
<i>Cash and cash equivalents</i>	696,871	112	65,122	1,302	5,516	44,840	10,794	6,440	42,279	14,619
Non-current liabilities, including	(7,434,076)	(10,376)	(238)	-	-	(14,966)	(18,608)	-	(920,981)	(545)
<i>Non-current financial liabilities</i>	(4,091,040)	-	-	-	-	-	-	-	-	-
Current liabilities, including	(1,268,404)	(324)	(42,769)	-	(18,222)	(28,817)	(11,234)	(72,443)	(145,571)	(8,504)
<i>Current financial liabilities</i>	-	-	-	-	-	-	-	-	-	-
Equity	17,992,548	(276)	138,957	80,288	23,608	73,012	36,083	64,776	(2,309)	16,756
Share of ownership	20%	50%	50%	49.90%	49.90%	50%	50%	49%	49.50%	48.996%
Equity accounting adjustment	-	-	-	-	2,961	-	-	-	-	-
Recognition of investment	-	93,258	-	-	-	-	-	-	-	-
Accumulated unrealized share of losses	-	138	-	-	(144)	-	-	-	1,143	-
<i>Adjustments</i>	-	-	-	3,999	-	-	-	-	-	-
Carrying amount of the investments as at December 31, 2023	3,598,510	93,258	69,479	44,062	14,597	36,506	18,042	31,740	-	8,210
Revenue	8,796,634	-	260,125	-	-	145,728	80,064	1,336,888	-	13,994
Depreciation and amortization	(2,426,361)	-	(295)	-	-	(20,007)	(10,365)	(14)	(1,295)	(632)
Finance income	86,023	2	2,243	100	-	1,292	851	3,258	188	313
Finance costs	(283,225)	(118)	-	(1,587)	-	(1,667)	(375)	(1,006)	(59,460)	(56)
Income tax expense	(730,465)	-	(13,996)	-	-	(27,450)	(11,617)	(23,812)	-	(3,390)
Profit/(loss) for the year from continuing operations	1,704,419	(44)	64,648	9,025	(992)	41,965	(3,737)	95,034	(24,927)	237
Other comprehensive loss	(325,499)	-	(305)	-	-	(1,729)	-	-	-	-
Total comprehensive income/(loss)	1,378,920	(44)	64,343	9,025	(992)	40,236	(3,737)	95,034	(24,927)	237
Dividends received	426,893	-	553	3,842	-	15,793	7,000	39,200	-	2,303

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of material associate, based on its financial statements for 2024 and 2023:

<i>In millions of tenge</i>	2024	2023
	CPC	CPC
Non-current assets	2,109,714	1,969,703
Current assets	288,618	295,663
Non-current liabilities	(8,147)	(18,722)
Current liabilities	(299,418)	(279,064)
Equity	2,090,767	1,967,580
Share of ownership	19.00%	19.00%
Adjustments	46,160	39,959
Carrying amount of the investment as at December 31	443,406	413,799
Revenue	1,063,100	1,039,509
Depreciation and amortization	(221,309)	(245,423)
Finance income	15,676	14,080
Finance costs	(1,558)	(1,519)
Income tax expense	(95,835)	(118,490)
Profit for the year	392,890	310,160
Other comprehensive income/(loss)	334,726	(42,915)
Total comprehensive income	727,616	267,245
Dividends received	100,989	104,901

18. BANK DEPOSITS

As at December 31, 2024 and 2023 bank deposits are presented as follows:

<i>In millions of tenge</i>	December 31,	December 31,
	2024	2023
Bank deposits in US dollars	1,117,169	511,049
Bank deposits in tenge	345	600
Less: allowance for expected credit losses	(64)	(19)
	1,117,450	511,630
Less: current portion	(1,117,141)	(511,126)
Non-current portion	309	504

As at December 31, 2024, the weighted-average interest rate for long-term bank deposits was 0.45% in tenge (2023: 0.42% in tenge).

As at December 31, 2024, the weighted-average interest rate for short-term bank deposits was 4.93% in US dollars and 0.65% in tenge (2023: 5.71% in US dollars and 2.38% in tenge).

<i>In millions of tenge</i>	December 31,	December 31,
	2024	2023
Maturities under 1 year	1,117,141	511,126
Maturities between 1 and 2 years	46	56
Maturities over 2 years	263	448
	1,117,450	511,630

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

19. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Trade accounts receivable due from third parties	37,942	56,105
Trade accounts receivable due from related parties	37,765	40,696
Less: allowance for expected credit losses	(3,068)	(4,687)
Trade accounts receivable	72,639	92,114
Other non-current financial assets		
Other non-current receivable due from related parties	20,659	-
Other non-current receivable due from third parties	3,193	2,826
Other non-current financial asset	17,632	13,860
Less: allowance for expected credit losses	(3,272)	(2,826)
	38,212	13,860
Other non-current non-financial assets		
Advances provided to third parties	100	9,126
Total other non-current financial and non-financial assets	38,312	22,986
Other current financial assets		
Other current receivable due from third parties	29,462	26,092
Other current receivable due from related parties	20,202	6,787
Receivable from assets sale	7,247	14,804
Less: allowance for expected credit losses	(34,535)	(28,622)
	22,376	19,061
Other current non-financial assets		
Advances provided to related parties	13,023	13,116
Advances provided to third parties	2,091	1,198
Other taxes prepaid	3,042	2,408
Other	456	833
	18,612	17,555
Total other current financial and non-financial assets	40,988	36,616

In 2024, the Company sold investment property to Samruk-Kazyna with a carrying value of 13,503 million tenge. According to the terms of the purchase and sale agreement, the sales price was 22,872 million tenge with deferred payment until 2027. The difference between the sales price, which is the fair value, and the nominal amount of the debt of Samruk-Kazyna in the amount of 8,741 million tenge is reflected in separate statement of comprehensive income as finance expenses (*Note 12*).

The significant changes in trade accounts receivable due from related parties and advances provided to related parties are disclosed in the *Note 26*.

As at December 31, 2024 and 2023 trade accounts receivable are denominated in tenge.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix:

<i>In millions of tenge</i>	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
December 31, 2024						
Expected credit loss rate	0.07%	0.31%	1.04%	1.11%	32.16%	
Trade accounts receivable	47,915	8,759	2,384	7,642	9,007	75,707
Allowance for expected credit losses	(34)	(27)	(25)	(85)	(2,897)	(3,068)

<i>In millions of tenge</i>	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
December 31, 2023						
Expected credit loss rate	0.49%	0.61%	1.48%	2.19%	22.66%	
Trade accounts receivable	69,874	1,808	245	6,381	18,493	96,801
Allowance for expected credit losses	(342)	(11)	(4)	(140)	(4,190)	(4,687)

20. CASH AND CASH EQUIVALENTS

As at December 31, 2024 and 2023 cash and cash equivalents are presented as follows:

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Time deposits with foreign banks – US dollars	238,362	483,149
Time deposits with Kazakhstani banks – tenge	41,658	8,860
Time deposits with Kazakhstani banks – US dollars	2,603	4,524
Current accounts with foreign banks – US dollars	302	9,798
Current accounts with Kazakhstan banks – US dollars	496	32
Current accounts with Kazakhstan banks – tenge	113	193
The contracts of reverse repo with original maturities of three months or less	20,000	90,000
Less: allowance for expected credit losses	(23)	(10)
	303,511	596,546

As at December 31, 2024, the weighted average rates for time deposits in US dollars and in tenge equaled to 4.77% and 15.05%, respectively (2023: for time deposits in US dollars and in tenge equaled to 5.64% and 15.47%, respectively).

As at December 31, 2024, the interest rates for current accounts varied from 0.00% to 13.00% in tenge (2023: from 0.00% to 13.00%) and from 0.00% to 4.45% in US dollars (2023: from 0.00% to 5.45%).

As at December 31, 2024 and 2023, no cash is pledged as collateral.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

21. EQUITY

Share capital

The total number of outstanding, issued and paid shares includes:

	December 31, 2024 and 2023
Number of shares issued and paid, including	610,119,493
Par value of 27,726.63 tenge	137,900
Par value of 10,000 tenge	20,719,604
Par value of 5,000 tenge	59,707,029
Par value of 2,500 tenge	71,104,187
Par value of 2,451 tenge	1
Par value of 1,000 tenge	1
Par value of 921 tenge	1
Par value of 858 tenge	1
Par value of 838 tenge	1
Par value of 704 tenge	1
Par value of 592 tenge	1
Par value of 500 tenge	458,450,766
Share capital (in thousands of tenge)	916,540,545

As at December 31, 2024 and 2023, the Company had only one class of issued shares. As at December 31, 2024 and 2023, common shares in the number of 239,440,103 were authorised, but not issued. In 2024, there was no issuance of any ordinary share.

Dividends

In 2024, based on the decision of the general meeting of shareholders, the Company declared and paid-off dividends for 2023 of 491.71 tenge per common share in the total of 300,002 million tenge (2023: declared and paid-off dividends for 2022 of 491.71 tenge per common share in the total of 300,002 million tenge).

Transactions with Samruk-Kazyna

In 2024, the coupon rate of the bonds placed in 2022 by the Company and purchased by Samruk-Kazyna was increased from 3.00% to 9.30%. In accordance with IFRS 9 the increase in the nominal rate led to a significant modification of the financial instrument, namely the derecognition of bonds with a coupon rate of 3.00% and the recognition of bonds with a coupon rate of 9.30% (Note 22).

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within finance income (Note 12) in separate statement of comprehensive income in the amount of 59,769 million tenge.

The difference of 293,288 million tenge between the fair value of the bond derecognized and the fair value of the newly recognized bond was recognized as transactions with Samruk-Kazyna in separate statement of changes in equity (Note 22).

In 2023, the Company issued coupon bonds in the amount of 50,000 million tenge and 20,000 million tenge, maturing in 2033 at a rate of 0.50% per annum. Samruk-Kazyna purchased these bonds. The difference between the fair value and nominal value of the bonds of 22,145 million tenge and 8,679 million tenge, respectively, was recognized as transactions with Samruk-Kazyna in the separate statement of changes in equity (Note 22).

Distributions to Samruk-Kazyna

Financing of the construction of social facilities

In 2024, OMG in accordance with the Government decree on the construction of social objects in Zhana-ozen town and housing for the residents, living in Zhana-ozen town, accrued liabilities and paid for 16 million tenge and 2,059 million tenge, respectively (2023: 120 million tenge) and recognized as distribution to Samruk-Kazyna in the separate statement of changes in equity.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

21. EQUITY (continued)

Distributions to Samruk-Kazyna (continued)

Other operations

In 2023, in accordance with the Order of the President of the RK on the construction of the Multifunctional Sport and Health Complex in Uralsk city (further Sport Complex) as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Company recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge and recognized it as distribution to Samruk-Kazyna in the separate statement of changes in equity. The Company made an advance payment in the amount of 8,962 million tenge.

In 2024, the Company increased accrued liabilities for the construction of the Sport Complex in Uralsk city in the amount of 1,989 million tenge and recognized it in separate statement of changes in equity as other transactions.

As at December 31, 2024, the Company completed construction of the Sports Complex and on January 22, 2025, the Company performed state registration of the commissioning act and the Company's ownership right to the Sports Complex. As a result, as at December 31, 2024, the Company offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sports Complex.

22. BORROWINGS AND BONDS

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Fixed interest rate borrowings and bonds	3,295,025	4,169,590
Weighted average interest rates	6.14%	3.62%
Floating interest rate borrowings and bonds	31,926	57,656
Weighted average interest rates	6.13%	7.11%
	3,326,951	4,227,246

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

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
US Dollar	2,636,840	2,650,600
Tenge	690,111	1,576,646
	3,326,951	4,227,246

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Current portion	50,509	1,173,718
Due from 1 to 2 years	5,113	5,494
Due from 2 to 5 years	145,696	464,095
Due over 5 years	3,093,707	2,526,283
Long-term portion	3,244,516	2,995,872
Borrowings under subsoil use projects	31,926	57,656
	3,326,951	4,227,246

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

22. BORROWINGS AND BONDS (continued)

As at December 31, 2024 and 2023, the bonds issued comprised the following:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective interest rate	December 31, 2024	December 31, 2023
Bonds					
Bonds LSE 2017	1 billion USD	April 2027	4.75%	131,604	454,060
Bonds LSE 2017	1.25 billion USD	April 2047	5.75%	639,143	552,309
Bonds LSE 2018	1.25 billion USD	April 2030	5.375%	659,073	569,892
Bonds LSE 2018	1.5 billion USD	October 2048	6.375%	778,795	673,677
Bonds LSE 2020	0.75 billion USD	April 2033	3.50%	396,299	343,005
Bonds KASE 2022 (Notes 21, 26)	751.6 billion tenge	October 2035	12.105% (9.30% nominal interest rate)	642,749	392,158
Bonds KASE 2023 (Notes 21, 26)	50 billion tenge	April 2033	11.74% (0.50% nominal interest rate)	33,187	29,927
Bonds KASE 2023 (Notes 21, 26)	20 billion tenge	November 2033	11.57% (0.50% nominal interest rate)	12,686	11,448
				3,293,536	3,026,476

In 2024, the coupon rate of the bonds issued by the Company and acquired by Samruk-Kazyna in 2022 was increased from 3.00% to 9.30%. In accordance with IFRS 9, the increase in the nominal rate resulted in a material modification, namely derecognition of bonds with a coupon rate of 3.00% and recognition of bonds with a coupon rate of 9.30%.

The difference between the carrying amount and fair value of the bonds to be derecognized at the date of modification in the amount of 59,769 million tenge was recognized in finance income (*Note 12*) in the separate statement of comprehensive income.

The negative difference between the fair value of the bonds to be derecognized and the fair value of the newly recognized bonds in the amount of 293,288 million tenge is recorded as transactions with Samruk-Kazyna in the separate statement of changes in equity.

In 2024, the Company made an early partial repayment of bonds placed at the London Stock Exchange (further LSE) maturing in 2027 with nominal value of 1 billion US dollars in the amount of 750 million US dollars (equivalent to 358,171 million tenge).

In 2023, the Company made an early repayment of bonds placed at the LSE maturing in 2025 with nominal value of 0.5 billion US dollars in the amount of 500.9 million US dollars (equivalent to 227,941 million tenge), including coupon payment and consent fee of 0.9 million US dollars (equivalent to 421 million tenge).

