

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed consolidated financial statements
(unaudited)

As at June 30, 2022 and for the three and six months then ended

CONTENTS

Report on review of interim condensed consolidated financial statements

Interim condensed consolidated financial statements (unaudited)

Interim consolidated statement of financial position	1-2
Interim consolidated statement of comprehensive income	3-4
Interim consolidated statement of changes in equity	5-6
Interim consolidated statement of cash flows	7-8
Notes to the interim condensed consolidated financial statements (unaudited).....	9-50



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Report on Review of Interim Financial Information

To the Shareholder and Management of "Sovereign Wealth Fund "Samruk-Kazyna" JSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2022, the interim consolidated statement of comprehensive income for the three and six months then ended, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months then ended and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Ernst & Young LLP

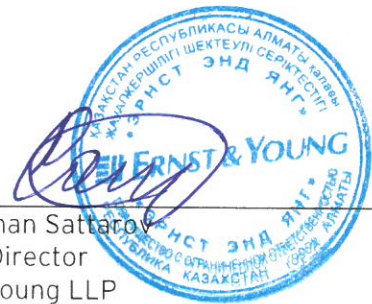


Adil Syzdykov
Auditor

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

050060, Republic of Kazakhstan, Almaty
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20 September 2022



Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In millions of tenge</i>	Note	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Assets			
Non-current assets			
Property, plant and equipment	7	14,605,264	14,264,058
Intangible assets	8	2,027,131	2,004,032
Exploration and evaluation assets	9	301,256	278,949
Investment property		37,515	37,014
Investments in joint ventures and associates	10	6,446,790	5,681,234
Amounts due from credit institutions	11	98,736	104,803
Loans issued and finance lease receivables		349,812	357,413
Other non-current financial assets	12	739,660	667,832
Other non-current assets	13	610,049	578,190
Deferred tax assets		100,922	69,148
		25,317,135	24,042,673
Current assets			
Inventories	14	890,641	728,897
VAT receivable		178,727	168,889
Income tax prepaid		59,461	55,513
Trade accounts receivable	15	1,571,136	1,024,892
Amounts due from credit institutions	11	887,705	671,859
Loans issued and finance lease receivables		68,452	46,703
Other current financial assets	12	622,296	506,895
Other current assets	15	232,407	209,986
Cash and cash equivalents	16	3,454,021	2,810,730
		7,964,846	6,224,364
Assets classified as held for sale or distribution to the Shareholder	6	1,568	42,721
		7,966,414	6,267,085
Total assets		33,283,549	30,309,758

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In millions of tenge</i>	Note	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital		5,268,580	5,268,580
Additional paid-in capital	17.1	239	-
Currency translation reserve		2,472,140	1,894,545
Revaluation reserve of investments at fair value through other comprehensive income		31,251	32,694
Hedging reserve		(29,662)	(48,906)
Other capital reserves		(16,984)	(16,984)
Retained earnings		9,051,580	8,125,704
		16,777,144	15,255,633
Non-controlling interests		1,994,606	1,917,459
Total equity		18,771,750	17,173,092
Non-current liabilities			
Borrowings	18	7,342,213	6,908,483
Loans from the Government of the Republic of Kazakhstan	19	578,847	569,105
Provisions	21	381,296	442,394
Lease liabilities	20	389,096	379,985
Employee benefit liabilities		124,418	125,455
Other non-current liabilities	22	174,555	187,843
Deferred tax liabilities		1,543,739	1,333,617
		10,534,164	9,946,882
Current liabilities			
Borrowings	18	800,871	954,209
Loans from the Government of the Republic of Kazakhstan	19	10,397	10,264
Provisions	21	116,934	100,348
Income taxes payable		60,409	16,766
Trade and other payables	23	1,607,385	1,118,055
Lease liabilities	20	133,699	129,676
Employee benefit liabilities		14,909	14,981
Other current liabilities	23	1,233,031	845,485
		3,977,635	3,189,784
Total liabilities		14,511,799	13,136,666
Total equity and liabilities		33,283,549	30,309,758

Managing Director for Economy and Finance –
Member of the Management Board



Nazira Nurbayeva

Chief accountant

Almaz Abdrakhmanova

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of tenge</i>	Note	For the three months ended June 30		For the six months ended June 30	
		2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Revenue	24	4,099,344	2,922,684	7,610,355	5,334,705
Government grants		9,245	12,806	16,887	18,989
		4,108,589	2,935,490	7,627,242	5,353,694
Cost of sales	25	(3,026,684)	(2,137,283)	(5,886,290)	(3,918,617)
Gross profit		1,081,905	798,207	1,740,952	1,435,077
General and administrative expenses	26	(116,321)	(100,715)	(215,463)	(194,848)
Transportation and selling expenses	27	(247,134)	(194,411)	(447,312)	(386,135)
Expected credit losses on financial assets, net		(11,004)	(7,933)	(14,335)	(9,576)
Impairment loss, net	28	(2,557)	(5,443)	(1,883)	(25,528)
Loss on disposal of subsidiaries		–	(1,727)	–	(1,727)
Operating profit		704,889	487,978	1,061,959	817,263
Finance costs	29	(161,943)	(134,844)	(330,705)	(268,649)
Finance income	30	84,605	33,917	129,116	60,616
Other non-operating loss		(15,827)	(6,734)	(31,714)	(16,081)
Other non-operating income		6,621	33,019	21,914	53,316
Share in profit of joint ventures and associates, net	31	391,029	272,474	774,985	510,801
Net foreign exchange loss	2	(187,977)	(17,605)	(142,921)	(1,504)
Profit before income tax		821,397	668,205	1,482,634	1,155,762
Income tax expenses	32	(142,079)	(133,811)	(331,752)	(227,577)
Net profit for the period		679,318	534,394	1,150,882	928,185

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	For the three months ended June 30		For the six months ended June 30	
		2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Other comprehensive income/(loss)					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of foreign operations	17.4	94,598	42,480	662,358	96,348
Unrealized (loss)/gain from revaluation of investments at fair value through other comprehensive income		(997)	112	(3,175)	81
(Loss)/gain on cash flow hedge		(27,359)	(536)	17,530	4,421
Reclassification to profit or loss of the revaluation reserve for the sale of financial assets at fair value through other comprehensive income		(71)	10	(691)	317
Share of the OCI items of associates and joint ventures	10	965	408	3,474	617
Tax effect on transactions of OCI components		(5,568)	(3,352)	(42,574)	(7,717)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		61,568	39,122	636,922	94,067
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Share of the OCI items of associates and joint ventures	10	(15)	(33)	116	20
Actuarial gain/(loss) on defined benefit plans		1,731	(190)	4,869	601
Tax effect on transactions of OCI components		(7)	63	(137)	43
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		1,709	(160)	4,848	664
Other comprehensive income for the period, net of tax		63,277	38,962	641,770	94,731
Total comprehensive income for the period, net of tax		742,595	573,356	1,792,652	1,022,916
Net profit for the period attributable to:					
Equity holder of the Parent		542,288	458,953	956,362	809,431
Non-controlling interests		137,030	75,441	194,520	118,754
		679,318	534,394	1,150,882	928,185
Total comprehensive income for the period, net of tax, attributable to:					
Equity holder of the Parent		600,628	494,260	1,555,040	895,808
Non-controlling interests		141,967	79,096	237,612	127,108
		742,595	573,356	1,792,652	1,022,916
Earnings per share - tenge					
Basic and diluted	17.6	195.10	153.48	330.53	266.57

Managing Director for Economy and Finance –
Member of the Management Board



Nazira Nurbayeva

Chief accountant

Almaz Abdrakhmanova

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In millions of tenge</i>	Note	Attributable to the equity holder of the Parent							Non-controlling interests	Total
		Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total		
Balance as at December 31, 2020 (audited)		5,258,657	31,464	1,763,499	(60,416)	(16,984)	6,502,544	13,478,764	1,672,851	15,151,615
Net profit for the period		-	-	-	-	-	809,431	809,431	118,754	928,185
Other comprehensive income for the period		-	365	82,562	3,011	-	439	86,377	8,354	94,731
Total comprehensive income for the period		-	365	82,562	3,011	-	809,870	895,808	127,108	1,022,916
Issue of shares		-	-	-	-	-	-	-	5,195	5,195
Dividends		-	-	-	-	-	-	-	(84,514)	(84,514)
Other distributions to the Shareholder		-	-	-	-	-	(29,585)	(29,585)	-	(29,585)
Transfer of assets to the Shareholder		-	-	-	-	-	(312)	(312)	-	(312)
Disposal of subsidiaries		-	-	-	-	-	-	-	1,225	1,225
Other equity movements		-	-	219	(219)	-	162	162	53	215
Balance as at June 30, 2021 (unaudited)		5,258,657	31,829	1,846,280	(57,624)	(16,984)	7,282,679	14,344,837	1,721,918	16,066,755

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In millions of tenge	Note	Attributable to the equity holder of the Parent								Non-controlling interests	Total
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total		
Balance as at December 31, 2021 (audited)		5,268,580	-	32,694	1,894,545	(48,906)	(16,984)	8,125,704	15,255,633	1,917,459	17,173,092
Net profit for the period		-	-	-	-	-	-	956,362	956,362	194,520	1,150,882
Other comprehensive income/(loss) for the period		-	-	(1,443)	577,325	19,514	-	3,282	598,678	43,092	641,770
Total comprehensive income/(loss) for the period		-	-	(1,443)	577,325	19,514	-	959,644	1,555,040	237,612	1,792,652
Issue of shares	17.1	-	239	-	-	-	-	-	239	-	239
Dividends	17.2	-	-	-	-	-	-	-	-	(160,465)	(160,465)
Other distributions to the Shareholder	17.3	-	-	-	-	-	-	(33,690)	(33,690)	-	(33,690)
Discount on loans from the Shareholder		-	-	-	-	-	-	(78)	(78)	-	(78)
Other equity movements		-	-	-	270	(270)	-	-	-	-	-
Balance as at June 30, 2022 (unaudited)		5,268,580	239	31,251	2,472,140	(29,662)	(16,984)	9,051,580	16,777,144	1,994,606	18,771,750

Managing Director for Economy and Finance –
Member of the Management Board

Chief accountant



Nazira Nurbayeva

Almaz Abdurakhmanova

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of tenge</i>	Note	For the six months ended June 30, 2022 (unaudited)	For the six months ended June 30, 2021 (unaudited)
Cash flows from operating activities			
Receipts from customers		7,961,757	5,606,654
Payments to suppliers		(4,592,727)	(3,285,537)
Payments to employees		(666,453)	(526,466)
Other taxes and payments		(930,554)	(802,338)
Operations with financial instruments (the Fund and Kazpost JSC)		8,440	7,903
Short-term lease payments and variable lease payments		(47,985)	(20,275)
Other payments		(61,210)	(39,582)
VAT received		37,392	113,586
Income taxes paid		(178,862)	(78,900)
Interest paid		(268,666)	(264,919)
Interest received		70,389	36,804
Receipts from suppliers under the arbitration decision		-	112,058
Net cash flows received from operating activities		1,331,521	858,988
Cash flows from investing activities			
Acquisition of property, plant and equipment, exploration and evaluation assets and other non-current assets		(473,741)	(552,090)
Acquisition of intangible assets		(12,804)	(12,430)
Proceeds from the sale of property, plant and equipment		3,469	29,375
Proceeds from the sale of other non-current assets		1,152	41,961
Placement of bank deposits, net		(157,660)	(27,997)
Sale/(acquisition) of joint ventures and associates, net		148	(3,102)
Additional contributions to share capital of joint ventures and associates without change in ownership	10	(125)	(1,925)
Dividends received from joint ventures and associates	10	258,669	189,615
Loans issued		(5,323)	(9,979)
Repayment of loans issued		14,870	14,564
Purchase of debt instruments		(491,332)	(132,425)
Proceeds from sale/repayment by issuers of debt instruments		398,488	173,105
Acquisition of subsidiaries, net of cash acquired with the subsidiary		-	89
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		-	727
Other (payments)/receipts		(35,113)	3,574
Net cash flows used in investing activities		(499,302)	(286,938)

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Note	For the six months ended June 30, 2022 (unaudited)	For the six months ended June 30, 2021 (unaudited)
Cash flows from financing activities			
Proceeds from borrowings	18	439,146	525,417
Repayment of borrowings	18	(602,329)	(422,904)
Repayment of lease liabilities	20	(58,404)	(47,755)
Contributions by non-controlling interests		-	228
Distributions to the Shareholder		(33,413)	(48,185)
Dividends paid to non-controlling interests of subsidiaries	17.2	(102,634)	(40,787)
Reservation of cash for payment of borrowings		-	(32,799)
Other receipts/(payments)		688	(61)
Net cash flows used in financing activities		(356,946)	(66,846)
Net increase in cash and cash equivalents		475,273	505,204
Effects of exchange rate changes on cash and cash equivalents		167,916	24,737
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		-	(1,246)
Change in allowance for expected credit losses		102	(382)
Cash and cash equivalents, at the beginning of the period		2,810,730	2,227,669
Cash and cash equivalents, at the end of the period	16	3,454,021	2,755,982

Managing Director for Economy and Finance –
Member of the Management Board



Nazira Nurbayeva

Chief accountant

Almaz Abdurakhmanova

The explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements (unaudited).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. GENERAL INFORMATION

Corporate information

“Sovereign Wealth Fund “Samruk-Kazyna” JSC (hereinafter – the “Fund” or “Samruk-Kazyna”) was established on November 3, 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan dated October 17, 2008. The formation was enacted by the merger of “Sustainable Development Fund “Kazyna” JSC (hereinafter – “Kazyna”) and “Kazakhstan Holding Company for State Assets Management “Samruk” JSC (hereinafter – “Samruk”) and the additional transfer to the Fund of interests in certain entities owned by the Government of the Republic of Kazakhstan (hereinafter – the “State” or the “Government”). The Government is the sole shareholder of the Fund (hereinafter – the “Shareholder” or the “Parent”).

During this process the Government’s overall objective was to increase management efficiency and to optimise organisational structures for them to successfully achieve their strategic objectives as set in the respective Government programs.

The Fund is a holding company combining companies listed in *Note 33* (hereinafter – the “Group”). Prior to February 1, 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan *On National Welfare Fund* No. 134-4 dated February 13, 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 *On Sovereign Wealth Fund* No. 550-4, the Fund’s activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments as follows (*Note 37*):

- Oil-and-gas and petrochemical segment includes operations related to exploration and production of oil and gas, transportation of oil and gas, refining and trading of crude oil, gas and refined products, and production of oil-and-gas and petrochemical products;
- Transportation segment includes operations related to railway and air transportation of cargo and passengers;
- Communication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also renting out of lines, data transfer services and wireless communication services;
- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan;
- Mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration;
- Industrial segment includes industry enterprises and projects of chemical industry;
- Corporate center segment covers Fund’s investing and financing activities, including provision of loans to related and third parties;
- Other segment includes operations related to assisting the Government in increasing housing availability by investing into residential development and other operations.

The address of the Fund’s registered office is 17/10 Syganak str., Nur-Sultan, the Republic of Kazakhstan.

These interim condensed consolidated financial statements were authorised for issue by Managing Director for Economy and Finance – Member of the Management Board and Chief accountant of the Fund on September 20, 2022.

Privatization plan

On April 30, 2014 the Government approved the initial Privatization Plan for 2014-2016. On December 30, 2015 the Government approved the new 2016-2020 Complex Privatization Plan (replacing previous 2014-2016 Privatization Plan) and the list of all state owned assets to be privatized, including certain Fund subsidiaries. On December 29, 2020, by the Resolution of the Government of the Republic of Kazakhstan No. 908 *On Some Issues of Privatization for 2021-2025*, a new comprehensive Privatization Plan for 2021-2025 was approved (hereinafter – the “Privatization Plan”), which includes a new list of state owned organizations and assets of the Fund’s group to be privatized and transferred to a competitive environment.

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

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the three and six months ended June 30, 2022 were prepared in accordance with International Accounting Standard No. 34 *Interim Financial Statements* (IAS 34). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2021.

These interim condensed consolidated financial statements are presented in Kazakhstani tenge (“tenge”) and all monetary amounts are rounded to the nearest million tenge except where otherwise indicated.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements for the three and six months ended June 30, 2022 are measured using the currency of the primary economic environment in which the entities operate (hereinafter – “the functional currency”).

The interim condensed consolidated financial statements are presented in tenge, which is the Group’s 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 the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and 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 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.

Group entities

Gains, losses 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 their 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 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 dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

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

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

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

Exchange rates (continued)

The following table presents foreign currency exchange rate to tenge:

	June 30, 2022	December 31, 2021	Weighted average for the six months ended June 30, 2022	Weighted average for the six months ended June 30, 2021	September 20, 2022
United States dollar (“USD”)	470.34	431.80	450.06	424.22	478.26
Euro (“EUR”)	490.47	489.10	492.40	511.21	478.59
Russian ruble (“RUR”)	8.98	5.76	6.08	5.71	7.97

For the six months ended June 30, 2022, the Group had foreign exchange loss of 4,371,088 million tenge and foreign exchange gain of 4,228,167 million tenge, due to fluctuations in foreign exchange rates to tenge.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards and interpretations effective as of January 1, 2022. 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 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

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

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New and amended standards and interpretations (continued)

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group’s financial instruments during the period.

The Group intends to apply the amendments in the future periods if they become applicable.

Renegotiation of loans in the context of IBOR reform

In the context of IBOR reform, some financial instruments have already been amended or will be amended as they transition from IBORs to risk free rates (further RFR). In addition to the interest rate of a financial instrument changing, there may be other changes made to the terms of the financial instrument at the time of transition. For financial instruments measured at amortised cost, the Group first applies the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Second, for any changes not covered by the practical expedient, the Group applies judgement to assess whether the changes are substantial and if they are, the financial instrument is derecognized and a new financial instrument is recognized. If the changes are not substantial, the Group adjusts the gross carrying amount of the financial instrument by the present value of the changes not covered by the practical expedient, discounted using the revised effective interest rate.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim condensed consolidated financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management is applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2021.

Power generating assets

As of June 30, 2022 the Group’s management performed the analysis of the impairment indicators of property, plant and equipment of subsidiaries such as Ekibastuz GRES-1 named after Bulat Nurzhanov LLP (hereinafter – “EGRES-1”), Alatau Zharyk Company JSC , Almaty Electric Stations JSC , Tegis Munay LLP and “Station Ekibastuzskaya GRES-2” JSC (hereinafter – “EGRES-2”) in accordance with IAS 36 *Impairment of Assets*.

Based on the analysis performed with respect to internal and external impairment indicators, the Group’s management concluded that there are no impairment indicators as of the analysis date. Therefore, the Group’s management decided not to perform the impairment test of property, plant and equipment and intangible assets of these subsidiaries at June 30, 2022.

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Modernisation of Almaty CHP-2 with the minimisation of the environmental impact. Following the results of the 1st half of 2022, the following work was carried out to implement gasification projects.

On June 30, 2022, the President of the country signed several amendments to the Law “On Electric Power Industry”. These amendments allow to sign an investment agreement and obtain an individual tariff (capacity tariff) for the modernisation, reconstruction and (or) expansion the construction of a gas based generating plants as an alternative type for a fuel. Also, amendments introduced to the Law “On Natural Monopolies”. It allows a natural monopoly entity to change the investment programme in the case of the implementation of national projects of the Republic of Kazakhstan. And it allows to send an application to change the approved tariff (for heat energy) when changing the type of fuel and investment programme.

The conclusion of an investment agreement and the receipt of an individual capacity tariff to finance the project of converting CHP-2 to gas is expected before the end of 2022, after the approval of the relevant Rules for the Review of Investment Programs, which developed on the basis of amendments to sectoral legislative acts and submitted for consideration and approval in the Ministry of Energy of the Republic of Kazakhstan.

5. SEASONALITY OF OPERATIONS

The Group’s operating expenses are subject to seasonal fluctuations, with higher expenses for various materials, production services, maintenance and other services usually expected in the second half of the year rather than in the first six months. These fluctuations are mainly due to requirements to conduct formal public tenders during the first six months with goods and services being purchased in the second six months of the year.

6. ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER

Assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Assets classified as held for sale	1,464	42,617
Assets classified as held for distribution to Shareholder	104	104
	1,568	42,721

On May 31, 2022, the Group sold the “Aral” gas compressor station to Beineu-Shymkent Pipeline LLP with carrying value of 40,378 million tenge for consideration of 42,726 million tenge. As a result of the sale of this asset, the Group recognized net income from the disposal of assets held for sale in the amount of 1,174 million tenge, net of elimination of unrealized gain of 1,174 million tenge. As at June 30, 2022 the cash consideration has not been received.

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

7. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are presented as follows:

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Net book value at January 1, 2021 (audited)	4,455,419	1,986,120	1,176,291	1,161,613	3,315,856	154,747	198,742	1,255,097	13,703,885
Foreign currency translation	63,677	5,086	1,491	29	6,365	–	1,817	3,570	82,035
Changes in estimates	(11,490)	(93)	1,716	–	16	(164)	8	–	(10,007)
Additions	16,276	4,833	5,225	28	83,053	14,590	1,697	473,952	599,654
Additions through lease agreements	1,421	32,579	6,548	–	38,930	–	2,620	–	82,098
Capitalized repair works on right-of-use assets	–	–	–	–	7,096	–	–	–	7,096
Disposals	(15,614)	(42,347)	(4,032)	(1,146)	(22,880)	(37)	(2,536)	(413)	(89,005)
Depreciation charge	(139,575)	(88,701)	(35,624)	(18,414)	(172,368)	(14,766)	(11,335)	–	(480,783)
Depreciation and impairment on disposals	13,241	14,204	1,270	944	19,866	–	2,026	303	51,854
Impairment, net of reversal of impairment (Note 28)	10	–	176	(334)	(40)	160	8	(191)	(211)
Transfer from/(to) assets classified as held for sale	–	(24)	(13,430)	–	(37,721)	–	(535)	(24)	(51,734)
Transfers from/(to) intangible assets (Note 8)	539	–	(1)	–	(1)	–	–	(1,593)	(1,056)
Transfers from/(to) exploration and evaluation assets, investment property	145	–	(2,403)	–	89	–	(22)	–	(2,191)
Transfer from/(to) inventories	43	1,619	(22)	(180)	477	1,333	62	168	3,500
Other transfers and reclassifications	45,615	15,350	9,366	5,258	100,346	1,006	17,203	(194,144)	–
Net book value at June 30, 2021 (unaudited)	4,429,707	1,928,626	1,146,571	1,147,798	3,339,084	156,869	209,755	1,536,725	13,895,135
Historical cost	6,327,428	3,641,607	1,763,858	1,450,517	5,957,048	348,628	401,071	1,654,441	21,544,598
Accumulated depreciation and impairment	(1,897,721)	(1,712,981)	(617,287)	(302,719)	(2,617,964)	(191,759)	(191,316)	(117,716)	(7,649,463)
Net book value at June 30, 2021 (unaudited)	4,429,707	1,928,626	1,146,571	1,147,798	3,339,084	156,869	209,755	1,536,725	13,895,135