The increase in carrying value of bonds in 2024 also is due to the effect of the foreign currency exchange rate on bonds placed at the LSE and denominated in US dollars for 365,436 million tenge.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

22. BORROWINGS AND BONDS (continued)

As at December 31, 2024 and 2023, the borrowings other than bonds issued comprised the following:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective interest rate	December 31, 2024	December 31, 2023
Borrowings					
Eni Isatay B.V.	Financing for share of KMG costs in execution of subsoil use contracts on project “Isatay” and “Abay”	From beginning of commercial exploration	CME TERM SOFR + 3.00%	24,760	5,751
Kokel Munay LLP	Financing for share of KMG costs in execution of subsoil use contraction project “Becturly”	From beginning of commercial exploration	O/N SOFR + 2.85%	7,166	4,542
KMGS	1.85 billion tenge	2025	0.01%	1,489	1,345
KMG EP (Note 5)	2 trillion tenge	2027	0.01%	-	1,141,769
Lukoil Kazakhstan Upstream LLP	Financing for share of KMG costs in execution of subsoil use contract on project “Zhenis”	From beginning of commercial exploration	O/N SOFR + 2.85%	-	47,363
				33,415	1,200,770

Changes in borrowings and bonds

<i>In millions of tenge</i>	2024	2023
As at January 1	4,227,246	4,367,446
Received in cash	28,072	152,106
Principal paid	(358,284)	(227,520)
Loan offset (Note 5)	(1,151,840)	-
Interest paid	(191,817)	(172,358)
Interest accrued (Note 12)	219,794	190,581
Discount recognition (Note 21)	233,519	(31,343)
Foreign exchange gain/(loss)	368,703	(47,289)
Derecognition of loan (Note 12)	(48,442)	(4,377)
As at December 31	3,326,951	4,227,246
Current portion	50,509	1,173,718
Non-current portion	3,276,442	3,053,528

As a result of liquidation of KMG EP (Note 5), the recognition of the loan received from KMG EP in the amount of 1,147,602 million tenge was terminated by offsetting with the right of claim of KMG EP transferred to the Company under this loan.

In 2024, the Company derecognized the loans from Lukoil Kazakhstan Upstream LLP on “Zhenis” project and Eni Isatay B.V. on “Isatay” project in the amount of 48,433 million tenge and 9 million tenge, respectively, including interest. The derecognition of the loans is related to the planned withdrawal of the Company from these projects and return of a contract territory to the Government.

In 2023, the Company recognized write-off of the loan payable to partners Eni Isatay B.V. on “Isatay” project in the amount of 4,377 million tenge, including interest. The derecognition of the loan is related to the planned withdrawal of the Company from “Isatay” project and return of a contract territory to the Government.

Covenants

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

23. FINANCIAL GUARANTEE OBLIGATIONS

The changes in financial guarantee obligations in 2024 and 2023 comprised the following:

<i>In millions of tenge</i>	2024	2023
As at January 1	13,340	29,190
Guarantees issued in respect of subsidiaries during the year (<i>Notes 16, 17</i>)	17,743	3,946
Amortization of financial guarantee obligations (<i>Note 12</i>)	(8,114)	(19,796)
As at December 31	22,969	13,340

24. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at December 31, 2024 and 2023, trade accounts payable and other current liabilities are presented by the following:

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Trade accounts payable to related parties	36,654	55,507
Trade accounts payable to third parties	1	9
Trade accounts payable	36,655	55,516
Other current financial liabilities		
Other payables to related parties	17,816	10,426
Other payables to third parties	10,015	8,381
Due to employees	1,560	2,121
Payable for the acquisition of a subsidiary and joint venture (<i>Note 5</i>)	–	90,524
	29,391	111,452
Other current non-financial liabilities		
Contract liabilities	23,690	20,357
Other	1,282	562
	24,972	20,919
Total other current financial and non-financial liabilities	54,363	132,371

As at December 31, 2024 and 2023 trade payables and other current liabilities are non-interest bearing.

As at December 31, 2024 and 2023 trade accounts payable denominated in tenge.

Contract liabilities movement:

<i>In millions of tenge</i>	2024	2023
At January 1	20,357	18,434
Deferred during the year	473,952	352,768
Recognized as revenue during the year	(470,619)	(350,845)
At December 31	23,690	20,357
Current portion	23,690	20,357
Non-current portion	–	–

As a result of liquidation of KMG EP (*Note 5*), recognition of the debt payable for acquisition of a subsidiary and a joint venture in the amount of 86,724 million tenge was terminated by offsetting with the right of claim of KMG EP transferred to the Company in respect of this debt.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

25. INCOME TAX EXPENSE

The major components of income tax expense for the years ended December 31, 2024 and 2023 are as follows:

<i>In millions of tenge</i>	2024	2023
Income tax		
Current withholding tax on dividends and interest received	79,501	86,137
Current corporate income tax expense	316	336
Current alternative subsoil use tax expense	399	413
	80,216	86,886
Income tax expense/(benefit) of write-off of deferred assets	59,096	(34)
Deferred income tax benefit	(82,025)	(42,057)
Deferred alternative subsoil use tax expense/(benefit)	5,734	(10,391)
	(17,195)	(52,482)
Income tax expenses	63,021	34,404

Reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2024 and 2023) to income tax expenses was as follows for the years ended December 31:

<i>In millions of tenge</i>	2024	2023
Profit before income tax	773,131	1,099,305
Statutory tax rate	20%	20%
Income tax expense on accounting profit	154,626	219,861
Change in unrecognized deferred tax assets	59,095	(36)
Share in profit of subsidiaries and joint ventures	(164,470)	(164,036)
Discounting and unwinding of discount on financial assets and liabilities	(31,362)	(7,035)
Impairment of investments in subsidiaries	18,204	9,737
Deferred alternative subsoil use tax	5,734	(10,391)
Non-deductible interest	79	68
Effect of the application of the requirements of the legislation on transfer pricing and on income received in countries with preferential taxation	201	(396)
Gain from disposal of subsidiary (<i>Note 5</i>)	(1,651)	(21,482)
Exploration and evaluation asset impairment and disposal expenses	8,802	8,259
Trust management services (<i>Note 10</i>)	11,208	-
Other changes	2,555	(145)
Income tax expense	63,021	34,404

In accordance with the requirements of the Tax Code regarding the transfer pricing and taxation of income received in countries with preferential taxation, income from financial aid provided to Samruk-Kazyna, as well as income received in countries with preferential taxation are included in the taxable profit.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

25. INCOME TAX EXPENSE (continued)

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

<i>In millions of tenge</i>	2024			Recognized in profit or loss for 2024	2023			Recognized in profit or loss for 2023
	Corporate income tax	Withholding tax	Total		Corporate income tax	Withholding tax	Total	
Deferred tax assets								
Tax loss carryforward	582,041	-	582,041	51,482	530,559	-	530,559	(30,440)
Exploration and evaluation assets	8,371	-	8,371	(10,587)	18,958	-	18,958	18,958
Allowance for expected credit losses on accounts receivable	1,514	-	1,514	(665)	2,179	-	2,179	201
Property, plant and equipment	588	-	588	(1,096)	1,684	-	1,684	559
Provision for accrued liabilities to employees	301	-	301	24	277	-	277	(71)
Less: unrecognized deferred tax assets	(580,952)	-	(580,952)	(49,025)	(531,927)	-	(531,927)	32,517
Deferred tax assets	11,863	-	11,863	(9,867)	21,730	-	21,730	21,724
Deferred tax liabilities								
Undistributed earnings of joint venture and associate	-	(634,427)	(634,427)	27,553	-	(571,269)	(571,269)	33,376
Exploration and evaluation assets	(422)	-	(422)	229	(651)	-	(651)	148
Other non-current financial assets	(3,492)	-	(3,492)	(720)	(2,772)	-	(2,772)	(2,772)
Other	-	-	-	-	-	-	-	6
Deferred tax liabilities	(3,914)	(634,427)	(638,341)	27,062	(3,423)	(571,269)	(574,692)	30,758
Net deferred tax liabilities	7,949	(634,427)	(626,478)		18,307	(571,269)	(552,962)	
Deferred tax expenses				17,195				52,482

The movements in the deferred tax liability were as follows:

<i>In millions of tenge</i>	2024			2023		
	Corporate income tax	Withholding tax	Total	Corporate income tax	Withholding tax	Total
Net deferred tax liability as at January 1	(18,307)	571,269	552,962	799	615,746	616,545
Recognized in profit or loss	10,358	(27,553)	(17,195)	(19,106)	(33,376)	(52,482)
Recognized in other comprehensive income	-	90,711	90,711	-	(11,101)	(11,101)
Net deferred tax liability as at December 31	(7,949)	634,427	626,478	(18,307)	571,269	552,962

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

25. INCOME TAX EXPENSE (continued)

Represented in the separate statement of financial position as:	December 31, 2024	December 31, 2023
Deferred tax asset	8,371	18,958
Deferred tax liabilities	(634,849)	(571,920)
Net deferred tax liabilities	(626,478)	(552,962)

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 utilised.

As at December 31, 2024, the Company recognized deferred tax asset in the amount of 8,371 million tenge as a result of a temporary difference associated with the exploration and evaluation asset, project “Abay”, for which the Company recognized an impairment loss in the reporting period (*Note 15*) (2023: 18,958 million tenge for project “Zhenis”). The Company expects to have taxable income in 2025 for which uses this deductible temporary difference.

As at December 31, 2024, the Company did not recognize deferred tax assets in the amount of 577,305 million tenge (2023: 528,754 million tenge) and 3,647 million tenge (2023: 3,173 million tenge) related to non-contract and contract activities, respectively, that could be offset against future taxable profit in future periods. Tax losses carried forward could be offset against taxable profit during the next 10 (ten) consecutive years. These deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profit from the Company’s other activities. The Company performed an analysis and concluded that the recoverability of these assets is remote. The Company has neither taxable temporary differences, nor any tax planning opportunities available that could partly support the recognition of deferred tax assets.

Due to the expiration of the period of possible offset and the absence of taxable profit, the Company wrote off the unused loss for 2014 of 7,432 million tenge. Furthermore, according to the results of final submission of income tax return the Company adjusted deferred tax assets decreasing by 312 million tenge.

26. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions, which have been entered into with related parties during 2024 and 2023 and the related balances as at December 31, 2024 and 2023, respectively:

<i>In millions of tenge</i>	2024	2023
Revenue from contract with customers	179,335	174,458
Subsidiaries	89,099	75,385
Joint ventures	3,393	3,016
Associates	449	409
Entities under common control of Samruk-Kazyna	86,394	95,648
Other income	9,863	-
Associates (CPC)	9,863	-
Gain on sale of investment property, net	9,369	-
Samruk-Kazyna (<i>Note 19</i>)	9,369	-
Acquisition of goods and services	879,690	709,031
Subsidiaries	796,900	678,194
Joint ventures	26,820	26,670
Associates	205	1,975
Entities under common control of Samruk-Kazyna	55,765	2,192
Interest revenue, other finance income	190,613	49,287
Subsidiaries	108,081	35,371
Joint ventures	17,166	6,977
Samruk-Kazyna (<i>Notes 12, 21</i>)	63,048	1,911
Entities under common control of Samruk-Kazyna	789	917
Other related parties	1,529	4,111
Financial costs	89,315	37,833
Subsidiaries	9,023	126
Samruk-Kazyna	80,292	37,707

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

26. RELATED PARTY TRANSACTIONS (continued)**Revenue from contract with customers**

In 2024, the sale of oil products to subsidiaries consisted mainly from sale of oil products to KMG-Aero, OMG, Pavlodar Refinery and Atyrau Refinery in the amount of 74,051 million tenge, 5,593 million tenge, 3,544 million tenge and 3,453 million tenge, respectively (2023: KMG-Aero, Atyrau Refinery, OMG and Pavlodar Refinery in the amount of 60,644 million tenge, 4,441 million tenge, 4,348 million tenge and 3,327 million tenge, respectively).

In 2024, the sale of oil products to Entities under common control of Samruk-Kazyna consisted mainly from sale of diesel fuel to KTZ-Freight transportation LLP in the amount of 79,959 million tenge (2023: 94,813 million tenge).

Other income

During 2024, CPC made payment to the Company of 22 million US dollars (equivalent to 9,863 million tenge at the date of receipt) under the settlement of disputes agreement.

Acquisition of goods and services

Acquisition of goods and services are mainly related to the Company’s refining process of crude oil.

In 2024, the Company acquired crude oil from subsidiaries of OMG, EMG and KTM in the amount of 372,325 million tenge, 155,600 million tenge and 12,365 million tenge, respectively (in 2023: OMG and EMG, KTM and Urikhtau Operating in the amount of 330,304 million tenge, 137,980 million tenge, 12,138 million tenge and 1,749 million tenge, respectively).

In 2024, the Company acquired services for the processing of crude oil from the Atyrau Refinery and Pavlodar Refinery in the amount of 137,799 million tenge and 54,382 million tenge, respectively (in 2023: Atyrau Refinery and Pavlodar Refinery in the amount of 131,757 million tenge and 42,355 million tenge, respectively).

In 2024, the Company acquired services for the processing of crude oil from joint venture Petro Kazakhstan Oil Products LLP (PKOP) in the amount of 24,758 million tenge (in 2023: 24,568 million tenge).

In 2024, the Company was provided trust management services for a 50% interest in KRG, a joint venture, by NC QazaqGaz JSC, a member of group of companies of Samruk-Kazyna, in the amount of 53,276 million (*Note 10*).

Interest revenue, other finance income

During 2024, the Company wrote-off the obligations to provide loans to OMG and KPI in the amount of 29,389 million tenge and 7,470 million tenge, respectively, in connection with the termination of loan agreements, and recognized interest income on loans due from Atyrau Refinery and Urikhtau Operating in the amount of 33,476 million tenge and 19,502 million tenge, respectively, within finance income.