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

7. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Including right-of-use assets under lease agreements									
Net book value at January 1, 2021 (audited)	40,947	6,253	69,501	–	355,064	–	30,137	–	501,902
Foreign currency translation	662	96	246	–	4,770	–	590	–	6,364
Changes in estimates	–	11	1,726	–	17	–	8	–	1,762
Additions through lease agreements	1,421	32,579	6,548	–	38,930	–	2,620	–	82,098
Capitalized repair works on right-of-use assets	–	–	–	–	7,096	–	–	–	7,096
Disposals	–	(8)	(2,206)	–	(5,351)	–	(260)	–	(7,825)
Depreciation charge	234	(16,417)	(8,359)	–	(33,160)	–	(2,757)	–	(60,459)
Depreciation and impairment on disposals	(3,635)	8	291	–	5,244	–	161	–	2,069
Net book value at June 30, 2021 (unaudited)	39,629	22,522	67,747	–	372,610	–	30,499	–	533,007
Historical cost of right-of-use assets under lease agreements	56,071	39,703	108,246	–	634,418	–	38,091	–	876,529
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(16,442)	(17,181)	(40,499)	–	(261,808)	–	(7,592)	–	(343,522)
Net book value at June 30, 2021 (unaudited)	39,629	22,522	67,747	–	372,610	–	30,499	–	533,007

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

7. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Net book value at January 1, 2022 (audited)	4,497,010	1,969,154	1,149,430	1,209,907	3,503,068	174,789	194,451	1,566,249	14,264,058
Foreign currency translation	342,321	28,725	10,739	386	34,320	–	8,970	12,582	438,043
Changes in estimates	(55,871)	(46,614)	(3,430)	–	(320)	(13)	1	–	(106,247)
Additions	30,501	535	14,179	174	19,661	19,473	1,293	367,970	453,786
Additions through lease agreements	1,766	33	7,626	–	25,658	–	3,230	–	38,313
Capitalized repair works on right-of-use assets	–	–	–	–	1,649	–	–	–	1,649
Lease modifications	–	86	60	–	546	–	2,747	–	3,439
Disposals	(9,960)	(32,495)	(12,300)	(31)	(19,699)	(4,115)	(2,216)	(284)	(81,100)
Depreciation charge	(140,962)	(70,055)	(36,833)	(19,534)	(184,072)	(17,471)	(10,513)	–	(479,440)
Depreciation and impairment on disposals	8,907	32,412	9,006	23	18,588	–	1,848	185	70,969
Impairment, net of reversal of impairment (Note 28)	–	(20)	218	(132)	(106)	–	(505)	(11)	(556)
Use of provision under an onerous contract	–	–	–	–	–	–	–	(1,125)	(1,125)
Transfer from/(to) assets classified as held for sale	–	–	423	–	(74)	–	27	–	376
Transfers from/(to) intangible assets (Note 8)	(572)	–	–	–	60	–	–	(1,323)	(1,835)
Transfers to investment property	–	–	(819)	–	–	–	–	–	(819)
Transfer from/(to) inventories	2	(54)	–	(159)	7	5,165	29	763	5,753
Other transfers and reclassifications	57,138	12,976	8,397	26,548	112,774	33	2,241	(220,107)	–
Net book value at June 30, 2022 (unaudited)	4,730,280	1,894,683	1,146,696	1,217,182	3,512,060	177,861	201,603	1,724,899	14,605,264
Historical cost	7,012,612	3,844,839	1,845,806	1,542,882	6,427,918	406,508	412,653	1,824,321	23,317,539
Accumulated depreciation and impairment	(2,282,332)	(1,950,156)	(699,110)	(325,700)	(2,915,858)	(228,647)	(211,050)	(99,422)	(8,712,275)
Net book value at June 30, 2022 (unaudited)	4,730,280	1,894,683	1,146,696	1,217,182	3,512,060	177,861	201,603	1,724,899	14,605,264

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

7. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Including right-of-use assets under lease agreements									
Net book value at January 1, 2022 (audited)	27,595	6,175	62,105	–	393,227	–	26,543	–	515,645
Foreign currency translation	2,408	512	1,349	–	25,693	–	2,005	–	31,967
Changes in estimates	–	–	–	–	–	–	1	–	1
Additions through lease agreements	1,766	33	7,626	–	25,658	–	3,230	–	38,313
Capitalized repair works on right-of-use assets	–	–	–	–	1,649	–	–	–	1,649
Lease modifications	–	86	60	–	546	–	2,747	–	3,439
Disposals	–	(31,862)	(10,853)	–	(4,041)	–	(278)	–	(47,034)
Depreciation charge	(2,972)	(183)	(9,006)	–	(37,418)	–	(1,812)	–	(51,391)
Depreciation and impairment on disposals	–	31,862	7,668	–	4,037	–	235	–	43,802
Impairment, net of reversal of impairment	–	–	–	–	–	–	(644)	–	(644)
Net book value at June 30, 2022 (unaudited)	28,797	6,623	58,949	–	409,351	–	32,027	–	535,747
Historical cost of right-of-use assets under lease agreements	44,112	8,005	109,368	–	701,535	–	44,790	–	907,810
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(15,315)	(1,382)	(50,419)	–	(292,184)	–	(12,763)	–	(372,063)
Net book value at June 30, 2022 (unaudited)	28,797	6,623	58,949	–	409,351	–	32,027	–	535,747

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

7. PROPERTY, PLANT AND EQUIPMENT (continued)

As at June 30, 2022 property, plant and equipment with net book value of 863,993 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2021: 898,485 million tenge).

As at June 30, 2022 the cost of fully amortised property, plant and equipment of the Group was equal to 1,285,018 million tenge (December 31, 2021: 1,228,077 million tenge).

For the six months ended June 30, 2022 the Group capitalized borrowing costs at an average interest rate of 5.83% in the amount of 34,214 million tenge (*Note 18*) (for the six months ended June 30, 2021: at an average interest rate of 3.47% in the amount of 19,214 million tenge).

8. INTANGIBLE ASSETS

Movements in intangible assets are presented as follows:

<i>In millions of tenge</i>	Licenses	Subsur- face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2021 (audited)	711,045	832,147	315,981	24,825	63,930	74,096	2,022,024
Foreign currency translation	8,497	3,445	182	411	83	416	13,034
Additions	475	2,763	-	-	8,594	473	12,305
Disposals	(43)	-	-	-	(485)	(3)	(531)
Amortization charge	(22,769)	(17,760)	-	-	(9,713)	(2,886)	(53,128)
Accumulated amortization on disposals	43	-	-	-	374	2	419
Transfer from/(to) assets classified as held for sale	-	-	-	-	(52)	-	(52)
Transfers from/(to) property, plant and equipment (<i>Note 7</i>)	151	(539)	-	-	1,249	195	1,056
Transfer from other non- current assets	2,158	-	-	-	64	-	2,222
Other transfers and reclassifications	851	-	-	-	3,659	(4,510)	-
Net book value at June 30, 2021 (unaudited)	700,408	820,056	316,163	25,236	67,703	67,783	1,997,349
Historical cost	883,421	940,084	433,071	64,779	203,011	145,741	2,670,107
Accumulated amortization and impairment	(183,013)	(120,028)	(116,908)	(39,543)	(135,308)	(77,958)	(672,758)
Net book value at June 30, 2021 (unaudited)	700,408	820,056	316,163	25,236	67,703	67,783	1,997,349

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

8. INTANGIBLE ASSETS (continued)

<i>In millions of tenge</i>	Licenses	Subsur- face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2022 (audited)	692,157	815,857	316,265	25,467	74,465	79,821	2,004,032
Foreign currency translation	44,916	17,866	1,009	2,273	506	1,496	68,066
Additions	449	834	-	-	2,748	6,658	10,689
Disposals	(1,039)	-	-	-	(2,603)	(159)	(3,801)
Amortization charge	(21,513)	(17,976)	-	-	(12,267)	(5,139)	(56,895)
Accumulated amortization on disposals	1,035	-	-	-	2,588	33	3,656
Impairment, net of reversal of impairment (<i>Note 28</i>)	2	-	-	-	-	(465)	(463)
Transfers from/(to) property, plant and equipment (<i>Note 7</i>)	2	572	-	-	1,759	(498)	1,835
Transfer from other non- current assets	12	-	-	-	-	-	12
Other transfers and reclassifications	590	(12)	-	-	1,922	(2,500)	-
Net book value at June 30, 2022 (unaudited)	716,611	817,141	317,274	27,740	69,118	79,247	2,027,131
Historical cost	952,409	980,121	432,479	71,206	229,739	168,571	2,834,525
Accumulated amortization and impairment	(235,798)	(162,980)	(115,205)	(43,466)	(160,621)	(89,324)	(807,394)
Net book value at June 30, 2022 (unaudited)	716,611	817,141	317,274	27,740	69,118	79,247	2,027,131

9. EXPLORATION AND EVALUATION ASSETS

Movements in exploration and evaluation assets are presented as follows:

<i>In millions of tenge</i>	Tangible	Intangible	Total
Net book value at January 1, 2021 (audited)	339,742	27,651	367,393
Foreign currency translation	3,087	-	3,087
Additions	5,754	484	6,238
Disposals	-	(4,970)	(4,970)
Depreciation and impairment on disposals	-	4,970	4,970
Impairment/write-off, net of reversal of impairment (<i>Note 28</i>)	(19,800)	-	(19,800)
Transfers from/(to) property, plant and equipment	(145)	-	(145)
Transfer from/(to) inventories	(1,441)	-	(1,441)
Net book value at June 30, 2021 (unaudited)	327,197	28,135	355,332
Historical cost	350,635	31,340	381,975
Accumulated impairment	(23,438)	(3,205)	(26,643)
Net book value at June 30, 2021 (unaudited)	327,197	28,135	355,332

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

9. EXPLORATION AND EVALUATION ASSETS (continued)

<i>In millions of tenge</i>	Tangible	Intangible	Total
Net book value at January 1, 2022 (audited)	262,773	16,176	278,949
Foreign currency translation	17,099	-	17,099
Additions	5,138	70	5,208
Disposals	(120)	(173)	(293)
Depreciation and impairment on disposals	120	173	293
Net book value at June 30, 2022 (unaudited)	285,010	16,246	301,256
Historical cost	306,145	19,451	325,596
Accumulated impairment	(21,135)	(3,205)	(24,340)
Net book value at June 30, 2022 (unaudited)	285,010	16,246	301,256

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

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	Main activity	Place of business	June 30, 2022		December 31, 2021	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	3,737,729	20.00%	3,105,942	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	577,211	50.00%	504,807	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	213,375	50.00%	200,338	50.00%
Mangistau Investments B.V.	Oil and gas development and production	Kazakhstan	205,893	50.00%	207,410	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	68,124	50.00%	54,317	50.00%
Forum Muider B.V.	Production of coal	Kazakhstan	62,086	50.00%	53,747	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	44,364	50.00%	41,453	50.00%
Kazakhstan-China Pipeline LLP	Oil transportation	Kazakhstan	29,331	50.00%	25,355	50.00%
AstanaGas KMG JSC	Construction of the main gas pipelines	Kazakhstan	27,747	50.00%	27,698	50.00%
JV Kazgermunai LLP	Oil and gas exploration and production	Kazakhstan	27,600	50.00%	32,289	50.00%
Other			124,605		122,236	
Total joint ventures			5,118,065		4,375,592	
Associates						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	531,924	29.82%	548,879	29.82%
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	509,393	20.75%	473,880	20.75%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	92,363	33.00%	84,905	33.00%
JV KATCO LLP	Extraction, processing and export of uranium	Kazakhstan	75,658	49.00%	85,123	49.00%
Other			119,387		112,855	
Total associates			1,328,725		1,305,642	
			6,446,790		5,681,234	

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

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

Summarizes the movements in equity investments in joint ventures and associates for the six months ended June 30:

<i>In millions of tenge</i>	2022	2021
Balance as at January 1 (audited)	5,681,234	4,985,676
Share in profit of joint ventures and associates, net (Note 31)	774,985	510,801
Additional contributions without change in ownership	125	1,925
Other comprehensive income, other than foreign currency translation	3,590	637
Discount on loans issued	3,084	2,020
Dividends received	(258,669)	(189,615)
Change in dividends receivable	(159,808)	(39,563)
Impairment (Note 28)	(3,202)	(2,722)
Disposals	–	(89)
Acquisitions	146	1,091
Adjustment of unrealized income*	(1,576)	–
Foreign currency translation	407,063	65,808
Other changes and other changes in the equity of the joint venture	(182)	217
Balance as at June 30 (unaudited)	6,446,790	5,336,186

* Adjustment of unrealized income present unrealized income from sale of inventory from joint ventures to Group and capitalized borrowings costs on the loans provided by the Group to joint ventures.

11. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Bank deposits	907,469	694,517
Loans to credit institutions	80,098	83,585
Less: allowance for expected credit losses	(1,126)	(1,440)
Amounts due from credit institutions, net	986,441	776,662
Less: current portion	(887,705)	(671,859)
Non-current portion	98,736	104,803

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	Weighted average interest rate	December 31, 2021 (audited)	Weighted average interest rate
Amounts due from credit institutions, denominated in US dollars	871,826	1,22%	646,484	0.35%
Amounts due from credit institutions, denominated in tenge	114,615	5,58%	130,177	5.66%
Amounts due from credit institutions, denominated in other currencies	–	–	1	4%
	986,441		776,662	

As at June 30, 2022 amounts due from credit institutions included funds of 4,171 million tenge pledged as collateral for certain Group’s borrowings (December 31, 2021: 4,895 million tenge).

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

12. OTHER FINANCIAL ASSETS

Other financial assets comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Financial assets at fair value through other comprehensive income, including:	34,861	21,935
Bonds of Kazakhstani financial institutions	26,082	11,662
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	7,209	8,615
Treasury notes of foreign governments	817	904
Corporate bonds	693	694
Equity securities	60	60
Financial assets at amortized cost, including:	1,171,733	1,016,884
Bonds of Kazakhstani financial institutions	372,244	343,307
Notes of the National Bank of the Republic of Kazakhstan	164,989	96,393
Corporate bonds	112,357	114,685
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	6,942	–
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan	2,028	1,869
Other financial assets at amortized cost, including:		
<i>Restricted cash</i>	216,576	183,044
<i>Other accounts receivable</i>	213,270	122,136
<i>Amounts due from employees</i>	9,962	10,447
<i>Dividends receivable</i>	173,072	6,685
<i>Reservation of cash for repayment of borrowings (Note 18)</i>	–	259,459
<i>Other</i>	39,585	11,507
Less: allowance for expected credit losses	(139,292)	(132,648)
Financial assets at fair value through profit or loss, including:	155,362	135,908
Equity securities	128,141	106,197
Guaranteed returns from a shareholder of a joint venture	12,786	11,750
Options	7,660	3,188
Corporate bonds	3,111	2,993
Forward and futures contracts	2,834	10,965
Bonds of Kazakhstani financial institutions	830	815
Total financial assets	1,361,956	1,174,727
Less: current portion	(622,296)	(506,895)
Non-current portion	739,660	667,832

Other financial assets by currency, except for derivatives, comprised:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Financial assets, denominated in tenge	1,002,573	742,117
Financial assets, denominated in US dollars	320,827	387,042
Financial assets, denominated in euro	17,274	24,804
Financial assets, denominated in rubles	3,437	12
Financial assets, denominated in other currency	7,351	6,599
	1,351,462	1,160,574

Restricted cash includes payments in the amount of 15,205 million tenge, taking into account forex gain as of June 30, 2022, made on March 31, 2022, to a supplier, whose bank account was subsequently included in the list of legal entities that fell under U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) sanctions. As the funds had not cleared the intermediary financial institution prior to the imposition of the sanctions, the amount paid will be returned to the Group. The Group expects the return of these funds before the end of the current year.

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

12. OTHER FINANCIAL ASSETS (continued)

On November 22, 2021, National Atomic Company “Kazatomprom”, a subsidiary of the Group, signed a Framework Agreement with Genchi Global Limited to participate in ANU Energy OIEC Ltd (hereinafter –“ANU Energy”), created on the Astana International Financial Center, and made an investment of 24.25 million dollars to ANU Energy in March 2022. The purpose of ANU Energy is to store physical uranium as a long-term investment. The Group does not have a representative on the Board of Directors of ANU Energy and does not take part in decision-making on key strategic issues of ANU Energy. Accordingly, the Group does not have significant influence on the management operations of ANU Energy, and therefore the Group recognizes this investment at fair value through profit or loss.

13. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Advances paid for non-current assets	347,722	361,269
Long-term VAT receivable	224,392	180,022
Long-term inventories	52,061	54,655
Prepaid expenses	20,503	19,300
Other	22,923	21,598
Less: impairment allowance	(57,552)	(58,654)
	610,049	578,190

14. INVENTORIES

Inventories comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Uranium products (<i>at lower of cost and net realizable value</i>)	240,327	221,613
Crude oil (<i>at cost</i>)	122,813	62,326
Oil refined products for sale (<i>at lower of cost and net realizable value</i>)	98,121	89,725
Work in progress (<i>at lower of cost and net realizable value</i>)	73,536	57,477
Production materials and supplies (<i>at lower of cost and net realizable value</i>)	73,142	65,354
Goods for resale (<i>at lower of cost and net realizable value</i>)	52,246	34,193
Gas processed products (<i>at cost</i>)	47,880	34,538
Oil and gas industry materials and supplies (<i>at cost</i>)	40,589	34,437
Fuel (<i>at lower of cost and net realizable value</i>)	28,538	24,089
Railway industry materials and supplies (<i>at cost</i>)	18,459	17,300
Aircraft spare parts (<i>at cost</i>)	15,908	14,744
Electric transmission equipment spare parts (<i>at cost</i>)	5,811	5,499
Uranium industry materials and supplies (<i>at lower of cost and net realizable value</i>)	4,793	3,828
Telecommunication equipment spare parts (<i>at cost</i>)	3,011	2,069
Other materials and supplies (<i>at lower of cost and net realizable value</i>)	65,467	61,705
	890,641	728,897

15. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Trade accounts receivable	1,630,937	1,074,650
Less: allowance for expected credit losses	(59,801)	(49,758)
	1,571,136	1,024,892

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

15. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS (continued)

Other current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Advances paid and deferred expenses	134,392	114,163
Other prepaid taxes	88,322	86,740
Other non-financial current assets	22,703	21,930
Less: impairment allowance	(13,010)	(12,847)
	232,407	209,986

As at June 30, 2022 the Group’s receivables of 157,835 million tenge were pledged under certain Group borrowings (December 31, 2021: 131,120 million tenge).

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Bank deposits – US dollars	1,150,578	999,449
Bank deposits – tenge	662,848	661,752
Bank deposits – other currency	13,557	32,941
Current accounts with banks – US dollars	1,022,075	690,971
Current accounts with banks – tenge	220,605	221,834
Current accounts with banks – other currency	38,591	34,709
Reverse repurchase agreements (reverse repo) and other treasury securities with contractual maturity of three months or less	308,488	141,035
Cash in transit	28,000	2,290
Cash on hand	9,798	7,403
Balances on brokerage accounts payable on demand	226	19,193
Less: allowance for expected credit losses	(745)	(847)
	3,454,021	2,810,730

Within the framework of diversification, the Group continues to place part of its free liquidity in money market instruments, such as auto repo secured by government securities (government securities) and other treasury securities with maturities of up to 3 months.

Short-term bank deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at June 30, 2022 the weighted average interest rates for short-term bank deposits were 9.48% in tenge, 1.18 % in US dollars, 0.04 % in other currency; and current accounts were 1.04% in tenge, 0.24% in USD dollars, 0.77 % in other currency, respectively (December 31, 2021: the weighted average interest rates for short-term bank deposits were 8.34% in tenge, 0.26% in US dollars, 5.07% in other currency; and current accounts were 0.7% in tenge, 0.26% in USD dollars, 0.46% in other currency, respectively).

17. EQUITY

17.1 Issue of shares

On June 28, 2022, the Shareholder transferred the movable property with the fair value of 239 million tenge. The Group recognised the asset and appropriate increase in additional paid-in capital, which will be reclassified to share capital once the share issuance procedure are completed. On July 1, 2022, the Group registered the issuance of one share for payment of the received movable property.

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

17. EQUITY (continued)

17.2 Dividends

Dividends attributable to non-controlling interests

During the six months ended June 30, 2022, the Group declared dividends of 160,465 million tenge to the holders of non-controlling interests in National Company “KazMunayGas” JSC (hereinafter – “NC KMG”) group, National Atomic Company “Kazatomprom” JSC (hereinafter – “NAC KAP”) and Kazakhstan Electricity Grid Operating Company JSC (hereinafter – “KEGOC”). Total amount of dividends paid to the holders of non-controlling interests during the six months ended June 30, 2022 equaled 102,634 million tenge.

17.3 Other distributions to the Shareholder

Social projects financing

During the six months ended June 30, 2022 in accordance with the Shareholder’s resolutions, the Fund recognised liabilities for financing of various social projects for the amount 24,000 million tenge as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity. As at June 30, 2022, the Group made repayment of these liabilities of 16,400 million tenge.

Financing construction of social facilities

During the six months ended June 30, 2022, in accordance with the Shareholder’s resolutions on the construction of a medical center in Zhana-ozen town and housing for the residents, living in Zhana-ozen town, the Group accrued liabilities for 9,690 million tenge and recognized as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity.

17.4 Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. During the six months ended June 30, 2022 foreign translation difference amounted to 938,538 million tenge.

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. Unrealized foreign currency loss for the six months ended June 30, 2022 of 276,180 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

17.5 Hedge reserve

National Company “Kazakhstan Temir Zholy” JSC (hereinafter – “NC KTZh”)

On August 7, 2015, the Group hedged cash flows to reduce the risk of changes in tenge equivalent revenue denominated in Swiss Francs. The principal from Eurobonds issued on June 20, 2014 on the Swiss stock exchange and maturing on June 20, 2022 is used as hedging instrument, which is separately identifiable and reliably estimated. A highly probable revenue stream forecast relating to transit transportation in Swiss Francs, in particular, first sales received in the period from January 1 to June 20, 2022, is the hedged item in this hedging relationship.

As at 30 June 2022, hedge accounting was discontinued due to the receipt of revenue from freight transportation in international (transit) route, which is the hedge item, accordingly, the cumulative deferred loss attributable to this hedging instrument was reclassified from other comprehensive loss to revenue from freight transportation in the amount of 54,442 million tenge.