Financial costs

In 2024, interest accrued on financial liabilities of Samruk-Kazyna in the amount of 71,551 million tenge is represented by interest expense accrued on bonds issued by Samruk-Kazyna in the amount of 751,631 million tenge in 2022 and issued in 2023 in the amount of 50,000 million tenge and 20,000 million tenge (2023: 37,707 million tenge). Significant increase in accrued interest on the bonds is due to change in coupon rate from 3.00% to 9.30% (*Note 22*).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

26. RELATED PARTY TRANSACTIONS (continued)

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Assets		
Cash	27,485	–
Entities under common control of Samruk-Kazyna	5	–
Other related parties	27,500	–
Less: allowance for expected credit losses	(20)	–
Restricted cash	172	–
Entities under common control of Samruk-Kazyna	172	–
Less: allowance for expected credit losses	–	–
Loans due from related parties	576,986	461,143
<i>Loans due from related parties at amortized cost</i>	506,343	428,984
Subsidiaries	429,720	342,943
Joint ventures	11,800	18,698
Associates	–	1,086
Entities under common control of Samruk-Kazyna	–	8,018
Bonds receivable from Main Waterline LLP	45,873	41,375
Bonds receivable from Samruk – Kazyna	22,519	21,021
Less: allowance for expected credit losses	(3,569)	(4,157)
<i>Loans due from related parties at fair value through profit or loss</i>	70,643	32,159
Subsidiaries (Ak Su KMG)	979	966
Joint venture (PKOP, KKO, KPI)	69,664	31,193
Trade accounts receivable and other current assets	84,382	62,477
Subsidiaries	29,612	15,006
Joint ventures	7,423	7,164
Associates	259	81
Entities under common control of Samruk-Kazyna	54,627	46,860
Less: allowance for expected credit losses	(7,539)	(6,634)
Dividends receivable from subsidiaries and joint ventures	13,752	24,202
Liabilities		
Trade accounts payable and other liabilities	80,399	156,999
Subsidiaries	78,334	153,429
Joint ventures	1,109	260
Associates	71	638
Entities under common control of Samruk-Kazyna	885	2,672
Financial guarantee obligations (Note 23)	22,969	13,340
Subsidiaries and their subsidiaries and joint ventures	22,110	11,454
Joint ventures	859	1,886
Loan commitment	68,693	102,204
Subsidiaries	68,649	91,130
Joint ventures	44	11,074
Borrowings and bonds (Note 22)	690,111	1,576,646
Subsidiaries	1,489	1,143,113
Bonds of the Company, acquired by Samruk-Kazyna	688,622	433,533

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

26. RELATED PARTY TRANSACTIONS (continued)

Cash

As at December 31, 2024, cash is represented by a time deposit placed by the Company in Eurasian Bank JSC in the amount of 27,500 million tenge at a market rate of 15.05% (2023: nil).

Loans due from related parties

As of December 31, 2024, and 2023, loans due from related parties are as follows:

<i>In millions of tenge</i>	Maturity	Effective interest rate	December 31, 2024	December 31, 2023
Atyrau Refinery	2025-2032	12.00%-19.50%	188,131	191,878
Urikhtau Operating	2027	19.67%	118,890	98,197
OMG	2025	17.25%-19.10%	87,491	24,110
KPI	2025-2026	18.83% and SOFR+3.00%	59,766	13,873
Bonds receivable from Main Waterline LLP	2033	11.57%-11.74%	45,873	41,375
KMG DS	2026-2029	16.67%-18.50%	32,182	28,630
Bonds receivable from Samruk – Kazyna	2044	10.00%	22,519	21,021
KKO	2033	SOFR + 2.80%	21,698	5,218
PKOP	2024	3.50%	-	25,975
NC QazaqGaz JSC	2024	12.25%	-	8,018
Silleno	2024	19.75%	-	4,825
CPC	2020	6.30%	-	1,086
Other			4,005	1,094
Less: allowance for expected credit losses			(3,569)	(4,157)
			576,986	461,143
			(156,749)	(128,732)
Non-current portion			420,237	332,411

As at December 31, 2024 and 2023, all loans due from related parties are denominated in the following currencies:

<i>In millions of tenge</i>	December 31, 2024	December 31, 2023
Tenge	507,322	421,944
US dollar	69,664	39,199
	576,986	461,143

In 2024, the Company purchased and repurchased short-term notes of NB of RK and Eurasian development bank in the total amount of 51,000 million tenge. In 2023 the Company purchased short-term notes of NB of RK in the total amount of 265,047 million tenge, as well as short-term notes of NB of RK acquired in 2023 and 2022 in the amount of 335,047 million tenge were redeemed.

Trade accounts receivable and other assets

As at December 31, 2024, trade accounts receivable and other assets are represented mainly by trade accounts receivable of KTZ-Freight transportation LLP for the purchase of refined products in the amount of 25,296 million tenge and receivable from Samruk-Kazyna, mainly, for acquisition of investment property in the amount of 20,552 million tenge (*Note 19*) (2023: trade accounts receivable of KTZ-Freight transportation LLP for the purchase of refined products in the amount of 30,677 million tenge and receivable from Samruk-Kazyna for acquisition of 25% interest in share capital of Butadiene in the amount of 8,531 million tenge).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

26. RELATED PARTY TRANSACTIONS (continued)

Trade accounts payable and other liabilities

As at December 31, 2024, trade payables and other liabilities are represented mainly by the Company’s payables to KMT for the acquisition of 50% share in the rights and obligations under the PSA on the “Kurmangazy” structure in the amount of 25,155 million tenge (*Note 15*), as well as trade payables to OMG and EMG in the amount of 24,334 million tenge and 17,976 million tenge, respectively (2023: Company’s payables to KMG EP for the acquisition of subsidiary and a joint venture in the total amount of 89,004 million tenge (*Notes 5, 24*), as well as trade payables to OMG and EMG in the amount of 41,316 million tenge and 18,910 million tenge, respectively).

Dividends receivable from subsidiaries and joint ventures

As at December 31, 2024, dividends receivable from subsidiaries and joint ventures are mainly presented by dividends receivable from KMG I and KTM in the amount of 10,502 million tenge and 3,250 million tenge, respectively (2023: KRG and KTM in the amount of 20,952 million tenge and 3,250 million tenge, respectively).

Loan commitment

As at December 31, 2024, the loan commitment is mainly presented by obligation of the Company to OMG in the amount of 42,210 million tenge (2023: 57,685 million tenge).

Compensation to the key management personnel

Key management personnel comprise members of the Management Board and the Board of Directors of the Company, totalling 18 persons as at December 31, 2024 (2023: 17 persons). Total compensation to the key management personnel included in general and administrative expenses in these separate financial statements amounted to 1,079 million tenge and 1,008 million tenge for 2024 and 2023, respectively. Compensation to key management personnel consists of contractual salary and performance bonus based on operating results of the Company.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s principal financial liabilities comprise borrowings, financial guarantee obligations, trade accounts payable, payable on purchase of interest in subsidiary. The main purpose of these financial liabilities is to raise finance for the Company’s investing activities. The Company’s financial assets comprise long-term and short-term bank deposits, cash and cash equivalents, loans due from related parties that arise directly from its operations.

The Company is exposed to interest rate risk, currency risk, credit risk and liquidity risk. The Company’s management oversees the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term loans with floating interest rates (*Note 22*).

The Company’s policy is to manage its interest rate risk using a mix of fixed and variable rates on borrowings.

The following table demonstrates the sensitivity of the Company’s profit before income tax (through the impact on floating rate borrowings and bonds) to a reasonably possible change in interest rates, with all other variables held constant. There is no direct impact on the Company’s equity.

<i>In millions of tenge</i>	Increase/ decrease in basis points	Effect on profit before income tax
2024	+4.50	1,698
SOFR	-0.39	(147)
2023	+3.82	(1,011)
SOFR	-3.82	1,011

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

It is the Company’s policy to enter into financial instrument transactions with creditworthy counterparties. Maximum credit risk exposure equals to the carrying amount of each financial asset. The Company believes that the maximum risk amount is represented by loans from the related parties (Note 26), long and short-term bank deposits (Note 18), trade accounts receivable (Note 19), cash and cash equivalents (Note 20), net of expected credit losses, recorded at the reporting date.

The table below shows the risk profile of Company’s cash and cash equivalents, short-term and long-term deposits held in banks as at December 31, 2024 and 2023 using the Fitch credit ratings, or in their absence, using their equivalent rates in S&P and Moody’s:

%	At December 31	
	2024	2023
A+	25%	32%
A to A-	71%	59%
BBB to BBB-	3%	9%
BB+ to BB-	2%	0%
B+ to B-	0%	0%

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at a price close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The tables below summarise the maturity profile of the Company’s financial liabilities at December 31, 2024 and 2023, based on contractual undiscounted payments.

<i>In millions of tenge</i>	Less than 1 month	From 1 to 3 months	3 months to 1 year	From 1 to 5 years	Over 5 years	Total
At December 31, 2024						
Borrowings and bonds	–	–	241,117	1,419,138	5,350,210	7,010,465
Financial guaranties*	–	12,556	125,888	103,504	39,381	281,329
Loan commitment	181,974	–	–	–	–	181,974
Trade payables	32,096	4,559	–	–	–	36,655
Other financial liabilities	16,065	13,128	198	–	–	29,391
	230,135	30,243	367,203	1,522,642	5,389,591	7,539,814

<i>In millions of tenge</i>	Less than 1 month	From 1 to 3 months	3 months to 1 year	From 1 to 5 years	Over 5 years	Total
At December 31, 2023						
Borrowings and bonds	–	–	163,087	1,103,611	4,658,259	5,924,957
Financial guaranties*	–	18,700	56,150	189,598	26,768	291,216
Loan commitment	297,580	–	–	–	–	297,580
Trade payables	55,516	–	–	–	–	55,516
Other financial liabilities	11,132	9,870	1,446	–	–	22,448
	364,228	28,570	220,683	1,293,209	4,685,027	6,591,717

* A financial guarantee is a contract by which the issuer is required to make specified payments to reimburse the holder of the instrument for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or revised terms of a debt instrument. Under IFRS 7.B11C(c), under financial guarantee agreements issued by the Company, the maximum amount of the guarantee relates to the very first period in which the guarantee can be called. In the liquidity table above, the financial guarantee is represented by the maximum amount by maturity of the underlying debt instrument. Under financial guarantee agreements, in the event of a default or improper performance by the debtor, the Company unconditionally undertakes to pay the entire amount of principal and unpaid interest on demand of debtor. In 2024 and 2023, there were no cases of using financial guarantees.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company’s operations are carried out primarily in RK. Nevertheless, the Company’s vast majority of cash inflows and outflows are denominated in US dollars.

The following table demonstrates the sensitivity of the Company’s profit before income tax to a reasonably possible change in the US dollar exchange rate, with all other variables held constant. There is no direct impact on the Company’s equity.

<i>In millions of tenge</i>	Increase/ decrease in US dollar rate	Effect on profit before income tax
2024	9.09%	(107,108)
	-7.34%	86,534
2023	14.15%	(224,752)
	-14.15%	224,752

Capital management

The primary objective of the Company’s capital management is to maximise the shareholder value. The Company manages its capital to ensure that Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company seeks to maintain a prudent capital structure to support its capital investment plans and maintain investment grade credit rating through the cycle. Maintaining sufficient financial flexibility is considered strategically important to mitigate industry cyclicalities while also enabling the pursuit of investment opportunities. The Company has a comprehensive and disciplined internal approval process for capital expenditures, new projects and debt incurrence.

The capital of the Company consists of debt, which includes borrowings (*Note 22*) less cash and cash equivalents, short-term deposits and equity, comprising share capital, additional paid-in capital, other reserves and retained earnings (*Note 21*).

The Company’s management regularly reviews the capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Also, to achieve this overall objective, the Company’s capital management, among other things, aims to ensure that it meets financial covenants attached to borrowings that define capital structure requirements.

There have been no breaches of the financial covenants of any borrowing in the years ended December 31, 2024 and 2023 (*Note 22*).

<i>In millions of tenge</i>	2024	2023
Borrowings, bonds and loan commitment	3,395,644	4,329,450
Less: cash and short-term bank deposits	(1,420,652)	(1,107,672)
Net debt	1,974,992	3,221,778
Equity	13,848,957	12,473,723
Capital and net debt	15,823,949	15,695,501

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value

The current value of financial instruments and investment property of the Company as at December 31, 2024 and 2023 is the reasonable approximation of their fair values except for the following financial instruments disclosed below:

<i>In millions of tenge</i>	December 31, 2024				
	Current value	Fair value	Fair value by level of assessment		
			Level 1	Level 2	Level 3
Financial assets at amortized cost					
Bonds receivable from Samruk – Kazyna	22,461	17,632	–	17,632	–
Bonds receivable from Main Waterline LLP	45,767	46,204	–	–	46,204
Loans due from related parties	438,115	446,521	–	–	446,521
Other non-current receivable due from Samruk – Kazyna	20,552	18,365	–	18,365	–
Financial assets at fair value through profit or loss					
Loans due from related parties	70,643	70,643	–	–	70,643
Other non-current financial assets	17,461	17,461	–	–	17,461
Financial liabilities at amortized cost					
Fixed interest rate borrowings	3,295,025	3,120,731	2,406,715	712,407	1,609
Other non-current financial liabilities	25,418	25,880	–	–	25,880
Loan commitment					
Loan commitment	68,693	68,693	–	–	68,693
Financial guarantees					
Financial guarantees	22,969	22,890	–	–	22,890

<i>In millions of tenge</i>	December 31, 2023				
	Carrying amount	Fair value	Fair value by level of assessment		
			Level 1	Level 2	Level 3
Financial assets at amortized cost					
Bonds receivable from Samruk – Kazyna	20,963	16,797	–	16,797	–
Bonds receivable from Main Waterline LLP	41,232	41,128	–	–	41,128
Loans due from related parties	366,789	369,789	–	–	369,789
Financial assets at fair value through profit or loss					
Loans due from related parties	32,159	32,159	–	–	32,159
Other non-current financial assets	13,860	13,860	–	–	13,860
Financial liabilities at amortized cost					
Fixed interest rate borrowings	4,169,590	3,976,180	2,452,370	1,522,480	1,330
Loan commitment					
Loan commitment	102,204	102,204	–	–	102,204
Financial guarantees					
Financial guarantees	13,340	10,933	–	–	10,933

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value (continued)

The table below provides a breakdown by expected credit losses level of financial assets:

<i>In millions of tenge</i>	December 31, 2024			December 31, 2023		
	Gross carrying amount	Allowance for expected credit losses	Expected credit losses coverage	Gross carrying amount	Allowance for expected credit losses	Expected credit losses coverage
Level 1	598,016	(3,569)	0.60%	479,160	(4,157)	0.87%
Level 2	-	-	-	-	-	-
Level 3	-	-	-	-	-	-
	598,016	(3,569)	0.60%	479,160	(4,157)	0.87%

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

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

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

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

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

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

	Valuation technique	Significant unobservable inputs	Range as of December 31,	
			2024	2023
Loans due from related parties at amortized cost	DCF method	Discount and interest rate	11.45%-18.7%	7.3%-19.5%
Financial guarantees			7.6%-18.7%	7.8%-19.5%
Loans due from related parties at fair value through profit or loss	DCF method	Discount and interest rate	SOFR + 2.8%- SOFR + 3.0%	SOFR + 2.8%-90 DAYS AVERAGE SOFR + 3.5%
Other non-current financial assets	DCF method	Discount and interest rate	9.2%	9.2%

28. FINANCIAL COMMITMENTS AND CONTINGENCIES

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 the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Legal proceedings

In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material negative effect on the separate financial results or financial position of the Company and which have not been accrued or disclosed in these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

28. FINANCIAL COMMITMENTS AND CONTINGENCIES (continued)**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 unusual, 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. Due to 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 at December 31, 2024. As at December 31, 2024, 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 these separate financial statements.