During the six months ended 30 June 2022, the effective portion of 2,445 million tenge was allocated to the hedging reserve in other comprehensive income in the form of a net loss on the hedging instrument (during the six months ended June 30, 2021: 2,527 million tenge in the form of net profit).

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

17. EQUITY (continued)

17.5 Hedge reserve (continued)

Air Astana JSC

In 2015 Air Astana entered into a cash flow hedge with finance lease obligations denominated in US dollars, to reduce the risk of changes in sales revenue expressed in US dollars. In connection with the transition of the functional currency to US dollar, this hedge ceased to be economically effective from December 31, 2017.

As a result of the change, the hedge relationship has been discontinued so that starting from January 1, 2018 no further foreign currency translation gains or losses are transferred from profit or loss to hedge reserve, and the hedge reserve recognized in equity as at June 30, 2022 shall remain in equity until the forecasted revenue cash flows are received.

During the six months ended June 30, 2022 amount reclassified from the hedging reserve to foreign exchange loss from inception of the hedge was 2,654 million tenge before tax of 531 million tenge (during the six months ended June 30, 2021: 2,478 million tenge before tax of 496 million tenge). Hedge income attributable to non-controlling interests comprised 1,301 million tenge (during the six months ended June 30, 2021: 1,214 million tenge).

NC KMG

The Group buys crude oil from the market, refines it and later sells the finished products (e.g.: gasoline, diesel, jet fuel etc.). Throughout a given period, the volatility associated with the oil market, both in crudes and in finished products, is transmitted to the Group’s refinery margin (difference between the purchase price of crude oil and the selling price of finished products). To reduce this volatility, the Group hedges the margin with a swap on a hedged basket as relevant for the period.

During the six months ended June 30, 2022, the effective part of 37,121 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value loss on cash flow hedging instruments (during the six months ended June 30, 2021: 583 million tenge as net fair value loss on cash flow hedging instruments).

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

17. EQUITY (continued)

17.6 Book value per share (continued)

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

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Total assets	33,283,549	30,309,758
Less: intangible assets	(2,027,131)	(2,004,032)
Less: total liabilities	(14,511,799)	(13,136,666)
Net assets for common shares	16,744,619	15,169,060
Number of common shares	3,481,961,408	3,481,961,408
Book value per common share, tenge*	4,809	4,356

* Presentation of Book value per common share is a non-IFRS measure required by KASE.

Earnings per share

<i>In tenge</i>	For the six months ended June 30, 2022 (unaudited)	For the six months ended June 30, 2021 (unaudited)
Weighted average number of common shares for basic and diluted earnings per share	3,481,961,408	3,481,958,658
Basic and diluted share in net profit for the period per share	330.53	266.57

18. BORROWINGS

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	Weighted average interest rate	December 31, 2021 (audited)	Weighted average interest rate
Fixed interest rate borrowings	7,022,966		6,599,170	
Loans received	2,054,106	10.27%	1,804,252	13.41%
Debt securities issued	4,968,860	8.17%	4,794,918	8.56%
Floating interest rate borrowings	1,120,118		1,263,522	
Loans received	1,021,037	11.52%	1,159,936	10.79%
Debt securities issued	99,081	10.93%	103,586	9.79%
	8,143,084		7,862,692	
Less: amounts due for settlement within 12 months	(800,871)		(954,209)	
Amounts due for settlement after 12 months	7,342,213		6,908,483	

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
US dollar-denominated borrowings	5,337,439	5,037,496
Tenge-denominated borrowings	1,979,667	1,896,980
Other currency-denominated borrowings	825,978	928,216
	8,143,084	7,862,692

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

18. BORROWINGS (continued)

The bonds comprised:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Interest	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Bonds LSE 2018	1.5 billion USD	2048	6.375%	692,089	639,046
Bonds LSE 2018	1.25 billion USD	2030	5.375%	580,681	535,795
Bonds LSE 2017	1.25 billion USD	2047	5.75%	569,989	522,827
Bonds LSE 2017	1 billion USD	2027	4.75%	467,557	428,552
Bonds LSE 2014	1,100 million USD	2042	6.95%	443,812	396,207
Bonds LSE 2020	750 million USD	2033	3.50%	346,046	317,667
Bonds ISE 2017	750 million USD	2027	4.375%	334,168	307,808
Bonds KASE 2019	0.3 billion KZT	2034	11.50%	308,433	308,433
Bonds LSE 2018	500 million USD	2025	4.75%	236,279	216,760
Bonds LSE 2021	500 million USD	2026	2%	232,665	213,291
Bonds KASE 2020	129 billion tenge	2023	10.90%	100,041	100,041
Bonds KASE 2019	70 billion KZT	2024	4%	84,700	77,700
Bonds SIX Swiss Exchange 2018	170 million Swiss Francs	2023	3.25%	84,299	79,713
Bonds KASE 2018	75 billion KZT	2024	9.25%	80,299	76,831
Bonds KASE 2019	80 billion KZT	2026	11.86%	80,231	80,226
Bonds KASE 2016	50 billion KZT	2026	Inflation rate + 2.52%	50,995	53,376
Bonds SIX Swiss Exchange 2014	185 million Swiss Francs	2022	3.64%	–	89,208
Bonds MOEX 2017	15 billion Russian roubles	2022	8.75%	–	86,832
Other	–	–	–	375,657	368,191
Total				5,067,941	4,898,504

Loans received

In January 2022, the Group made early fully repayment of the loan from The Export-Import Bank of China for 604 million US dollars (equivalent to 259,459 million tenge), including accrued interest. For the repayment was used the cash reserved in November 2021.

State subsidy of the interest rate

In May 2020, the Group entered into a contract with the Transport Committee of the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan to subsidise part of the coupon rate in the amount of 307,194 million tenge, on bonds issued in 2019 at the coupon rate of 11.5% per annum and used for early repayment of Eurobonds issued in 2017 in the amount of 780 million US dollars, which in turn were attracted and utilised for infrastructure modernization, updating locomotives and freight cars. The Agreement stipulates that the amount of subsidy should be provided for under the Republican budget program «Subsidising the coupon rate on the carrier's Bonds issued for the development of the main railway network and rolling stock of railway transport» (hereinafter – the «Program»). Since the budget Program is available to all transportation companies that have the status of a “carrier” in accordance with the Law on Railway Transport, the Group’s management accounts for the financing under this Program as a government grant recognised within finance income.

For the six months ended June 30, 2022, the Group recognised income from government subsidies under the Program in the amount of 14,592 million tenge as part of financial income. In addition, the Group recognized deferred income in the amount of 14,592 million tenge as part of other current liabilities as at June 30, 2022.

Covenants

Under the terms of some loan agreements, respective subsidiaries of the Group are obliged to comply with certain covenants. The Group reviews compliance with all the Group loan covenants at each reporting date.

Compliance with covenants under the individual loan agreements of the Group is disclosed in the consolidated financial statements for the year ended December 31, 2021.

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

18. BORROWINGS (continued)

Covenants (continued)

As at 30 June 2022, the Group complied with all financial and non-financial covenants, with the exception of financial and non-financial covenants under the agreement between Ereymentau Wind Power LLP (a subsidiary of Samruk-Energy JSC) and the Eurasian Development Bank. Due to the delay in the commissioning of the wind farm of Ereymentau Wind Power LLP (initial commissioning date December 13, 2021), the Group received a waiver dated June 8, 2022 with an extension of the deadlines and a refusal for early repayment of loans as at June 30, 2022.

As at June 30, 2022 the Group complied with all financial and non-financial covenants under other loan agreements.

Changes in borrowings for the six months ended June 30:

<i>In millions of tenge</i>	2022	2021
Balance as at January 1 (audited)	7,862,692	7,459,200
Received by cash	439,146	525,417
Purchase of property plant and equipment financed by borrowings	4,095	7,882
Interest accrued	245,690	221,465
Discount (<i>Note 30</i>)	(282)	(10)
Amortization of discount	8,673	7,154
Interest capitalized (<i>Note 7</i>)	34,214	19,214
Interest paid	(244,969)	(241,635)
Repayment of principal	(602,192)	(422,904)
Foreign currency translation	639,476	89,878
Commission for the early redemption of the loan (<i>Note 29</i>)	4,498	-
Write-off of transactions costs due to early redemption of the loan (<i>Note 29</i>)	13,035	-
Repayment of principal and interest by reserved cash	(259,459)	-
Other	(1,533)	(349)
Balance as at June 30 (unaudited)	8,143,084	7,665,312

* *Cash proceeds and repayments of certain borrowings obtained by the Fund’s Corporate Center are included within cash flows from operating activities because these borrowings are part of the Fund’s main activity of assets management.*

The carrying amount of borrowings by the Group subsidiaries is presented below:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
NC KMG NC KMG and its subsidiaries	3,878,210	3,700,776
NC KTZh and its subsidiaries	1,369,962	1,448,443
Kazakhstan Petrochemical Industries Inc. JSC	891,139	-
The Fund	594,935	578,552
National Company “QazaqGaz” JSC and its subsidiaries	543,474	484,709
Kazakhtelecom JSC and its subsidiaries	224,771	237,916
Samruk-Energy JSC and its subsidiaries	206,430	223,755
KEGOC	167,130	171,199
EGRES-2	98,682	99,678
NAC KAP and its subsidiaries	97,789	89,017
Air Astana JSC	15,554	26,895
Samruk-Kazyna Ondeu LLP and its subsidiaries	2,070	764,879
Other subsidiaries of the Fund	52,938	36,873
Total borrowings	8,143,084	7,862,692

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

19. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

Loans from the Government of the Republic of Kazakhstan are denominated in tenge and comprised the following:

<i>In millions of tenge</i>	Redemption date	Nominal /effective interest rate	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2035-2063	0.01-3%/ 5.56-8.24%	568,667	558,982
Loans from the Government of the Republic of Kazakhstan	2022-2046	0.15-0.4%/ 5.15-9.6%	20,577	20,387
			589,244	579,369
Less: amounts due for settlement within 12 months			(10,397)	(10,264)
Amounts due for settlement after 12 months			578,847	569,105

20. 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	
	June 30, 2022 (unaudited)	December 31, 2021 (audited)	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Within one year	155,048	153,253	133,699	129,676
Two to five years inclusive	365,280	352,881	286,427	275,509
After five years	175,197	178,637	102,669	104,476
	695,525	684,771	522,795	509,661
Less: amounts representing finance costs	(172,730)	(175,110)	–	–
Present value of minimum lease payments	522,795	509,661	522,795	509,661
Less: amounts due for settlement within 12 months			(133,699)	(129,676)
Amounts due for settlement after 12 months			389,096	379,985

As at June 30, 2022 interest calculation was based on effective interest rates ranging from 4.88% to 15.95% (December 31, 2021: from 4.01% to 15.62%).

Changes in lease liabilities for the six months ended June 30:

<i>In millions of tenge</i>	2022	2021
Balance as at January 1 (audited)	509,661	515,319
Additions of leases	34,851	72,152
Foreign currency translation	32,385	6,549
Interest accrued (Note 29)	17,500	19,881
Interest paid	(14,299)	(14,341)
Repayment of principal	(58,404)	(47,755)
Lease agreement termination	(3,382)	(209)
Other	4,483	(292)
Balance as at June 30 (unaudited)	522,795	551,304

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

21. PROVISIONS

Provisions comprised the following:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental remediation	Provision for taxes	Provision for construction of social objects	Other	Total
Provision at January 1, 2021 (audited)	306,100	68,679	10,435	3,872	78,815	467,901
Foreign currency translation	1,762	656	106	–	1,277	3,801
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	159	–	–	–	–	159
Change in estimate	(11,976)	(599)	–	–	(46)	(12,621)
Unwinding of discount	8,769	992	–	–	115	9,876
Provision for the year	633	220	1,642	–	15,450	17,945
Use of provision	(105)	(1,267)	(474)	(869)	(6,386)	(9,101)
Reversal of unused amounts	(672)	–	(13)	–	(522)	(1,207)
Provision at June 30, 2021 (unaudited)	304,670	68,681	11,696	3,003	88,703	476,753
Provision at January 1, 2022 (audited)	346,420	68,194	17,727	3,003	107,398	542,742
Foreign currency translation	9,950	4,050	252	–	9,009	23,261
Change in estimate	(107,880)	4,588	–	–	2,323	(100,969)
Unwinding of discount	10,624	868	–	–	139	11,631
Provision for the year	15,165	1,815	701	–	19,786	37,467
Use of provision	(78)	(1,129)	(74)	–	(12,384)	(13,665)
Reversal of unused amounts	(71)	(392)	(1,148)	–	(626)	(2,237)
Provision at June 30, 2022 (unaudited)	274,130	77,994	17,458	3,003	125,645	498,230

Current portion and non-current portion of provisions are presented as follows:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental remediation	Provision for taxes	Provision for construction of social objects	Other	Total
Current portion	4,844	7,683	17,727	3,003	67,091	100,348
Non-current portion	341,576	60,511	–	–	40,307	442,394
Provision at December 31, 2021 (audited)	346,420	68,194	17,727	3,003	107,398	542,742
Current portion	4,428	7,544	17,458	3,003	84,501	116,934
Non-current portion	269,702	70,450	–	–	41,144	381,296
Provision at June 30, 2022 (unaudited)	274,130	77,994	17,458	3,003	125,645	498,230

Other provisions as at June 30, 2022 included provisions for aircraft maintenance for the amount of 68,149 million tenge (December 31, 2021: 54,910 million tenge) and gas transportation provision of 34,379 million tenge (December 31, 2021: 31,562 million tenge).

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

22. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Other financial liabilities		
Obligations under guarantee agreements	35,475	36,527
Accounts payable	11,401	11,139
Historical costs associated with obtaining subsoil use rights	9,696	10,891
Other	15,144	16,016
Other non-financial liabilities		
Contract liabilities to customers	51,751	52,404
Advances received and deferred income	29,102	27,872
Government grant liability	19,017	14,596
Liabilities under inventory loan agreements	–	13,461
Other	2,969	4,937
	174,555	187,843

As of June 30, 2022, the Group reclassified inventory loans from long-term to short-term, as the repayment period is up to June 30, 2023.

23. TRADE AND OTHER PAYABLES, AND OTHER CURRENT LIABILITIES

Trade and other payables comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Trade accounts payable	1,457,740	937,027
Accounts payable for the supply of property, plant and equipment	102,544	164,985
Other accounts payable	47,101	16,043
	1,607,385	1,118,055

Trade accounts payable were expressed in the following currencies:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
US dollar-denominated trade accounts payable	805,124	394,706
Tenge-denominated trade accounts payable	539,738	441,996
Other currency-denominated trade accounts payable	112,878	100,325
	1,457,740	937,027

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

23. TRADE AND OTHER PAYABLES, AND OTHER CURRENT LIABILITIES (continued)

Other current liabilities comprised the following:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Other financial liabilities		
Due to employees	63,292	32,139
Dividends payable	58,942	814
Obligations to the Shareholder on the financing of social projects	45,104	52,755
Amounts due to customers	42,143	39,980
Derivative financial instruments	29,405	2,127
Payable under repo transactions	22,143	11,464
Obligations under guarantee agreements	4,176	3,929
Historical costs associated with obtaining subsoil use rights	3,488	2,680
Other	38,537	25,800
Other non-financial liabilities		
Contract liabilities to customers	324,666	297,865
Other taxes payable	254,520	188,831
Vacation and other employee benefits allowance	91,081	105,774
Amounts due under uranium swap contracts	77,105	15,355
Liabilities under inventory loan agreements	72,913	99
Advances received and deferred income	39,999	14,523
Pension and social contributions liabilities	21,043	21,834
Joint operations liabilities	12,252	4,569
Government grant liability	4,592	4,246
Other	27,630	20,701
	1,233,031	845,485

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

24. REVENUE

	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
<i>In millions of tenge</i>				
Revenue from contracts with customers:				
Sales of crude oil	1,386,502	883,686	2,811,109	1,636,713
Sales of oil refined products	1,035,490	716,728	1,738,077	1,256,969
Railway cargo transportation	313,970	309,589	583,715	576,129
Sales of gas products	244,158	181,229	492,391	391,533
Sales of refined gold	272,627	182,336	485,213	312,749
Sales of uranium products	336,162	173,292	475,101	223,079
Telecommunication services	156,253	141,834	297,440	278,274
Air transportation	109,848	78,773	191,160	136,825
Electricity complex	77,454	79,737	179,003	169,351
Oil and gas transportation fee	69,391	81,500	150,942	159,461
Oil processing fees	56,143	55,296	107,389	101,980
Electricity transmission services	40,299	76,899	88,273	145,843
Railway passenger transportation	19,815	13,105	36,148	24,021
Postal services	11,714	11,399	21,515	23,181
Other revenue	92,329	88,275	190,696	168,910
Less: quality bank for crude oil	(2,186)	(2,603)	(5,093)	(2,842)
Less: indirect taxes and commercial discounts	(143,944)	(167,463)	(276,128)	(307,244)
	4,076,025	2,903,612	7,566,951	5,294,932
Interest revenue	14,006	12,795	27,262	27,750
Rental income	9,313	6,277	16,142	12,023
	4,099,344	2,922,684	7,610,355	5,334,705

	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
<i>In millions of tenge</i>				
Geographical markets				
Kazakhstan	1,346,959	1,186,140	2,566,081	2,218,054
Other countries	2,752,385	1,736,544	5,044,274	3,116,651
	4,099,344	2,922,684	7,610,355	5,334,705

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

25. COST OF SALES

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Materials and supplies	1,886,373	1,253,966	3,720,268	2,202,382
Personnel costs, including social tax and contributions	327,967	235,534	615,774	469,737
Depreciation, depletion and amortization	253,592	250,426	501,167	491,749
Fuel and energy	133,947	99,938	284,894	200,493
Production services received	73,517	59,966	135,598	103,289
Repair and maintenance	70,338	65,791	131,553	118,351
Mineral extraction tax	49,010	32,550	96,247	57,748
Taxes other than social taxes and withdrawals	49,558	27,253	77,194	52,305
Rent	33,661	10,064	58,314	19,559
Transportation expenses	21,838	16,607	38,655	32,431
Interest expense	10,372	10,425	29,296	29,401
Communication services	11,943	12,563	23,616	24,322
Security services	7,856	6,066	14,072	11,804
Other	96,712	56,134	159,642	105,046
	3,026,684	2,137,283	5,886,290	3,918,617

26. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Personnel costs, including social tax and contributions	53,893	46,829	108,326	95,629
Depreciation and amortization	8,412	8,969	19,028	18,566
Taxes other than social taxes and withdrawals	8,525	6,381	14,172	14,190
Audit and consulting services	6,579	8,378	12,397	14,088
Other services by third parties	4,940	1,528	9,337	2,620
Repair and maintenance	1,757	1,816	3,377	3,091
Sponsorship and charitable donations	3,143	3,653	3,348	6,503
Fines and penalties	2,846	786	2,931	895
Insurance	1,748	887	2,459	1,655
Rent	1,241	972	2,312	2,164
Business trips	1,476	873	2,255	1,522
Utilities expenses and maintenance of buildings	821	636	1,957	1,564
Communication services	774	605	1,522	1,430
Transportation services	846	599	1,365	1,155
Bank services	726	546	1,254	994
Professional education and advanced trainings	677	366	972	705
Other	17,917	16,891	28,451	28,077
	116,321	100,715	215,463	194,848

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

27. TRANSPORTATION AND SELLING EXPENSES

	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
<i>In millions of tenge</i>				
Transportation	117,545	113,148	236,526	238,457
Rent tax	66,829	29,074	103,360	55,583
Custom duties	40,205	29,320	61,699	50,054
Personnel costs, including social tax and contributions	5,128	4,256	10,274	8,495
Depreciation and amortization	4,955	4,983	9,946	9,149
Commission fees to agents and advertising	3,438	4,258	6,666	6,914
Rent expenses	1,774	1,775	3,763	3,340
Other	7,260	7,597	15,078	14,143
	247,134	194,411	447,312	386,135

28. IMPAIRMENT LOSS

	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
<i>In millions of tenge</i>				
Impairment of investments in joint ventures and associates (Note 10)	1,620	1,440	3,202	2,722
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets (Notes 7, 8, 9)	605	174	1,019	20,011
(Reversal of impairment)/impairment of VAT receivable	(78)	275	55	(1,379)
Impairment of assets held for sale	27	3,788	27	3,788
Other	383	(234)	(2,420)	386
	2,557	5,443	1,883	25,528

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

29. FINANCE COSTS

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Interest on loans and debt securities issued	122,892	110,915	244,073	218,587
Revaluation loss on financial assets at fair value through profit/loss	16,237	1,002	24,697	3,473
Interest on lease liabilities (Note 20)	8,561	10,375	17,500	19,881
Write-off of of transaction costs due to early redemption of the loan (Note 18)	–	–	13,035	–
Amortization of discount on provisions and other payables	6,490	5,425	12,108	10,208
Commission for the early redemption of the loan (Note 18)	–	–	4,498	–
Financial guarantees	123	–	220	–
Interest under oil supply agreement	–	1,302	–	3,041
Other	7,640	5,825	14,574	13,459
	161,943	134,844	330,705	268,649

30. FINANCE INCOME

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Interest income on amounts due from credit institutions and cash and cash equivalents	35,227	15,930	60,339	28,216
Revaluation gain on financial assets at fair value through profit/loss	20,836	5,243	28,475	8,874
Income from loans and financial assets	9,041	7,764	17,021	14,914
Income from subsidized interest rates on financial liabilities	15,102	241	15,582	361
Income from financial guarantees	1,648	2,179	2,696	3,788
Unwinding of discount on long-term receivables	318	473	978	1,251
Discount on liabilities at rates below market	920	–	935	10
Other	1,513	2,087	3,090	3,202
	84,605	33,917	129,116	60,616

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

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

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Joint ventures				
Tengizchevroil LLP	201,213	109,664	401,091	199,005
Asian Gas Pipeline LLP	79,005	65,007	143,192	120,824
Mangistau Investments B.V.	6,050	14,740	40,587	26,794
Beineu-Shymkent Pipeline LLP	12,481	16,428	25,976	36,173
JV Kazgermunai LLP	6,060	3,846	10,758	4,099
Kazakhstan – China Pipeline LLP	6,295	4,231	8,977	6,881
KazRosGas LLP	5,998	7,320	8,512	9,165
Ural Group Limited BVI	(2,222)	(3,473)	(4,491)	(5,220)
Other	20,971	1,677	25,155	6,188
Associates				
Caspian Pipeline Consortium JSC	41,105	17,316	63,709	39,321
Kazzinc LLP	4,329	16,402	24,065	42,966
JV KATCO LLP	4,272	7,270	9,332	6,885
United Transport and Logistics Company – Eurasian Rail Alliance” JSC	5,634	3,167	8,882	5,241
Transtelecom JSC	(7,961)	(246)	(8,782)	(93)
Other	7,799	9,125	18,022	12,572
	391,029	272,474	774,985	510,801