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 (further Law) 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 law came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, 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 December 31, 2024 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.

Commitments under subsoil use contract

According to the terms of subsoil use contracts signed by the Company with the Government of the RK, the Company has certain commitments on fulfilment of minimal work programs related to its oil and gas projects.

As at December 31, 2024, the Company failed to comply with work programs under some of its subsoil use contracts in full. Management believes that the outstanding amounts can be transferred to subsequent years and that such transfer will not result in termination of subsoil use contracts.

29. SUBSEQUENT EVENTS**Additional contribution to share capital**

During January-March 2025, the Company made contributions in cash to the share capital of KMG PetroChem, a subsidiary, with eight tranches in the total amount of 3,289 million tenge.

Loans given

During January-March 2025, the Company provided OMG, a subsidiary, with ten additional tranches under loan agreement in the total amount of 29,416 million tenge, maturing in 2025 at a rate of 0.01%.

Other operations

On February 21, 2025, the Company received from Cooperatieve KazMunaiGaz U.A., a subsidiary, 860 million US dollars in cash (equivalent to 429,794 million tenge) as a withdrawal from share capital.

On February 24, 2025, the Company donated the Sports Complex to the State Institution Department of Public Procurement and Communal Property of the West Kazakhstan Region, a third party, under the deed of gift.

Dividends received

On January 10, 2025, the Company received dividends from KMGI, a subsidiary, in the amount of 20 million US dollars (equivalent to 10,495 million tenge).

On January 30, 2025, the Company received dividends from KOA, the joint venture, in the amount of 4,500 million tenge.

EXTRACT
from the minutes of the Annual General Meeting of Shareholders
"National Company "KazMunayGas" Joint-Stock Company
No. 2/2025 dated May 29, 2025

Legal address of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Location of the executive body of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Date, place and time: May 29, 2025, 3:10 p.m. (Astana time), Conference Room "Atameken", Floor 2, Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Form of voting: by mixed (in-person and absentee) voting.

We hereby confirm that in accordance with the minutes of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC No.2/2025 dated May 29, 2025 on the second agenda item **«On the procedure for distribution of net income of NC KazMunayGas JSC for 2024 and the amount of dividend per one common share of NC KazMunayGas JSC»**

taking into account the resolution of the Board of Directors of NC KazMunayGas JSC dated 24 April 2025 (Minutes No.7/2025, item No.7) regarding the recommended amount of dividend payment,

in accordance with clause 1 of article 23, sub-clause 2) of clause 2 of article 35, sub-clause 8) of clause 1 of article 36 of the Law No.415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, clauses 47, 48 of article 9, sub-clause 13) of clause 98 of article 12 of the Charter of ‘National Company “KazMunayGas” JSC, approved by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 30 May 2023 (Minutes No.2/2023, item No.5), as amended and supplemented by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), clause 3.1 of Chapter 3, clauses 5.1, 5.8 of Chapter 5 of the Dividend Policy of NC KazMunayGas JSC approved by the resolution of the person holding all voting shares of NC KazMunayGas JSC dated 27 October 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.59/22, item No.7), sub-clause 2) of clause 16 of Chapter 5, sub-clause 14) of clause 32 of chapter 7 of the Regulations on the General Meeting of Shareholders of ‘National Company “KazMunayGas” Joint Stock Company approved by the resolution of the person holding all voting shares of NC “KazMunayGas” JSC dated 2 December 2022 (Minutes of the meeting of the Management Board of “Samruk-Kazyna” JSC No.66/22, item No.5), having considered the submitted materials, the General Meeting of Shareholders of NC KazMunayGas JSC **RESOLVED:**

1. Validate:

1) the following procedure for distributing the consolidated net income of NC KazMunayGas JSC (located at: premises entry 1, 8 Dinmukhamed Kunayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan, BIN 020240000555, IIC

(IBAN) KZ356010111000002033 in Halyk Bank of Kazakhstan JSC, SWIFT (BIC): HSBKKZKX) for the reporting financial year 2024, in the amount of KZT1,094,438,000,000 (one trillion ninety-four billion four hundred thirty-eight million) tenge:

allocate the amount of KZT300,001,855,903.03 (three hundred billion one million eight hundred fifty-five thousand nine hundred three) tenge and 3 tiyn to pay dividends to NC KazMunayGas JSC's shareholders;

retain the remaining amount of KZT794,436,144,096.97 (seven hundred ninety-four billion four hundred thirty-six million one hundred forty-four thousand ninety-six) tenge and 97 tiyn at the disposal of NC KazMunayGas JSC;

2) the 2024 dividend amount per one ordinary share of NC KazMunayGas JSC shall be KZT491.71 (four hundred ninety-one tenge) and seventy-one tiyn.

2. Fix the list of NC KazMunayGas JSC's shareholders entitled to receive dividends for the year 2024, as of 12:00 a.m. on 30 May 2025.

3. Determine 24 June 2025 as the commencement date for payment of dividends on NC KazMunayGas JSC's ordinary shares for 2024.

4. Pay the dividends on NC KazMunayGas JSC's ordinary shares at the end of 2024 in money, by transferring it in due order to the accounts of NC KazMunayGas JSC's shareholders independently and through a paying agent, represented by Central Securities Depository JSC, not later than 90 (ninety) calendar days from the date of adoption of this resolution.

To make a resolution on this issue, in accordance with clause 2 of article 36 and clause 1 of article 50 of the Law No. 415-II of the Republic of Kazakhstan 'On Joint Stock Companies' dated 13 May 2003, clause 91 of article 11 and clause 99 of article 12 of the Charter of 'National Company "KazMunayGas" Joint-Stock Company, approved by the resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended and supplemented, introduced by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), clause 79 of Chapter 16 of the Regulations on the General Meeting of Shareholders of National Company KazMunayGas JSC, approved by the resolution of the person owning all voting shares of NC KazMunayGas JSC dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), a simple majority of votes of the total number of voting shares of NC KazMunayGas JSC participating in the voting is required. The resolution is adopted by open voting on the principle 'one share - one vote'.

According to the voting results, the **RESOLUTION ADOPTED unanimously**.

Corporate Secretary
NC "KazMunayGas" JSC

D. Sharipov

EXTRACT
from the minutes of the Annual General Meeting of Shareholders
"National Company "KazMunayGas" Joint-Stock Company
No. 2/2025 dated May 29, 2025

Legal address of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Location of the executive body of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Date, place and time: May 29, 2025, 3:10 p.m. (Astana time), Conference Room "Atameken", Floor 2, Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Form of voting: by mixed (in-person and absentee) voting.

We hereby confirm that in accordance with the minutes of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC No. 2/2025 dated May 29, 2025 on the third agenda item **«On shareholders' appeals on actions of NC KazMunayGas JSC and its officials in 2024 and results of their consideration»**

in accordance with sub-clause 3) of clause 2 of article 35, sub-clause 18) of clause 1 of article 36 of the Law No.415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, sub-clause 27) of clause 98 of article 12 of the Charter of Joint Stock Company ‘National Company “KazMunayGas”, approved by resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended and supplemented by resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), sub-clause 3) of clause 16 of Chapter 5, sub-clause 36) of clause 32 of Chapter 7 of the Regulations on the General Meeting of Shareholders of ‘National Company “KazMunayGas” Joint Stock Company, approved by the resolution of the person owning all voting shares of NC KazMunayGas JSC, dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), having considered the sub-mitted materials, the General Meeting of Shareholders of NC KazMunayGas JSC **RESOLVED:**

to take note of the information on appeals of shareholders of NC KazMunayGas JSC on actions of NC KazMunayGas JSC and its officials in 2024 and the results of their consideration, according to the annex to this resolution.

To make a resolution on this issue, in accordance with clause 2 of article 36 and clause 1 of article 50 of the Law No.415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, clause 91 of article 11 and clause 99 of article 12 of the Charter of ‘National Company “KazMunayGas” Joint-Stock Company, approved by the resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended and supplemented, introduced by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes

No.1/2024, item No.8), clause 79 of Chapter 16 of the Regulations on the General Meeting of Shareholders of National Company KazMunayGas JSC, approved by the resolution of the person owning all voting shares of NC KazMunayGas JSC dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), a simple majority of votes of the total number of voting shares of NC KazMunayGas JSC participating in the voting is required. The resolution is adopted by open voting on the principle ‘one share - one vote’.

According to the voting results, the **RESOLUTION ADOPTED unanimously**.

Corporate Secretary
NC “KazMunayGas” JSC

D. Sharipov

Annex
to the resolution on item No.3 of the agenda
of the Annual General Meeting of
Shareholders of NC KazMunayGas JSC
dated 29 May 2025 (Minutes No.2/2025)

**Information on the number of shareholders' appeals on the actions of NC KazMunayGas JSC and its officials
in 2024**

In 2024, 1,084 letters on various topics were received by NC KazMunayGas JSC from JSC Samruk-Kazyna and the National Bank of the Republic of Kazakhstan , including 1,077 letters from the Fund (the content of 18 letters of which can be interpreted as an appeal by the Fund on the actions of KMG and its officials) and 7 letters from the NB (the content of 1 letter of which can be interpreted as an appeal by the NB on the actions of KMG and its officials).

No appeals regarding the actions of the Company and its officials were received from other shareholders of the Company.

No.	Name shareholder	Number of letters from specified recipients in 2024	Number of requests on the actions of KMG and officials in 2024
1	2	3	4
1.	JSC "Samruk-Kazyna"	1077	18
2.	RGU "National Bank of the Republic of Kazakhstan"	7	1
3.	State Institution "Ministry of Finance of the Republic of Kazakhstan"	0	0
4.	Minority shareholders	0	0
	Total:	1084	19

Thus, the total number of appeals from KMG shareholders regarding the actions of the Company and its officials received during 2024 is 19.

by KMG and responses were provided in accordance with the established procedure, or the provision of information on a systematic basis is under the control of the Company. This information is presented in more detail in the table below.

Appeals to the actions of KMG and officials in 2024

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
1	№06-3.2-13-06-3/29 dated 04.01.2024 Entrance No. 95-24 dated 04.01.2024	On sending a private ruling of the judicial panel for civil cases of the Astana city court in relation to JSC Mangistaumunaigas, which did not effectively use funds in 2021 during the procurement process, to take appropriate response measures against the guilty parties and prevent such incidents from occurring in the future.	№10/160 dated 09.01.2024	KMG sent a response to the Fund stating that since 2022, the management of JSC Mangistaumunaigas has changed, employment contracts with the administrators of budget programs who initiated the relevant purchases were terminated, and for violating the provisions of the Procedure for Procurement when announcing purchases on 02.11.2022, a disciplinary sanction in the form of a reprimand was applied to the head of the procurement department of JSC Mangistaumunaigas .
2	№03-1-03-03-1/84 dated 09.01.2024 Entrance No. 1597,11 dated 09.01.2024	On the need to bring to disciplinary responsibility persons guilty of failure by KMG to comply with the order of the First Deputy Prime Minister of the Republic of Kazakhstan No. 11-19 / 07-1121 clause 1.5 dated 04.01.2024 on the implementation of the recommendations of the working group issued based on the results of the audit of the safety system and control of production, storage, removal of products and other technological processes at ANPZ LLP, PNHZ LLP and PKOP LLP.	№25/750 dated 30.01.2024	KMG sent a response to the Fund stating that, given that KMG had begun implementing the recommendations of the working group in a timely manner, there were no guilty actions on the part of KMG officials and, accordingly, there were no grounds for holding them liable under disciplinary measures.
3	№04-1-09-04/330 dated 19.01.2024 Entrance No. 841-24 dated 19.01.2024	On the need to provide information on the consideration of the liability of officials (responsible employees) who committed violations, including the unjustified expenditure of funds on attracting in 2016 an independent consultant represented by the Consortium of companies Deloitte TSF LLP and Halyk Finance JSC during the	№18/521 dated 24.01.2024	possible to hold accountable KMG officials (responsible employees) who violated the Comprehensive Privatization Plans for 2016-2020 and 2021-2025 , because in accordance with paragraph 2 of Article 66 of the Labor Code of the Republic of Kazakhstan, a

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
		implementation of the Comprehensive Privatization Plan for 2016-2020, in accordance with Order No. 29-5-N and Audit Report No. 29-K		disciplinary sanction cannot be applied later than 6 months from the date of the disciplinary offense, and in cases established by the laws of the Republic of Kazakhstan, or the establishment of a disciplinary offense based on the results of an audit or inspection of the financial and economic activities of the employer - later than 1 year from the date of the disciplinary offense by the employee (the specified periods have expired), in addition, the responsible officials who made the decision in 2016 to engage independent consultants represented by the Consortium of Companies Deloitte TSF LLP and Halyk Finance JSC are not in an employment relationship with KMG.
4	№04-01-04/858 dated 15.02.2024 Entrance No. 13856,2 dated 15.02.2024	On improper execution of subparagraph 1) of paragraph 1 of Order No. 29-5-N – failure to provide data on the consideration of the liability of the guilty persons for the admitted facts of financial violations and ineffective use of assets.	№18/1247 dated 16.02.2024	KMG sent a response to the Fund that in response to the received Order No. 29-6-N, in terms of considering the responsibility of KMG officials (responsible employees) who committed violations during the implementation of the Comprehensive Privatization Plans for 2016-2020 and 2021-2025, KMG (by letter dated 24.01.2025 No. 18/521) reported that it is not possible to hold liable KMG officials (responsible employees) who committed violations of the Comprehensive Privatization Plans for 2016-2020 and 2021-2025, because in accordance with paragraph 2 of Article 66 of the Labor

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				<p>Code of the Republic of Kazakhstan, a disciplinary sanction cannot be applied later than 6 months from the date of the disciplinary offense, and in cases established by the laws of the Republic of Kazakhstan, or the establishment of a disciplinary offense based on the results of an audit or inspection financial and economic activities of the employer - later than 1 year from the date of the employee's disciplinary offense (the specified periods have expired), in addition, the responsible officials who made the decision in 2016 to engage independent consultants represented by the Consortium of Companies Deloitte TSF LLP and Halyk Finance JSC are not in an employment relationship with KMG.</p> <p>By letter dated 08.02.2024 No. 2-1-10/302, VAP informed KMG about the removal from control of the implementation of subparagraph 1) of paragraph 1 of Order No. 29-6-N in terms of considering the responsibility of officials (responsible employees) of KMG.</p>
5	<p>No. 06-3.2-13-02/1242 dated 03/01/2024</p> <p>In. No. 14269,4 dated 01.03.2024</p>	<p>On the failure to implement paragraph 9 of the protocol instruction of the Chairman of the Board of JSC Samruk-Kazyna, presented at the meeting on measures to implement the Message of the Head of State to the people of Kazakhstan dated 02.09.2023 (minutes No. 91-r)</p>	<p>№34/1838 dated 06.03.2024</p>	<p>KMG sent a response to the Fund stating that (in order to execute the order) KMG sent a letter to KMG's subsidiaries and affiliates on 05.03.2024 No. 34/1793, the execution of which was under KMG's control and was</p>

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				executed by KMG's subsidiaries and affiliates on 07.03.2024.
6	No. 03-4-02-03-1/1410 dated 03/11/2024 Entrance No. 3231-24.2 dated 11.03.2024	On failure to execute the order to provide KMG with an assessment of the effect on financial and economic activities and possible risks in the event of the implementation of initiatives included in the draft Presidential Decree "On measures to liberalize the economy", with the aim of forming the position of the Fund's group at meetings at the site of the Administration of the Prime Minister of the Republic of Kazakhstan.	№24/2159 dated 15.03.2024	KMG sent a response to the Fund with proposals that, in KMG's opinion, should be included in the draft Presidential Decree "On measures to liberalize the economy."
7	№26-09-18/283 dated 11.03.2024 Entrance No. 3446-24 dated 11.03.2024	On the need to provide explanations on the possible violation by KMG of the Law of the Republic of Kazakhstan "On currency regulation and currency control" in terms of the period for applying for assignment currency agreement or account number in a foreign bank.	№28/2016 dated 13.03.2024	KMG sent a response to the Central Branch of the National Bank – a justification for the absence of violations on the part of KMG the period for applying for the assignment of an account number to a foreign exchange contract or account in a foreign bank.
8	№06-3.1-09-06-3.1/173 dated 28.03.2024 Entrance No. 3074-24.3 dated 28.03.2024	On KMG's failure to execute (as of 28.03.2024) the instruction provided for in paragraph 4.3 of the protocol following the working visit of the Prime Minister of the Republic of Kazakhstan to Pavlodar Region (instruction No. 11-09/09-165 dated 12.03.2024), concerning the submission of KMG's proposals for the purchase of goods, works and services from domestic companies related to technical maintenance, operation, major or current repairs for facilities classified as highly explosive and fire hazardous.	№25/2539 dated 01.04.2024	KMG sent a response to government agencies (the Ministry of Finance of the Republic of Kazakhstan and the AzRK), the Atameken National Chamber of Entrepreneurs and the Fund with proposals for changes to the Procedure implementation of procurement and the results of ineffective procurement.
9	№01-4-08-01-4/2885 dated 17.05.2024	On KMG's failure to comply within the established deadline with the order to submit to the Fund a	№22/3928 dated 21.05.2024	KMG sent a response to the Fund with an attached report on the results of the internal investigation conducted by the working group

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
	In. No. 6867-24 dated 17.05.2024	notification of the results of the internal investigation at Batumi Oil Terminal LLC.		of JSC KazTransOil and an indication that the materials on the results of the inspection of Batumi Oil Terminal LLC with the participation of KMG specialists will be sent to the Fund after the completion of the procedure for signing the conclusion by the company's management.
10	№01-4-07-01-4/3505 dated 10.06.2024 In. No. 6867-24,2 dated 10.06.2024	On the failure to submit to the Fund the results of the internal investigation at Batumi Oil Terminal LLC, conducted in accordance with the order of KMG dated 28.03.2024 No. 74 (namely, the materials on the results of the investigation with the participation of KMG specialists after the completion of the procedure for signing the conclusion by the management), according to the response letter of KMG for outgoing No. 22/3928 dated 21.05.2024.	No. 22/402-DSP dated 06/18/2024	KMG sent a corresponding response to the Fund.
11	No. 01-1-08-03-1/3938 dated 06/25/2024 Entrance No. 9228-24 dated 25.06.2024	On the forwarding to KMG of a letter received directly by the Fund from Ural Oil and Gas LLC dated 17.06.2024 No. 12/279 (<i>related to the timely commissioning of the Rozhkovskoye gas condensate field and containing a request for clarification on all possible negative legal consequences of the options proposed by Ural Oil and Gas LLC for the transfer of an additional volume of work on the construction of the central control room, to assess all risks and consequences in order to make a final decision</i>) and the Fund's request from KMG to provide an explanation as to why this letter was sent directly to the Fund and not through KMG.	№14/5261 dated 02.07.2024	KMG sent a response to the Fund stating that explanatory work had been carried out with the General Director of Ural Oil and Gas LLC regarding the prevention of sending any correspondence to the Fund without going through the KMG corporate center.
12	№01-1-08-03-1/4637 dated 24.07.2024	On the failure to fulfill the order stipulated by the Fund's letter dated 25.06.2024 No. 01-1-08-03-1/3938, and the	№14/6051	KMG sent a second response to the Fund stating that explanatory work had been carried

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
	Entrance No. 9228-24.2 dated 24.07.2024	need to provide the Fund with high-quality information and a response from KMG.	dated 29.07.2024	out with the General Director of Ural Oil and Gas LLC regarding the prevention of sending any correspondence to the Fund without going through KMG's corporate center.
13	№07-4-08-07/4777 dated 30.07.2024 Entrance No. 7325-24.2 dated 30.07.2024	On the failure of KMG to take necessary measures to implement the Strategy for the Development of the Industrial Safety Management System of Samruk-Kazyna JSC for 2024-2028 (hereinafter referred to as the Strategy) approved by the decision of the in-person meeting of the Management Board of Samruk-Kazyna JSC dated 16.05.2024 (minutes No. 26/24) and the need to bring the requirements of KMG's internal documents in the field of industrial safety in line with the approved Strategy, including providing for the establishment of long-term target values in the field of industrial safety.	№13/6622 dated 15.08.2024	KMG has sent a repeated response to the Fund stating that the metrics for tracking the development of the industrial safety management system, as provided for in the Strategy, development of the industrial safety management system of Samruk-Kazyna JSC for 2024-2028 will be included in the new version of the Roadmap for improving industrial safety, labor protection and the environment in the KMG group of companies, approved by the KMG Management Board. The roadmap for improving industrial safety, labor protection and the environment in the KMG group of companies was approved by the decision of the KMG Management Board dated 19.02.2025 (minutes No. 7).
14	No. 06-3.2-13-06-3/6908 dated 10/30/2024 In. No. 16398-24 dated 10/31/2024	On the provision of information on the measures taken to eliminate the identified violations of the law in procurement activities in the KMG group of companies, specified in paragraphs 1, 2 of the Submission on the elimination of violations of the law of the Prosecutor General's Office of the Republic of Kazakhstan dated October 29, 2024 No. 2-010345-24-86686.	№34/9404 dated 11.11.2024	KMG sent a response to the Fund stating that with regard to the elimination of the identified violations of the law, the causes and conditions that contributed to them, KMG and its subsidiaries and affiliates have taken measures to tighten control over the expenditure of funds with the personalization

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				<p>of the responsibility of the top managers of KMG's subsidiaries and affiliates, namely, in 2024, on the instructions of the Chairman of the KMG Management Board, job descriptions were updated to strengthen the personal responsibility of the ABP, heads of structural divisions responsible for procurement, as well as CEO-1, CEO-2, supervising the ABP and procurement of KMG's subsidiaries and affiliates; in terms of revising the work on marketing price analysis, increasing the responsibility of KMG's subsidiaries and affiliates, as customers, for conducting marketing price analysis, determining the cost of purchased goods based on commercial offers from manufacturers when conducting price analysis, as well as excluding the acceptance of commercial offers from affiliated persons, it should be noted that when determining the marketing price for goods, KMG's subsidiaries and affiliates are guided by Annex No. 3 to the Procedure for Procurement;</p> <p>All other issues provided for by the Submission on the elimination of violations of the law of the Prosecutor General's Office of the Republic of Kazakhstan dated October 29, 2024 No. 2-010345-24-86686 were accepted</p>

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				by KMG and its subsidiaries and affiliates for work.
15	№07-4-05-07/7191 dated 11/13/2024 In. No. 17199-24 dated 11/13/2024	On the need to conduct an internal investigation and provide the Fund with the results and information on the measures taken to eliminate the identified violations on the issues specified in the appeal received by Samruk-Kazyna JSC through the e-Otinish system dated 07.11.2024 No. ЖТ-2024-05889152 from employees of Zeus Energo LLP (Zhetybay NPS, Kalamkas NPS, Aktau GNPS, Uzen GNPS, Karazhanbas GNPS), regarding violations by the employer of labor legislation requirements and regulatory legal acts in the field of fire safety.	№02/9703 dated 21.11.2024	KMG sent a response to the Fund (with an attachment) stating that, in accordance with the appeal of employees of Zeus Energo LLP, KazTransOil JSC conducted an internal investigation in relation to the contractor organization Zeus Energo LLP, based on the results of which a corresponding report was drawn up, indicating the conclusions and recommendations, attached to the response.
16	№03-2.2-07-03/7257 dated 11/15/2024 In. No. 17367-24 dated 11/15/2024	On the existence of cases of untimely provision (concealment of information) on technological incidents, accidents on the part of KMG, the need for immediate (within 1 hour) informing the Fund's management and supervising departments on technological incidents, accidents, including any types of violations in production processes, non-compliance with environmental requirements and other incidents, and determining the persons responsible for providing information on accidents.	№13/9612 dated 18.11.2024	KMG sent a response to the Fund that the KMG Security Management Center (24-hour duty service, smc@kmg.kz, tel. 789110) in the established manner and time frame (immediately and following the results of the duty day) sends operational and consolidated information on incidents and events to the Fund's security department and to the Nysana electronic message processing system in accordance with the Standard for the formation and submission to the Samruk-Kazyna JSC Security Monitoring and Management Center of information on events and incidents.

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
17	№01-4-09-01-4/7979 dated 20.12.2024 In. No. 16200-24.6 dated 20.12.2024	On the need to conduct and provide the Fund with the results of an audit on all the arguments set out in the appeals received at the address of JSC Samruk-Kazyna through the e- Otinish platform from the employee of OzenMunaiService LLP Taubaev Yeseta Akzholuly on illegal actions of employees of OzenMunaiService LLC .	№22/105 dated 08.01.2025	KMG sent a response (in one letter) to the author of the appeals Taubaev E.A. , and also to the Zhanaozen City Prosecutor’s Office and the Fund that: based on the facts stated in the appeals by E.A. Taubaev ; in addition, OzenMunaiService LLP and KMG repeatedly sent responses to E.A. Taubaev regarding the results of the consideration of his appeals; based on the results of previously conducted inspections for violation of labor discipline, employees of OzenMunaiService LLP Akmurzaev S.I. and Uzakbaev R.A. were brought to disciplinary responsibility in accordance with the Labor Code of the Republic of Kazakhstan; other facts indicated in the appeals of Taubaev E.A. were not confirmed as a result of the inspections carried out.
18	№06-3.2-13-06-3/8091 dated 25.12.2024 In. No. 19690-24 dated 26.12.2024	On the fact of violations by KPI Inc. LLP of the norms and requirements of the Procedure for Carrying Out Purchases and the Rules for Conducting Control, as well as on the failure to comply with the Notification of the Centralized Service, which is mandatory for execution. (failure to comply), based on complaints from ZAMAN Disabled People's Society LLP and PALLETY.KZ LLP regarding electronic purchases conducted by KPI Inc. LLP through an open tender No. 1022460 "SR4 Pallets" and No. 1022226 "SR4 Pallets".	№34/10884 dated 26.12.2024 №34/346 dated 15.01.2025	KMG sent a letter to the Fund with a request to extend the deadline for the execution of the order until 15.01.2025 KMG sent a response to the Fund stating that: KPI Inc. LLP cancelled purchases No. 1060388 and No. 1060594 “Pallet” using the open tender method with limited participation; the issue of bringing guilty officials to disciplinary responsibility is under

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
19	No. 06-3.2-13-06-3/8214 dated 12/31/2024 In . No. 19690-24.2 dated 12/31/2024	On failure to comply with the notification and re-announcement by KPI Inc. LLP of purchases No. 1060388 and No. 1060594 "Pallet" by open tender with limited participation.	№34/346 dated 15.01.2025	consideration by the KPI management (<i>as of 14.03.2025, the situation has not changed</i>) ; at the request of KPI Inc. LLP , PALLETY.KZ LLP was included in the List of Unreliable Potential Suppliers (Suppliers) of the Fund.

Abbreviations:

NC KazMunayGas JSC, Company, KMG – Joint Stock Company "National Company "KazMunayGas";

Fund, Samruk-Kazyna JSC – Joint Stock Company "National Welfare Fund "Samruk-Kazyna";

RK – Republic of Kazakhstan;

APr RK – Office of the Government of the Republic of Kazakhstan;

MF RK – Ministry of Finance of the Republic of Kazakhstan;

AZRK – Agency for the Protection and Development of Competition of the Republic of Kazakhstan;

NB – Republican State Institution “National Bank of the Republic of Kazakhstan”;

RSU – Republican State Institution;

SAC – Supreme Audit Chamber of the Republic of Kazakhstan;

NCE "Atameken" - National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken";

DZO – subsidiary and dependent organizations;

PKOP LLP - limited liability partnership "PetroKazakhstan Oil Products";

Plant LLC – Pavlodar Petrochemical Plant Limited Liability Partnership;

KPI Inc. LLP - limited liability partnership "Kazakhstan Petrochemical Industries Inc." / "Kazakhstan Petrochemical Industries Inc."/";

CEO (Chief Executive Officer) – the first head of the company;

CEO-1 (Chief Executive Officer-1) – a top manager who is responsible for a separate function in the company;

BPA – budget program administrators;

TC RK – Labor Code of the Republic of Kazakhstan dated November 23, 2015 No. 414-V;

Audit Report No. 29-K - Audit Report of the Supreme Audit Chamber of the Republic of Kazakhstan dated 21.12.2023 No. 29-K based on the results of the state audit of the effectiveness of state policy in the field of privatization, as well as the activities of state bodies and entities of the quasi-public sector in the formation and implementation of Comprehensive Privatization Plans for 2016-2020 and 2021-2025 (interim assessment);

Order No. 29-6-N - Order of the Supreme Audit Chamber of the Republic of Kazakhstan dated 21.12.2023 No. 29-5-N "On the results of the state audit of the effectiveness of state policy in the field of privatization, as well as the activities of state bodies and entities of the quasi-public sector in the formation and implementation of comprehensive privatization plans for 2016-2020 and 2021-2025 (interim assessment)";

Order implementation of procurement - the Procedure for implementation of procurement by the joint-stock company "National Welfare Fund "Samruk-Kazyna" and legal entities, fifty or more percent of voting shares (participatory interests) of which are directly or indirectly owned by JSC "Samruk-Kazyna" on the basis of ownership or trust management, approved by the decision of the Board of Directors of JSC "Samruk-Kazyna" dated 03.03.2022 (minutes No. 193);

DSP – for official use;

GNPS – main oil pumping station;

NPS – oil product pumping station.