32. INCOME TAX EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Current income tax expenses				
Corporate income tax (“CIT”)	103,334	86,736	199,614	153,392
Withholding tax on dividends and interest income	10,998	6,197	12,340	7,263
Excess profit tax	3,589	38	3,589	38
Deferred income tax expense/(benefit)				
Corporate income tax (“CIT”)	(1,024)	24,399	45,806	37,044
Withholding tax on dividends and interest income	25,182	16,450	70,164	29,851
Excess profit tax	–	(9)	239	(11)
Income tax expenses	142,079	133,811	331,752	227,577

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

33. CONSOLIDATION

Subsidiaries included in these interim condensed consolidated financial statements are presented as follows:

	Main activity	Country of incorporation	Ownership percentage		
			June 30, 2022 (unaudited)	December 31, 2021 (audited)	
1	NC KMG JSC and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	90.42%	90.42%
2	National Company “QazaqGaz” JSC and subsidiaries	Exploration, production, transportation, sale and storage of natural gas and gas condensate	Kazakhstan	100.00%	100.00%
3	KMG Kashagan B.V.	Exploration and production of hydrocarbons	Netherlands	95.00%	95.00%
4	NC KTZh and subsidiaries	Passenger and cargo transportation	Kazakhstan	100.00%	100.00%
5	National Atomic Company “Kazatomprom” JSC and subsidiaries	Production and mining of uranium, rare metals	Kazakhstan	75.00%	75.00%
6	Samruk-Energy JSC and subsidiaries	Electricity and heat production	Kazakhstan	100.00%	100.00%
7	KEGOC and subsidiaries	Electricity transmission services	Kazakhstan	90.00%+1	90.00%+1
8	Kazpost JSC and subsidiaries	Postal and financial activities	Kazakhstan	100.00%	100.00%
9	Kazakhtelecom JSC and subsidiaries	Telecommunication services	Kazakhstan	52.03%	52.03%
10	Air Astana JSC and subsidiaries	Air transportation	Kazakhstan	51.00%	51.00%
11	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Kazakhstan	100.00%	100.00%
12	National Mining Company “Tau-Ken Samruk” and subsidiaries	Exploration, mining and processing of solid minerals	Kazakhstan	100.00%	100.00%
13	Samruk-Kazyna Ondeu LLP and subsidiaries	Development and implementation of projects in the chemical industry	Kazakhstan	100.00%	100.00%
14	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Kazakhstan	100.00%	100.00%
15	Samruk-Kazyna Contract LLP	Procurement activities	Kazakhstan	100.00%	100.00%
16	EGRES-2	Power generation	Kazakhstan	100.00%	100.00%
17	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Kazakhstan	100.00%	100.00%
18	Qazaq Air JSC	Air transportation	Kazakhstan	100.00%	100.00%
19	Kazakhstan nuclear electric plants LLP	Servicing companies in the electricity sector	Kazakhstan	100.00%	100.00%
20	Kazakhstan Petrochemical Industries Inc. JSC	Production of oil-and-gas and petrochemical products	Kazakhstan	99%	99%
21	CCGT Turkistan LLP (former – “PVH Development” LLP)	Transmission, distribution and sale of electricity	Kazakhstan	100.00%	100.00%
22	Center for Scientific and Technological Initiatives Ltd Private company*	Institutional service for innovative technologies, other research and experimental developments in the natural and technical sciences	Kazakhstan	100.00%	–

* Private company “Center for Scientific and Technological Initiatives Ltd”, a new subsidiary of the Fund, was registered on April 18, 2022, in the Astana International Financial Centre.

34. RELATED PARTY DISCLOSURES

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

Related parties include key management personnel of the Group, enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Group’s key management personnel and other entities controlled by the Government. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

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

34. RELATED PARTY DISCLOSURES (continued)

The following table provides the total amount of transactions, which have been entered into with related parties during the six months ended June 30, 2022 and 2021 and the related balances as at June 30, 2022, and December 31, 2021, respectively:

<i>In millions of tenge</i>		Associates	Joint ventures where the Group is a venturer	Other state- controlled entities
	June 30, 2022			
Due from related parties	December 31, 2021	4,747	108,498	53,701
		6,189	28,732	35,262
	June 30, 2022	57,423	600,020	7,178
Due to related parties	December 31, 2021	40,544	282,269	8,186
		76,066	190,221	567,063
Sale of goods and services	June 30, 2021	122,494	154,516	365,335
	June 30, 2022	135,810	1,401,910	47,035
Purchase of goods and services	June 30, 2021	92,926	861,345	16,128
	June 30, 2022	5,966	3,111	9,356
Other income/(loss)	June 30, 2021	(143)	4,666	2,289
	June 30, 2022	–	151	172,347
Cash and cash equivalents, and amounts due from credit institutions	December 31, 2021	–	78	154,768
	June 30, 2022	12,692	317,152	4,925
Loans issued	December 31, 2021	14,169	300,929	14,100
	June 30, 2022	10,519	4	947,302
Borrowings	December 31, 2021	22,438	4	964,744
	June 30, 2022	83,989	110,498	158,425
Other assets	December 31, 2021	17,204	28,912	160,638
	June 30, 2022	28,124	71,806	60,159
Other liabilities	December 31, 2021	41,258	59,415	54,610
	June 30, 2022	598	12,059	6,134
Interest accrued due from related parties	June 30, 2021	5,209	12,131	7,075
	June 30, 2022	1,563	201	39,732
Interest accrued due to related parties	June 30, 2021	2,404	354	40,131

As at June 30, 2022 some of the Group’s borrowings in the amount of 41,949 million tenge were guaranteed by the Government of the Republic of Kazakhstan (as at December 31, 2021: 42,907 million tenge).

For the six months ended June 30, 2022 the total compensation to key management personnel (members of the Boards of Directors and Management boards of the Fund and its subsidiaries) included in personnel costs in the accompanying interim consolidated statement of comprehensive income was equal to 2,586 million tenge (for the six months ended Jun 30, 2021: 3,545 million tenge). Compensation to key management personnel consists primarily of contractual salary and performance bonus based on operating results.

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

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

The carrying amount of the financial instruments of the Group as at June 30, 2022 and December 31, 2021 is a reasonable estimate of their fair value for the following financial instruments:

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	June 30, 2022 (unaudited)
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	124,763	124,763
Financial assets measured at fair value through OCI	1,112	33,689	60	34,861
Financial assets at fair value through profit and loss	85,173	15,658	44,037	144,868
Derivative financial assets	–	9,260	1,234	10,494

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2021 (audited)
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	123,161	123,161
Financial assets measured at fair value through OCI	1,134	20,741	60	21,935
Financial assets at fair value through profit and loss	74,356	14,486	32,913	121,755
Derivative financial assets	–	14,153	–	14,153

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

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

As at June 30, 2022 and December 31, 2021 the carrying amount of the Group’s financial instruments approximates their fair value except for the following financial instruments:

<i>In millions of tenge</i>	June 30, 2022 (unaudited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
Financial assets					
Loans issued at amortized cost and finance lease receivables	293,501	275,556	–	13,410	262,146
Amounts due from credit institutions	986,441	980,029	643,270	334,401	2,358
Financial liabilities					
Borrowings	8,143,084	7,467,336	3,872,209	2,430,971	1,164,156
Loans from the Government of the Republic of Kazakhstan	589,244	386,227	–	386,227	–
Guarantee obligations	39,651	43,047	–	37,750	5,297

<i>In millions of tenge</i>	December 31, 2021 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
Financial assets					
Loans issued at amortized cost and finance lease receivables	280,955	273,189	–	10,274	262,915
Amounts due from credit institutions	776,662	770,714	546,900	215,651	8,163
Financial liabilities					
Borrowings	7,862,692	8,575,232	5,039,417	2,484,584	1,051,231
Loans from the Government of the Republic of Kazakhstan	579,369	374,861	–	374,861	–
Guarantee obligations	40,456	38,655	–	33,330	5,325

The fair value of the above financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.

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

	Valuation technique	Significant unobservable inputs	Range as of June 30, 2022	Range as of December 31, 2021
Loans issued at amortized cost and finance lease receivables			10%-30%	3.1%-30%
Amounts due from credit institutions	Discounted cash flow method	Interest/ discount rate	1,2%-9%	6.94%
Borrowings			3.5%-17%	3.5%-17%
Financial guarantee issued			4.5%-5.4%	4.5%-5.25%

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

36. COMMITMENTS AND CONTINGENCIES

In addition to the contingent liabilities and commitments disclosed in the Group annual consolidated financial statements of the Group for the year ended December 31, 2021, the following changes have taken place during the six months ended June 30, 2022:

Comprehensive tax audit at Pavlodar Refinery for 2016-2020

On March 1, 2022, based on 2016-2020 comprehensive tax audit, Pavlodar oil chemistry refinery (further – “Pavlodar Refinery”) received additional tax assessment for VAT for 15,290 million tenge, for CIT for 2,772 million tenge, for other taxes for 255 million tenge, including penalties, and reduction in tax carry-forward losses for 15,579 million tenge. Pavlodar Refinery has not agreed with tax audit results and on April 15, 2022 sent an appeal to the RK Ministry of Finance. In May 2022, appeal consideration was suspended by the RK Ministry of Finance until clarification of the circumstances. The Group believes that the risk of additional tax assessment is not probable, as such, the Group did not recognize any provisions as of June 30, 2022.

Comprehensive tax audit at EGRES-1 for 2016-2020

In September 2022, based on 2016-2020 comprehensive tax audit, EGRES-1 received additional tax assessment for CIT and property tax for 51,066 million tenge, including penalties. EGRES-1 has not agreed with tax audit results and intends to send an appeal to the authorized bodies in accordance with the legislation of the Republic of Kazakhstan. The Group believes that the risk of additional tax assessment is not probable, as such, the Group did not recognize any provisions as of June 30, 2022.

The proceedings initiated against Mr. Stati and his related parties related to the arrest of shares KMG Kashagan B.V. belonging to the Fund

The proceedings initiated against Mr. Stati and his related parties on the suit of the Fund due to the arrest of shares KMG Kashagan B.V. belonging to the Fund

On September 14, 2017 the pre-judgement attachment in respect of the Fund’s rights on management of 50% KMG Kashagan B.V. shares worth 5.2 billion US dollars was imposed with regard to the decision of the Amsterdam Court (the “Pre-judgement Attachment”).

The named Pre-judgement Attachment was imposed as part of the claim for recognition and enforcement of the arbitral award on the matter of Anatolie Stati, Gabriel Stati, Ascom Group SA and Terra Raf Trans Trading Ltd, against the Republic of Kazakhstan issued in 2013 by the Arbitration Tribunal at the Arbitration Institute of the Stockholm Chamber of Commerce.

On December 18, 2020, the Supreme Court overturned the decision of the Amsterdam Court of Appeal dated May 7, 2019 to maintain the arrest and sent the case to the Court of Appeal in The Hague. The Court of Appeal in Hague started on April 4, 2022.

On June 14, 2022, the Court of Appeal in The Hague made a decision on lifting the Pre-judgement Attachment in respect of the KMG Kashagan B.V. shares and cancellation of decision of Amsterdam Court dated January 5, 2018 according to which the Pre-judgement Attachment in respect of the KMG Kashagan B.V. shares was remained effective.