EXTRACT
from the minutes of the Annual General Meeting of Shareholders
"National Company "KazMunayGas" Joint-Stock Company
No. 2/2025 dated May 29, 2025

Legal address of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Location of the executive body of NC “KazMunayGas” JSC: Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Date, place and time: May 29, 2025, 3:10 p.m. (Astana time), Conference Room "Atameken", Floor 2, Non-residential premise-1, Building 8, Dinmukhamed Konayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan.

Form of voting: by mixed (in-person and absentee) voting.

We hereby confirm that in accordance with the minutes of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC No.2/2025 dated May 29, 2025 on the fourth agenda item **«On Amendments and Additions to the Regulations on the Board of Directors of NC KazMunayGas JSC»**

in accordance with sub-clause 18) of clause 1 of article 36 of the Law No.415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, sub-clause 10) of clause 98 of article 12 of the Charter of ‘National Company “KazMunayGas” Joint Stock Company, approved by resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, issue No.5), as amended and supplemented by resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), clause 18 of Chapter 5, sub-clauses 22) and 25) of clause 32 of Chapter 7 of the Regulations on the General Meeting of Shareholders of ‘National Company “KazMunayGas” Joint Stock Company, approved by resolution of the person owning all voting shares of NC KazMunayGas JSC, dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), clause 7.4 of Chapter 7 of the Regulations on the Board of Directors of National Company KazMunayGas JSC, approved by resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 30 May 2023 (Minutes No.2\2023, item No.6), as amended by resolution of the General Meeting of Shareholders of NC KazMunayGas JSC dated 6 November 2023 (Minutes No.5/2023, item No.2), having considered the sub-mitted materials, the General Meeting of Shareholders of NC KazMunayGas JSC **RESOLVED:**

to amend and supplement the Regulations on the Board of Directors of NC KazMunayGas JSC approved by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 30 May 2023 (Minutes No.2\2023, item No.6), as amended by the resolution of the General Meeting of Shareholders of NC KazMunayGas JSC dated 6 November 2023 (Minutes No.5/2023, item No.2), in accordance with the annex to this resolution.

To make a resolution on this issue, in accordance with clause 2 of article 36 and clause 1 of article 50 of the Law No. 415-II of the Republic of Kazakhstan ‘On Joint Stock Companies’ dated 13 May 2003, clause 91 of article 11 and clause 99 of article 12 of the Charter of ‘National Company “KazMunayGas” Joint-Stock Company, approved by the resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended and supplemented, introduced by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), clause 79 of Chapter 16 of the Regulations on the General Meeting of Shareholders of National Company KazMunayGas JSC, approved by the resolution of the person owning all voting shares of NC KazMunayGas JSC dated 2 December 2022 (Minutes of the meeting of the Management Board of Samruk-Kazyna JSC No.66/22, item No.5), a simple majority of votes of the total number of voting shares of NC KazMunayGas JSC participating in the voting is required. The resolution is adopted by open voting on the principle ‘one share - one vote’.

According to the voting results, the **RESOLUTION ADOPTED unanimously**.

Corporate Secretary
NC “KazMunayGas” JSC

D. Sharipov

Annex
to the resolution on item No.4
agenda of the Annual
General Meeting of Shareholders
NC «KazMunayGas» JSC
dated May 29, 2025
(Minutes No.2/2025)

Amendments and additions
to the Regulation on the Board of Directors of National Company KazMunayGas JSC, approved by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated May 30, 2023 (Minutes No. 2\2023, item No. 6), with amendments by the resolution of the General Meeting of Shareholders of NC KazMunayGas JSC dated November 6, 2023 (Minutes No. 5/2023, item No. 2)

1. Clause 1.3 of Chapter 1 shall be set out as follows:

"1.3. The BoD is the management body of the Company, accountable to the General Meeting of Shareholders of the Company (hereinafter referred to as **the GMS**), ensuring general (strategic) management of the Company's activities and control over the activities of the collegial executive body of the Company (hereinafter referred to as **the Management Board**), as well as the implementation of the provisions of the Corporate Governance Code of the Company. Resolutions of the BoD are taken in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as **the RK**), the Charter of the Company, the Corporate Governance Code of the Company and the Regulation."

2. Clause 1.4 of Chapter 1 shall be set out as follows:

"1.4. In its activities, the BoD is guided by the legislation of the Republic of Kazakhstan, including the Law of the Republic of Kazakhstan "On Joint Stock Companies" (hereinafter referred to as **the Law**) and the Law of the Republic of Kazakhstan "On the National Welfare Fund" (hereinafter referred to as **the Fund**), the requirements of the Exchanges on which the Company's shares are traded: Astana International Exchange (AIX) and Kazakhstan Stock Exchange JSC (KASE), the Company Charter, Regulations, Corporate Governance Code of the Company and other internal documents of the Company, as well as documents of the Fund that apply to the Company."

3. Clause 1.5 of Chapter 1 shall be amended as follows:

"1.5. The BoD shall be responsible to the GMS for the general management of the Company's activities. The resolutions of the GMS taken within its competence shall be binding on the BoD. The BoD shall annually report on its activities to the GMS by Submitting a report on the work performed based on the results of the previous year, which shall reflect the results of the activities of the BoD and its Committees for the reporting period, the measures taken by the BoD to increase the long-term value and sustainable development of the organization, the main risk factors, significant events, the issues considered, the number of meetings, the form of meetings, attendance, as well as other important information, by including it in the annual report of the Company.

The BoD also annually reports on compliance with the standards of the Company's Corporate Governance Code to the GMS by including a corresponding report in the Company's annual report."

4. Clause 1.7 of Chapter 1 shall be set out as follows:

"1.7. The BoD and the Management Board shall ensure the growth of the long-term value of the Company, and shall also ensure the formation of an appropriate system in the area of sustainable development and its implementation. The BoD shall exercise strategic leadership and control over the implementation of the system in the area of sustainable development in the Company."

5. Chapter 1 shall be supplemented with clause 1.9 of the following content:

"1.9. The members of the BoD perform their functional duties and adhere to the following principles in their activities:

- 1) act within the limits of their authority;
- 2) devote sufficient time to participation in meetings of the BoD, its Committees and preparation for them;
- 3) contribute to the growth of long-term value and sustainable development of the Company;
- 4) maintain high standards of business ethics;
- 5) avoid conflicts of interest;
- 6) act with due skill."

6. The Regulation shall be supplemented with Chapter 1-1 of the following content:

« 1-1. BoD in the risk management and internal control system

1-1.1. The BoD, together with the Management Board, ensures the implementation of a culture of proper risk management in the Company.

1-1.2. The BoD defines the principles and approaches to organizing the risk management and internal control system, based on the objectives of this system and taking into account best practices in the field of risk management and internal control.

1-1.3. The BoD approves internal documents that define the principles and approaches to organizing an effective risk management and internal control system, demonstrating the Company's commitment to best practices in the field of risk management and internal control.

1-1.4. When approving internal documents in the area of risk management and internal control, the BoD is guided by the documents adopted by the Fund regulating issues of risk management and internal control.

1-1.5. The BoD regularly receives information on key risks, their analysis in terms of their impact on the strategy and business plans of the Company, and takes appropriate measures to ensure that the current risk management and internal control system complies with the principles and approaches to its organization determined by the BoD and functions effectively. At least once per quarter, the BoD reviews and discusses the Company's risk reports in full and in a proper manner.

1-1.6. The BoD, together with the Audit Committee, is responsible for assessing the effectiveness of the risk management and internal control system. The BoD forms its own opinion on its effectiveness after a proper and thorough analysis of the information and assurances communicated to it by the Internal Audit Service or an external expert, the Audit Committee and the Management Board.

1-1.7. The BoD regularly reviews issues related to the organization, functioning and effectiveness of the Company's risk management and internal control system and, if necessary, provides recommendations for its improvement.

7. Clause 2.1 of Chapter 2 shall be amended as follows:

"2.1. The exclusive competence of the BoD includes issues stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company and the Regulation.

At the same time, the following issues are considered by the BoD (including, but not limited to):

1) the schedule of meetings of the BoD and its committees, the work plan of the BoD;

2) reports of the Chairman of the Board on key changes in the activities of the Company;

3) reports (for the purpose of their approval) on key (including financial) risks of the Company;

4) reports on fatal accidents in the Company's group of companies;

5) information on changes in government strategy or policy;

6) reports on the results of monitoring and analysis of the implementation of investment drafts of the Company and its Sub-sidiaries;

7) reports on concluded transactions in which there is an interest, resolutions on which were made by the Board;

8) reports on the work done to ensure cybersecurity of the Company's group of companies;

9) information on the production technologies available in the world and used at the fields of the Company's group of companies, as well as innovations and improvements in hydrocarbon production technologies by the companies of the Company's group of companies;

10) information on the status of the Company's implementation of plans approved by resolutions of the Government of the Republic of Kazakhstan;

11) information on the financial status of the companies of the Company group and the ability of these companies to receive financing and make payments to the oil producing companies of the Company group;

12) issues of the annual meeting of the BoD on strategy (strategic session);

13) issues of the annual meeting of the BoD on sustainable development;

14) plans (for the purpose of their approval) of measures to improve the corporate governance of the Company and consideration of information on the status of their implementation;

15) reports on the activities of structural divisions accountable to the BoD;

16) assignments to the Management Board, Chairman of the Management Board, employees of the Company's structural units reporting to the BoD."

8. Clause 2.2 of Chapter 2 shall be amended as follows:

"2.2. The BoD is vested with powers sufficient to manage the Company and control the activities of the Management Board, including the power to issue instructions. Instructions to the bodies and employees of the Company's structural units reporting to the BoD shall be given only at meetings of the BoD on behalf of the BoD,

which must take into account their relevance, feasibility, and the realistic deadlines set for their implementation, the following may be heard and discussed:

1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;

2) in the case of instructions to structural divisions accountable to the BoD – the opinion of the heads of such divisions.”

9. Sub-clause 1) of clause 2.3 of Chapter 2 shall be set out as follows:

“1) defining the strategy/plan for the development of the Company and the integration of ESG (Environmental, Social, Governance) goals (directions and results);”.

10. Sub-clause 6) of clause 2.3 of Chapter 2 shall be set out as follows:

“6) corporate governance and ethics, ensuring the implementation and compliance with business ethics standards, an effective system for reporting suspected violations;”.

11. Sub-clause 7) of clause 2.3 of Chapter 2 shall be excluded.

12. Sub-clause 8) of clause 2.3 of Chapter 2 shall be excluded.

13. Clause 2.3 of Chapter 2 shall be supplemented with Sub-clause 9) of the following content:

“9) compliance in the Company with the provisions of the Company’s Corporate Governance Code and the Fund’s corporate standards.”

14. Supplement clause 2.3 of Chapter 2 with the following eleventh clause:

“In order to understand current issues of the Company’s activities, members of the BoD regularly visit key facilities of the Company and hold meetings with employees.”

15. Chapter 2 shall be supplemented with clause 2.3-1 of the following content:

"2.3-1. Issues related to the development and implementation of the Company's development plan are considered with the frequency determined by the BoD, but not less than 1 (one) time per year, exclusively at in-person meetings of the BoD. The BoD implements a system of early detection and timely response to changes in the domestic and foreign market conditions, and force majeure situations."

16. Chapter 2 shall be supplemented with clause 2.5-1 of the following content:

“2.5-1. The BoD has the right to make changes and additions to the resolutions it has made, and, if necessary, to recognize its resolutions as no longer in force, as well as to extend the effect of the resolutions made to an earlier or later date.”

17. In clause 3.1.2 of clause 3.1 of Chapter 3, replace the word “remuneration” with the word “remuneration”.

18. Clause 3.1.3 clause 3.1 of chapter 3 shall be set out as follows:

"3.1.3. The search for candidates and their election are conducted based on objective criteria and taking into account the need for diversity in the composition of the BoD. The process of searching for and selecting independent directors is carried out on a competitive basis. The search for and selection of candidates for the BoD, including independent directors, is carried out in accordance with the procedure established by the Corporate Governance Code of the Company, the Regulation and relevant documents of the Fund that apply to the Company.

The search and selection must be completed before the expiration of term of office of the entire BoD."

19. Clause 3.1.5 of clause 3.1 of Chapter 3 shall be set out as follows:

“3.1.5. The composition of the BoD must be balanced, which means a combination of members of the BoD (representatives of shareholders, independent directors, head of the executive body), and the BoD and its Committees must maintain a balance of skills, experience and knowledge, ensuring the adoption of independent, objective and effective resolutions in the interests of the Company, taking into account the fair treatment of all shareholders and the principles of sustainable development.”

20. Clause 3.1.9 of clause 3.1 of Chapter 3 shall be set out as follows:

“3.1.9. The composition of the BoD must be diverse in terms of experience, personality, age and gender composition to enhance long-term value in accordance with ESG principles.”

21. Clause 3.1.11 of clause 3.1 of Chapter 3 shall be set out as follows:

“3.1.11. Members of the Management Board, except for the Chairman of the Management Board, may not be elected to the BoD. The Chairman of the Management Board may not be elected as the Chairman of the BoD.

The following person shall not be elected to the position of member of the BoD:

1) having an outstanding or not removed conviction in accordance with the procedure established by law;

2) previously served as the chairman of the BoD, head of the executive body, deputy head, chief accountant of another legal entity for a period of no more than 1 (one) year prior to the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure (this requirement shall apply for 5 (five) years after the date of the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure);

3) committed a corruption crime.”

22. Clause 3.1.15 of clause 3.1 of Chapter 3 shall be set out as follows:

“3.1.15. Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company and the Corporate Governance Code of the Company.”

23. Clause 3.1 of Chapter 3 shall be supplemented with clause 3.1.16-1 of the following content:

“3.1.16-1. The BoD shall elect a Senior Independent Director from among the independent directors.

Key functions of the Senior Independent Director include:

1) the function of an advisor to the Chairman of the BoD and providing him with support in communicating the goals he defines;

2) assessment of the performance of the chairman of the BoD, including the organization of at least annual meetings of independent directors for this purpose;

3) planning the succession of the Chairman of the BoD in close cooperation with the NRC;

4) the function of a mediator in interaction and/or resolution of disagreements in the event of disagreements between shareholders, the Management Board, the Chairman of the BoD and other members of the BoD;

5) be available to shareholders to resolve any issues or questions that they feel have not been adequately addressed through normal communication channels (i.e.

through the Chairman of the BoD, the Chairman and/or members of the Management Board);

6) attending a sufficient number of meetings with major shareholders to obtain a balanced understanding of their issues and concerns. "

24. In clause 3.1.27 of clause 3.1 of Chapter 3, the word " are familiarized " shall be replaced with the word "are familiarized".

25. Clause 3.2.4 of clause 3.2 of Chapter 3 shall be supplemented with Sub-clause 9-1) of the following content:

"9-1) if the members of the BoD have different opinions, ensures consideration of all acceptable options and proposals expressed by individual members of the BoD in order to make a resolution that meets the interests of the Company;"

26. Clause 3.3.1.1 of clause 3.3 of Chapter 3 shall be amended as follows:

"3.3.1.1. For a more in-depth and high-quality study of issues, conducting a detailed analysis and developing recommendations on a range of the most important issues before their consideration at a meeting of the BoD, the BoD creates committees of the BoD (hereinafter and above – **Committees**) on the following issues:

- 1) strategic planning;
- 2) personnel and remuneration;
- 3) internal audit;
- 4) social issues;
- 5) other issues provided for by the internal documents of the Company.

The existence of Committees does not relieve members of the BoD from responsibility for resolutions taken within the competence of the BoD."

27. Item 3.3.1.3 of clause 3.3 of Chapter 3 shall be excluded.

28. Clause 3.3.2.1 of clause 3.3 of Chapter 3 shall be amended as follows:

"3.3.2.1. The Committees shall consist of members of the BoD and, if necessary (except for the Audit Committee), experts with the necessary professional knowledge to work in a specific Committee."

29. Clause 3.3.2.7 of clause 3.3 of Chapter 3 shall be amended as follows:

"3.3.2.7. The Committee Chairmen shall prepare reports on the activities of the Committees and, at a separate meeting, report to the BoD on the results of the activities for the year, and also report at each meeting of the BoD (except for meetings in absentia), if it was preceded by meetings of the Committees, on the results of these meetings, issues previously considered by the Committees, and on the instructions proposed by the Committees to the bodies, structural units and employees of the Company's structural unit reporting to the BoD (in this case, the requirements of clause 6.6.6 and Sub-clause 4) of clause 6.6.7 of the Regulations shall apply) ."

30. In Sub-clause 13) of clause 4.1.1 of section 4.1 of Chapter 4, replace the word "introduction" with the word "introduction".

31. Sub-clause 15) of clause 4.1.1 of section 4.1 of Chapter 4 shall be set out as follows:

"15) demand that the BoD' resolutions include instructions to the Management Board and/or officials of the Company, Services accountable to the BoD, their heads;"

32. Clause 5.2.1 of clause 5.2 of Chapter 5 shall be supplemented with sub-clause 3-1) of the following content:

“3-1) comply with the procedures established by the documents of the Company for preparing and holding meetings of the BoD;”.

33. Sub-clause 7) of clause 5.2.1 of section 5.2 of Chapter 5 shall be set out as follows:

“7) attend in-person meetings of the BoD, and if personal attendance is not possible, participate via conference call or Written Opinion in accordance with the Regulation;”.

34. Sub-clause 9) of clause 5.2.1 of section 5.2 of Chapter 5 shall be set out as follows:

“9) improve their qualifications in accordance with the internal documents of the Company or resolutions of the BoD, including annually Sub-mitting proposals for their professional development to the corporate secretary in a timely manner;”.

35. Sub-clause 20) of clause 5.2.1 of section 5.2 of Chapter 5 shall be set out as follows:

“20) to be present at the GMS, at the request of the GMS, the Chairman of the BoD to provide any information within the scope of issues within the competence of the BoD, except for personal and confidential information;”.

36. Supplement clause 5.2 of Chapter 5 with clause 5.2.2 of the following content:

“5.2.2. Independent directors must actively participate in the discussion of issues where a conflict of interest may arise (preparation of financial and non-financial reports, conclusion of transactions in which there is an interest, nomination of candidates for the Management Board, establishment of remuneration for members of the Management Board).”

37. Supplement clause 5.3 of Chapter 5 with clause 5.3.13 of the following content:

“5.3.13. The process, timing and procedure for conducting the assessment of the activities of the BoD, its Committees and members of the BoD must be clearly regulated in the internal documents of the Company approved by the BoD, including those providing for training in conducting the assessment for the chairman and members of the BoD.”

38. Clause 6.1.1 of clause 6.1 of Chapter 6 shall be amended as follows:

“6.1.1. The BoD annually, before the beginning of the calendar year, forms and approves a plan of its work, including a list of issues planned for consideration, and a schedule of meetings with dates, based on the principles of careful planning of the activities of the BoD and the Company, rationality, efficiency and regularity.”

39. Clause 6.1.7 of clause 6.1 of Chapter 6 shall be set out as follows:

“6.1.7. Members of the BoD may participate in a meeting of the BoD or its Committees via videoconference (interactive audiovisual communication), conference call (simultaneous conversation of members of the BoD in the “telephone conference” mode), other interactive means of communication that allow for the exchange of opinions, confirmation of voting and summing up of its results in real time (hereinafter and above collectively referred to as **Conference Call**).

Conference calling involves exchanging messages via email.”

40. Supplement clause 6.1 of Chapter 6 with clause 6.1.7-1 of the following content:

“6.1.7-1. When voting by exchanging messages via e-mail, the following

conditions must be met:

1) voting is carried out before the date and time specified in the notice sent to the members of the BoD by the corporate secretary; votes received by members of the BoD after this are not taken into account;

2) for voting, a member of the BoD is sent a message by e-mail containing a clearly expressed position of the member of the BoD on each issue on the agenda of the meeting of the BoD, indicating one of three voting options: "for" / "against" / "abstained" (otherwise the vote is not counted);

3) the opening time of the meeting of the BoD shall be the date and time of the first message received by the corporate secretary from a member of the BoD by e-mail that meets the requirements established by this clause."

41. Clause 6.1.9 of clause 6.1 of Chapter 6 shall be set out as follows:

"6.1.9. In special cases, a combination of both forms of the BoD meeting is possible. This applies to the situation when one or more members of the BoD (no more than 30% [thirty percent]) are unable to attend the BoD meeting in person or participate via conference call. In such a case, the meeting is considered in person. In this case, the absent member of the BoD is considered to have participated in the BoD meeting if he or she has provided the corporate secretary in writing, in advance of the BoD meeting, the results of his or her voting and opinion on all issues on the agenda of such meeting (hereinafter and above, **the Written Opinion**). In this case, the receipt of the Written Opinions is recorded by the corporate secretary, indicating the date and time of receipt of each Written Opinion ."

42. Clause 6.2.3 of clause 6.2 of Chapter 6 shall be amended as follows:

"6.2.3. The corporate secretary shall form the agenda of the meeting of the BoD in accordance with clause 6.5.2 of the Regulations based on the package of materials provided to the corporate secretary in the established manner."

43. Clause 6.2.4 of clause 6.2 of Chapter 6 shall be amended as follows:

"6.2.4. The agenda of the meeting of the BoD is Sub-mitted to the Chairman of the BoD for approval together with a complete package of materials on the agenda items."

44. Clause 6.2.6 of clause 6.2 of Chapter 6 shall be set out as follows:

"6.2.6. The initiator of the convening of a meeting of the BoD shall form a Request for the convening of a meeting of the BoD (hereinafter referred to **as the Request for Convening**) based on a package of materials formed in the established manner.

The request to convene a meeting of the BoD with attached materials prepared in the established manner shall be signed by the initiator who has such right in accordance with the Law and the Charter of the Company, and shall be Sub-mitted in the established manner to the Chairman of the BoD and the corporate secretary."

45. Clause 6.3.3 of clause 6.3 of Chapter 6 shall be amended as follows:

" 6.3.3. Notification of a meeting of the BoD, as well as the necessary materials attached thereto, shall be sent by the corporate secretary to the members of the BoD in writing or, upon agreement with the members of the BoD, in another manner convenient for them (including by post, fax, electronic or other communication) no later than 7 (seven) calendar days prior to the date of the meeting (and in the case of absentee voting - prior to the deadline for accepting absentee voting ballots), except for cases stipulated

by the Charter of the Company. Materials for the meetings of the BoD and its Committees shall be provided by the Company to the members of the BoD via secure remote access based on special software and hardware.

Materials on issues included in the agenda of an in-person meeting of the BoD, revised taking into account comments received from a major shareholder, or based on the results of consideration by the relevant Committee of the BoD after the expiration of the period established for the provision of materials to members of the BoD, are provided to members of the BoD as they are received and are necessarily considered directly at the meeting of the BoD itself.

Comments (if any) from a major shareholder on issues on the agenda of the BoD meetings are provided by the corporate secretary to the members of the BoD before these issues are considered by the relevant Committees of the BoD .”

46. In clause 6.3.4 of clause 6.3 of Chapter 6, replace the word “sent” with the word “provided”.

47. Clause 6.3.13 of clause 6.3 of Chapter 6 shall be set out as follows:

"6.3.13. In the event of consideration of the issue of making a resolution on concluding a major transaction and (or) a transaction in which there is an interest, information about the transaction must include information about the parties to the transaction, the assets being acquired or alienated (if applicable), the terms and conditions of the transaction, the nature and volume of the shares of the parties involved, an appraiser's report (if the transaction results in the acquisition or alienation of property worth 10 (ten) percent or more of the book value of the Company's assets), as well as, if there is other information about the transaction.

The Management Board shall ensure that the BoD is provided with information on proposed transactions and investments in advance (at least 30 [thirty] calendar days) . That is, if an issue is planned to be Sub-mitted for resolution-making at a specific regular meeting of the BoD, then information on such issue shall be Sub-mitted to the previous meeting of the BoD for information.

4 8. Clause 6.3.15 of clause 6.3 of Chapter 6 shall be set out as follows:

"6.3.15. In the event of failure to Sub-mit the required materials within the time period specified in the Regulations, the Charter and (or) the internal documents of the Company and (or) their Sub-mission in an improper form, the issue is not included in the agenda of the meeting and the requirements of clause 6.5.7 of the Regulations shall apply to such issue. However, if the issue is initiated by a member of the BoD, the provisions of this clause shall not apply."

4 9. Clause 6.5.2 of clause 6.5 of Chapter 6 shall be set out as follows:

«6.5.2. The agenda of the meeting of the BoD is formed by the corporate secretary and approved by the chairman of the BoD on the basis of the annual work plan of the BoD, initiatives of the chairman of the BoD or the Management Board, or at the request (proposal, notification) of the bodies (persons) having such right in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. In this case, the corporate secretary, when forming the draft agenda of the meeting of the BoD, must indicate the presence or absence of the issue in the approved work plan of the BoD for the relevant year. If the issue is provided for in the work plan of the BoD for the relevant year, but the materials are not provided and the issue is not included in the agenda of the relevant meeting of the BoD, the corporate secretary requests the responsible persons

for the reason and indicates it in the agenda of the meeting of the BoD for the adoption of appropriate measures by the BoD and the Management Board.

The formation and approval of agendas for meetings of the BoD is carried out taking into account strict compliance with the requirements and deadlines established for this purpose."

50. Clause 6.5.3 of clause 6.5 of Chapter 6 shall be amended to read as follows:

"6.5.3. The agenda is approved at the beginning of the meeting of the BoD by a majority vote of the members of the BoD present at the meeting of the BoD and participating in the meeting of the BoD via conference call.

When a resolution is made by the BoD by means of absentee voting, the agenda cannot be changed and/or supplemented."

51. Clause 6.5.7 of clause 6.5 of Chapter 6 shall be set out as follows:

" 6.5.7. In the event that issues are included in the agenda with a violation of the deadlines, the Chairman of the BoD shall be provided with a petition signed by the Chairman of the Management Board or the person replacing him/her, to include an additional issue in the agenda of the upcoming meeting of the BoD with exhaustive justification for this need. This process may be described in more detail in an internal document of the Company approved by the BoD.

The corporate secretary informs the BoD and the Chairman of the Management Board about all cases of untimely Sub-mission of materials for meetings of the BoD and untimely Sub-mission of issues for consideration by the BoD at scheduled meetings of the BoD, indicating the person(s) responsible for providing materials and his (their) immediate supervisor(-s) as part of the information on the discipline of interaction between the Company's management and the BoD, in accordance with clause 6.11.1 of the Regulation.

The Chairman of the Management Board, based on the results of receiving information from the corporate secretary on cases of untimely Sub-mission of materials for meetings of the BoD, takes measures to improve executive discipline in terms of providing materials for meetings of the BoD and its Committees and, based on the results, provides the relevant information for the next scheduled meeting of the BoD as a separate agenda item.

52. Clause 6.6.2.2 of clause 6.6 of Chapter 6 shall be set out as follows:

"6.6.2.2. The quorum for holding a meeting of the BoD on issues specified in Sub-clauses 1), 7), 9), 10-17), 26-37), 46-47), 49-50) of clause 106 of the Company's Charter shall be two-thirds of the members of the BoD, while the majority of independent directors must participate in the meeting of the BoD.

If the total number of Participating members of the BoD is insufficient to achieve the quorum specified in the previous clause of this clause, the consideration of the said issues shall be postponed to the next meeting of the BoD. When reconsidering the issues specified in the previous clause of this clause, the requirements for the quorum and the number of independent directors shall not apply."

53. Item 6.6.2.3 of clause 6.6 of Chapter 6 shall be excluded.

54. Clause 6.6.4.1 of clause 6.6 of Chapter 6 shall be amended as follows:

"6.6.4.1. In the absence of a quorum for making a resolution on an item on the agenda of a meeting that provides for a special quorum requirement in accordance with the Company's Charter, by resolution of the members of the BoD, such an item shall be

excluded from the agenda of such a meeting of the BoD, or shall be retained on the agenda and considered, but no resolution shall be made on its merits."

55. Clause 6.6.6 of clause 6.6 of Chapter 6 shall be amended as follows:

"6.6.6. If during a meeting of the BoD a member of the BoD proposes that the BoD give the Management Board and/or the Company's officials, the Services accountable to the BoD and/or their heads, an assignment, its wording should be clear, with an indication of the deadlines and the responsible persons. In this case, taking into account clause 2.2 of the Regulation, may be heard and discussed:

1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;

2) in the case of instructions to structural divisions accountable to the BoD – the opinion of the heads of such divisions.

An order is given on behalf of the BoD if the majority of the BoD members who participated in the meeting of the BoD in person or via conference call voted for it, and must be included in the resolution of the BoD on the agenda item under consideration.

In this case, if some of those who participated voted by means of a Written Opinion, the minutes of such a meeting of the BoD shall reflect that they did not vote for the assignment proposed during the meeting of the BoD itself, and the voting results shall be summed up taking this into account."

56. Supplement clause 6.6 of Chapter 6 with clause 6.6.6-1 of the following content:

"6.6.6-1. A major shareholder may:

1) attend in person the meetings of the BoD;

2) receive notifications of upcoming meetings of the BoD and materials on BoD issues no less than 7 (seven) calendar days before the date of the meeting of the BoD;

3) present their position (opinion) at meetings of the BoD through the corporate secretary on the following issues:

a) preliminary approval of the dividend policy of the Company, approval of the procedure for distributing the net income of the Company for the reporting financial year, making a resolution on the payment of dividends on common shares and determining the amount of dividend per common share of the Company;

b) resolutions on the participation of the Company in the creation or activities of other legal entities or alienation (withdrawal) from the membership (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets, in total amounting to more than 10% (ten percent) of all assets belonging to the Company;

c) the placement (sale) of shares, including the number of shares being placed (sold) within the number of declared shares, the method and price of their placement (sale);

d) the repurchase by the Company of the issued shares and the price of their repurchase;

d) determining priority areas of the Company's activities;

e) an increase in the Company's liabilities by an amount equal to 25 (twenty-five) percent or more of the amount of its equity capital;

g) provision by the Company of a guarantee to ensure the fulfillment of obligations of third parties, in the event that it is impossible to determine the size (amount) of the Company's obligations, with the exception of letters of comfort and

guarantees issued to ensure the fulfillment of obligations when affiliated persons of the Company participate in tenders (competitions);

4) within 5 (five) working days after the closing of the meeting of the BoD, receive the minutes of the meeting of the BoD and the resolutions of the BoD adopted by absentee voting for review and (or) extracts from the minutes and resolutions certified by the signature of the corporate secretary.

The corporate secretary is obliged to present (in full, unambiguously, without distorting the meaning) at the meeting of the BoD the position (opinion) received from the major shareholder on the issues on the agenda of the meeting of the BoD, with the position (opinion) of the major shareholder recorded in the minutes of the meeting of the BoD. On the issues specified in this clause, the BoD makes resolutions taking into account the information received on the position of the major shareholder."

57. Sub-clause 2) of clause 6.6.7 of section 6.6 of Chapter 6 shall be set out as follows:

"2) a presentation by a member of the BoD or an invited person with a report on an agenda item, while on an item initiated by the BoD, the report must be presented by the supervising member of the BoD and/or the head of the responsible structural unit;".

58. Sub-clause 4) of clause 6.6.7 of section 6.6 of Chapter 6 shall be set out as follows:

"4) proposals for the formulation of a resolution on an agenda item, including a detailed discussion of comments and instructions proposed by members of the BoD;".

59. Clause 6.8.2 of clause 6.8 of Chapter 6 shall be set out as follows:

"6.8.2. Resolutions of the BoD are taken by a simple majority of votes of the members of the BoD (except for cases stipulated by the Charter of the Company) who took part, unless otherwise provided by the legislation of the Republic of Kazakhstan."

60. Clause 6.9.1 of clause 6.9 of Chapter 6 shall be amended as follows:

"6.9.1. The resolutions of the BoD that were taken at a meeting held in person are recorded in minutes, with a full indication of the results of the discussions and resolutions taken. The minutes of the meeting of the BoD are recorded in accordance with the Company Charter, the Company Corporate Governance Code, the Regulations and other applicable internal documents of the Company."

61. Clause 6.9.6 of clause 6.9 of Chapter 6 shall be set out as follows:

"6.9.6. If a member of the BoD voted "abstain" on an issue Submitted to the BoD for consideration, the minutes of the meeting (absentee voting resolution) of the BoD shall indicate the corresponding reason for such a vote."

62. Item 6.9.8 of clause 6.9 of Chapter 6 shall be excluded.

63. Clause 6.11.1 of clause 6.11 of Chapter 6 shall be set out as follows:

"6.11.1. The BoD exercises control over the implementation of its resolutions/instructions by reviewing reports from the Management Board, the Chairmen of the BoD Committees, the Internal Audit Service, structural divisions accountable to the BoD, and the Corporate Secretary on the implementation and/or progress of the implementation of the BoD' resolutions/instructions, which are Submitted to each meeting of the BoD, unless another period is established by the BoD.

Information on the status of the execution of resolutions of the BoD (for example, on the conclusion of a transaction, replenishment of the authorized capital of a Sub-

subsidiary dependent organization (hereinafter referred to as **SDO**), changes to the charter of a SDO, etc.) is reviewed by the BoD 1 (one) time per six months.

Information on the status of execution of the BoD' orders is reviewed by the BoD on a monthly basis.

Information on the status of the implementation of resolutions/instructions of the BoD is included as a separate item on the agenda of the BoD meeting.

If, during the consideration of the BoD, facts are established that the resolutions/instructions of the BoD have not been implemented within the timeframe established by the BoD, the responsible persons (the Chairman of the Management Board and/or the Chairman of the BoD) take appropriate measures and the relevant information on the measures taken is provided at the next meeting of the BoD.

If no action is taken or information is not provided, the corporate secretary will inform the BoD.

On a quarterly basis, as part of the issue of the status of execution and (or) the progress of execution of resolutions/instructions of the BoD, the BoD reviews information on the discipline of interaction between the Company's management and the BoD."

64. Clause 6.11.2 of clause 6.11 of Chapter 6 shall be set out as follows:

"6.11.2. The Corporate Secretary communicates the resolutions made and the corresponding instructions to the Chairman of the Board, responsible members of the Board, Services accountable to the BoD, and responsible structural divisions, and informs the BoD of the deadlines for the implementation of the BoD' resolutions.

The Chairman of the Board is responsible for the implementation of resolutions/instructions of the BoD addressed to the Management Board, who ensures:

- 1) appointment of persons responsible for the implementation of resolutions/instructions of the BoD;
- 2) communicating resolutions/instructions of the BoD to responsible persons;
- 3) control over the execution (including deadlines for execution) of resolutions/instructions of the BoD;
- 4) providing the BoD and/or the corporate secretary for the BoD with information on the implementation of resolutions/instructions of the BoD.

The deadlines for the execution of resolutions/instructions of the BoD shall be calculated from the date of the meeting of the BoD. If a deadline for the execution of a specific resolution/instruction was named at a meeting of the BoD, the person(s) present, to whom the resolution was made/instruction given with the specified deadline, shall begin executing the resolution/instruction of the BoD immediately after the meeting of the BoD, without waiting for the receipt by him/her of an extract from the minutes of the BoD. Personal responsibility for the timely and high-quality execution of the minutes of the resolutions/instructions of the BoD shall be borne by the executors to whom the instruction was given and by the managers (directly reporting to the Chairman of the Board) supervising the relevant area of activity."

65. Throughout the text of Annex No. 1, the word "Nur -Sultan" is replaced by the word "Astana".

66. The preamble to the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"Joint Stock Company National Company KazMunayGas (hereinafter referred to as **the Company**), represented by the Chairman of the BoD of the Company _____, acting on the basis of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and in accordance with the resolution of the General Meeting of Shareholders of the Company (minutes No. ____ dated _____ 20__), on the one hand, and Mr. _____, citizen of _____, passport No. _____, issued by _____, elected as an independent director of the Company (hereinafter referred to as **the Director**), in accordance with the resolution of the General Meeting of Shareholders of the Company (minutes No. ____ dated _____ 20__), on the other hand, hereinafter jointly referred to as the Parties, and individually as a Party or as indicated above, have entered into this agreement (hereinafter referred to as **the Agreement**) as follows:".

67. Clause 1, Chapter 1 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"1. This Agreement establishes the rights and obligations of the Director of the Company, as a member of the BoD of the Company, in accordance with the current legislation of the Republic of Kazakhstan (hereinafter referred to as **the legislation**), the Charter, the Corporate Governance Code and internal documents of the Company, as well as the obligation of the Company to pay the Director remuneration and compensate expenses associated with the performance of duties, in accordance with this Agreement and the resolutions of the General Meeting of Shareholders of the Company.
"

68. Sub-clause 4) of clause 3 of Chapter 2 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"4) receive remuneration from the Company, as well as compensation for expenses related to the performance of duties of a member of the BoD, in the manner prescribed by the Company's charter, resolutions of the General Meeting of Shareholders of the Company, internal documents of the Company and this Agreement;"

69. Sub-clause 6) of clause 3 of Chapter 2 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"6) to become familiar with the resolutions of the General Meeting of Shareholders of the Company, the minutes and resolutions of the meetings of the BoD of the Company, the minutes of the meetings of the committees of the BoD of the Company, the auditor's reports, with the exception of information that is, in accordance with the law, a state secret;"

70. Sub-clause 4) of clause 6 of Chapter 3 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"4) implement resolutions of the General Meeting of Shareholders of the Company, resolutions of the BoD of the Company, provided that such resolutions comply with the law, the Charter of the Company and do not, in the opinion of a member of the BoD, contradict the interests of the shareholders and/or the Company;"

71. In Sub-clause 5) of clause 6 of Chapter 3 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1, replace the word "general" with the word "General".

72. Sub-clause 8) of clause 6 of Chapter 3 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“8) at the request of the General Meeting of Shareholders/Chairman of the BoD of the Company, provide any information within the scope of issues within the competence of the BoD of the Company, except for personal and confidential information;”.

73. Clause 7 of Chapter 3 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"7. The Director provides consent to the Company for the collection and processing of his data (information related to the Director, recorded on electronic, paper and (or) other tangible media), in writing or in the form of an electronic document or in another way using elements of protective actions that do not contradict the law)."

74. Sub-clause 2) of clause 8 of Chapter 4 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"2) at any time, terminate this Agreement early if the General Meeting of Shareholders of the Company decides to terminate early the powers of the BoD of the Company, taking into account that all expenses and compensations not paid by the time of termination of the Agreement will be paid in proportion to the period of work of the Director;".

75. Sub-clause 1) of clause 9 of Chapter 5 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“1) pay the Director the remuneration stipulated by this Agreement in a timely manner and in full, and also compensate for expenses related to the performance of his duties as a member of the BoD of the Company, under the terms of this Agreement and other resolutions of the General Meeting of Shareholders of the Company;”.

76. Sub-clause 4) of clause 9 of Chapter 5 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“4) insure the Director’s liability in accordance with the terms of the relevant insurance contract from the date of election and at the expense of the Company, and also perform other duties stipulated by law, the charter and internal documents of the Company;”.

77. In the first clause of clause 10 of Chapter 6 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1, replace the words “shareholder owning all voting shares” with the words “General Meeting of Shareholders”.

78. Clause 11 of Chapter 6 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“11. The Company shall reimburse the Director for expenses related to travel to meetings of the BoD, committees of the BoD and meetings initiated by the Chairman of the BoD of the Company and/or the Chairman of the Management Board of Samruk-Kazyna JSC, held outside the Director’s permanent place of residence:

1) travel (in amounts not exceeding the cost of business class air tickets), including transfer (taxi);

2) accommodation (at actual costs, in accordance with the standards of provision determined for members of the boards of directors of portfolio companies of Samruk-Kazyna JSC, including booking expenses);

3) daily allowance (within the limits of the reimbursement of travel expenses for the Chairman of the Board of the Company, established by the internal document of the Company);

5) scanning, photocopying, faxing, printing, document printing, and Internet access services in the Republic of Kazakhstan;

6) courier and postal services.

Reimbursement of travel expenses, including transfer (taxi), for scanning, photocopying, faxing, printing, document printing, Internet access in the Republic of Kazakhstan, for courier and postal services is made by the Company based on actual expenses upon presentation of supporting documents. Only documented expenses are Subject to reimbursement.

Compensation for accommodation expenses is made based on actual costs, but not more than the cost of a single room classified as a luxury room, including booking costs, upon presentation of supporting documents.

Reimbursement of expenses is made by the Company upon presentation of supporting documents by the Director."

79. In clause 13 of Chapter 6 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1, replace the words "person owning all voting shares" with the words "General Meeting of Shareholders".

80. Clause 14 of Chapter 6 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"14. In the event of termination of the Director's powers due to his negligence, violation of the terms of his appointment and this Agreement, or the existence of an act proving the fact of his intentional misleading (deception) of the Company and (or) the General Meeting of Shareholders of the Company or deliberate neglect of his duties, then in such cases the Director receives payments for the period of work before the incident occurred (when this fact became known) and/or until the term of termination of powers."

81. Clause 16 of Chapter 7 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"16. The Director shall be liable to the Company for damages and losses caused to the Company by the culpable actions (inactions) of the Director, including in the event of his violation of the requirements of Sub-clause 15) of clause 6 of this Agreement, unless other grounds and extent of liability are established by the laws of the Republic of Kazakhstan or judicial authorities."

82. Clause 19 of Chapter 8 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"19. The Agreement shall enter into force on the date of the adoption by the General Meeting of Shareholders of the Company of a resolution to elect the Director and shall be valid until the date of termination of the Director's powers."

83. Clause 20 of Chapter 8 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"20. The Company has the right at any time, with or without grounds, to terminate the Agreement with the Director early in accordance with the resolution of the General Meeting of Shareholders of the Company."

84. Clause 22 of Chapter 8 of the Agreement with a member of the BoD of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"22. The date of termination of this Agreement shall be the earliest of the following dates: (1) the date of termination of the powers of the BoD of the Company in accordance with the resolution of the General Meeting of Shareholders of the Company, (2) the date of the adoption of a resolution (or the date specified in the resolution) of the General Meeting of Shareholders of the Company on the issue of early termination of the powers of the Director, or (3) the date of receipt (or the date specified in the notice) by the BoD of the Company of notice from the Director of early termination of his powers on his own initiative."

85. In Chapter 10 of the Agreement with a member of the BoD of NC KazMunayGas JSC, in Annex No. 1, exclude the words "Christopher John Walton".