The Main process on Mr. Stati’s claim, filed on December 7, 2017, in which Mr. Stati asks the court to recognize the Fund as part of the Republic of Kazakhstan and oblige the Fund to comply with the arbitral award

On March 17, 2021, hearings were held on the Main process on Mr. Stati’s claim, filed on December 7, 2017, in which Mr. Stati asks the court to recognize the Fund as part of the Republic of Kazakhstan and oblige the Fund to comply with the arbitral award of December 19, 2013.

On April 28, 2021, the District Court of Amsterdam granted the request made by the Fund to postpone the Main Process pending the decision of the Court of Appeal in The Hague to challenge the restriction on the shares of KMG Kashagan B.V.

Currently, the Fund makes all necessary arrangements to protect its interest in accordance with the established procedure and will continue to defend its rights and legally protected interests.

Environmental matters

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 Republic of Kazakhstan, which entered into force on 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

36. COMMITMENTS AND CONTINGENCIES (continued)

Environmental matters (continued)

At the date of issuance of the interim condensed consolidated financial statements, the Group analyses the changes and cannot reliably estimate the amount of additional potential liabilities related to the asset retirement and land recultivation, except for those reflected in these financial statements.

Administrative offense in terms of environmental requirements

Based on the results of an audit conducted in 2021 by the Department of Ecology for East Kazakhstan Region, the Group received administrative fines for the total amount of 18.5 billion tenge, including 10.5 billion tenge relating to operations at Ust-Kamenogorsk and 8 billion tenge to operations at Semey. The Group disagreed with the basis of assessment of the fines and filed court appeals. On 4 April 2022 the Specialised Court for Administrative Offenses of the city of Semey upheld the Group’s appeal and dismissed the case. On 27 April 2022 the Specialised Court for Administrative Offenses of the city of Ust-Kamenogorsk upheld the Group’s appeal and dismissed the case.

The civil litigation at KMGI, a subsidiary of NC KMG

Faber Invest & Trade Inc. (further – “Faber”), the non-controlling shareholder of KMG International N.V. 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, but no final decisions were made. On July 13, 2021, the court rejected the complaint of Faber. However, Faber appealed against this decision. Faber’s two lawsuits were dismissed by the Supreme Court on April 13, 2022 and May 4, 2022. As a result of hearing in December 2021 the court admitted the appeal and sent back the file to be re-settled. Next hearings are scheduled to September 2022.

The Group believes that its position with regard to the new Faber filing will be sustained similar to the matters resolved in 2020 in favour of the Group, and as such, the Group did not recognize any provisions as of June 30, 2022.

Cost recovery audits

As at June 30, 2022 the Group’s share in the total disputed amounts of costs is 1,118,298 million tenge (December 31, 2021: 979,556 million tenge).

Kazakhstan local market obligation

During six months ended June 30, 2022, in accordance with its obligations, the Group delivered 4,030 thousand tons of crude oil (during six months ended June 30, 2021: 3,396 thousand tons) to the Kazakhstan market.

Oil supply commitments

As at June 30, 2022 the Group had commitments under the oil supply agreement in the amount of 7.34 million ton (December 31, 2021: 8.6 million ton).

Commitments under oilfield and mining field licenses and subsurface use contracts

As at June 30, 2022 the Group had following commitments on fulfillment of minimal work programs with respect to the requirements of their oilfield and mining licenses and related subsurface use contracts with the Government (in millions of tenge):

Year	Capital expenditures	Operational expenditures
2022	485,936	137,126
2023	493,499	93,044
2024	582,884	95,186
2025	777,035	98,902
2026-2059	2,680,401	1,543,879
Total	5,019,755	1,968,137

Capital commitments

As at June 30, 2022 the Group, including its joint ventures, had capital commitments of approximately 1,059,591 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (December 31, 2021: 2,252,306 million tenge, excluding VAT).

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

37. SEGMENT REPORTING

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at June 30, 2022 and for the six months then ended:

<i>In millions of tenge</i>	Oil-and-gas and petrochemical segment	Mining	Trans- portation	Com- munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	5,151,096	979,006	834,242	319,678	282,232	13,152	24,597	6,352	-	7,610,355
Revenues from sales to other segments	16,048	12	4,243	2,241	34,871	4,145	480,434	5,572	(547,566)	-
Total revenue	5,167,144	979,018	838,485	321,919	317,103	17,297	505,031	11,924	(547,566)	7,610,355
Geographical markets										
Kazakhstan	734,363	545,966	684,443	312,459	304,768	14,693	505,031	11,924	(547,566)	2,566,081
Other countries	4,432,781	433,052	154,042	9,460	12,335	2,604	-	-	-	5,044,274
Gross profit	1,192,567	206,306	126,512	105,810	112,393	5,078	472,957	6,857	(487,528)	1,740,952
General and administrative expenses	(93,625)	(20,507)	(52,941)	(26,888)	(13,963)	(1,971)	(8,924)	(1,842)	5,198	(215,463)
Transportation and selling expenses	(428,629)	(10,633)	(4,327)	(4,113)	(6,142)	(402)	-	(6)	6,940	(447,312)
Finance income	68,175	13,362	31,304	9,305	4,796	1,082	13,879	19,385	(32,172)	129,116
Finance costs	(179,383)	(5,162)	(78,715)	(22,756)	(27,996)	(3,041)	(32,970)	(31,415)	50,733	(330,705)
Share in profits/(loss) of joint ventures and associates	716,483	47,330	279	-	8,102	(104)	2,840	55	-	774,985
Foreign exchange (loss)/gain, net	(130,826)	17,221	34,748	8,933	6,429	(827)	(58,015)	(18,678)	(1,906)	(142,921)
Income tax expenses	(234,758)	(46,754)	(10,789)	(21,809)	(18,798)	(93)	(1,112)	4,766	(2,405)	(331,752)
Net profit/(loss) for the period	903,043	191,922	44,598	45,853	64,256	(2,719)	384,280	(20,667)	(459,684)	1,150,882
Other segment information										
Total assets of the segment	21,863,168	3,031,653	4,207,767	1,394,743	1,609,991	219,991	8,799,100	361,188	(8,204,052)	33,283,549
Total liabilities of the segment	8,791,604	918,071	2,853,580	665,367	749,795	71,591	1,772,207	235,906	(1,546,322)	14,511,799
Investments in joint ventures and associates	5,635,621	668,841	36,446	-	98,574	5,257	34,324	68	(32,341)	6,446,790

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

37. SEGMENT REPORTING (continued)

The following table represents information about profit and loss of operating segments of the Group for the six months ended June 30, 2021 and assets and liabilities as at December 31, 2021:

<i>In millions of tenge</i>	Oil-and-gas and petrochemical segment	Mining	Trans- portation	Com- munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	3,369,535	552,606	756,104	302,145	307,502	14,566	24,898	7,349	-	5,334,705
Revenues from sales to other segments	13,380	34	2,131	2,144	71,659	3,130	255,571	16,244	(364,293)	-
Total revenue	3,382,915	552,640	758,235	304,289	379,161	17,696	280,469	23,593	(364,293)	5,334,705
Geographical markets										
Kazakhstan	612,438	327,665	664,384	293,141	366,487	14,170	280,469	23,593	(364,293)	2,218,054
Other countries	2,770,477	224,975	93,851	11,148	12,674	3,526	-	-	-	3,116,651
Gross profit	955,323	81,810	205,131	109,647	107,054	4,028	248,100	10,924	(286,940)	1,435,077
General and administrative expenses	(80,894)	(17,858)	(50,788)	(24,175)	(10,433)	(2,733)	(12,772)	(1,668)	6,473	(194,848)
Transportation and selling expenses	(374,185)	(3,687)	(3,005)	(5,478)	(6,547)	(700)	-	-	7,467	(386,135)
Finance income	46,134	4,589	8,579	3,231	5,331	836	12,068	9,899	(30,051)	60,616
Finance costs	(144,769)	(3,300)	(77,117)	(24,108)	(26,915)	(2,988)	(15,734)	(16,554)	42,836	(268,649)
Share in profits/(loss) of joint ventures and associates	450,426	56,965	5,088	-	6,032	(100)	(7,612)	2	-	510,801
Foreign exchange (loss)/gain, net	(844)	2,923	(12,480)	1,599	95	(9,956)	18,144	(574)	(411)	(1,504)
Income tax expenses	(151,876)	(16,523)	(18,570)	(19,056)	(15,683)	(51)	(1,258)	(1,228)	(3,332)	(227,577)
Net profit/(loss) for the period	694,615	100,461	65,116	55,571	56,527	(12,517)	237,910	944	(270,442)	928,185
Other segment information										
Total assets of the segment	19,445,893	2,739,861	4,133,241	1,341,590	1,616,981	275,228	8,309,598	373,645	(7,926,279)	30,309,758
Total liabilities of the segment	7,584,307	469,838	2,820,223	667,222	788,374	90,916	1,790,290	217,503	(1,292,007)	13,136,666
Investments in joint ventures and associates	4,851,977	703,195	27,688	-	90,472	5,215	35,013	15	(32,341)	5,681,234

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

37. SEGMENT REPORTING (continued)

The following tables represents information about profit and loss of operating segments of the Group for the three months ended June 30, 2022 and June 30, 2021:

<i>In millions of tenge</i>	Oil-and-gas and petrochemical segment	Mining	Trans- portation	Com- munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	2,705,150	621,101	457,867	168,306	125,202	5,936	12,351	3,431	-	4,099,344
Revenues from sales to other segments	5,518	11	3,201	1,054	20,118	2,699	470,022	2,943	(505,566)	-
Total revenue	2,710,668	621,112	461,068	169,360	145,320	8,635	482,373	6,374	(505,566)	4,099,344
Geographical markets										
Kazakhstan	366,136	322,508	365,371	163,253	139,047	7,463	482,373	6,374	(505,566)	1,346,959
Other countries	2,344,532	298,604	95,697	6,107	6,273	1,172	-	-	-	2,752,385
Gross profit	737,797	130,322	102,735	56,699	50,895	2,795	470,605	3,762	(473,705)	1,081,905
General and administrative expenses	(47,212)	(12,477)	(27,969)	(15,710)	(7,666)	(1,006)	(6,134)	(987)	2,840	(116,321)
Transportation and selling expenses	(235,920)	(7,146)	(2,524)	(1,813)	(2,512)	(183)	-	(2)	2,966	(247,134)
Finance income	38,967	10,789	19,877	5,070	2,722	560	9,642	17,457	(20,479)	84,605
Finance costs	(83,525)	(2,707)	(38,262)	(11,077)	(13,295)	(1,440)	(19,461)	(20,051)	27,875	(161,943)
Share in profits/(loss) of joint ventures and associates	366,194	19,963	(2,208)	-	5,843	(56)	1,274	19	-	391,029
Foreign exchange (loss)/gain, net	(154,044)	(4,840)	4,487	727	502	211	(18,634)	(16,122)	(264)	(187,977)
Income tax expenses	(94,388)	(24,574)	(1,625)	(13,305)	(10,320)	(57)	(318)	3,506	(998)	(142,079)
Net profit/(loss) for the period	520,896	108,175	49,990	19,123	25,321	(607)	433,184	(12,132)	(464,632)	679,318

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

37. SEGMENT REPORTING (continued)

<i>In millions of tenge</i>	Oil-and-gas and petrochemic al segment	Mining	Trans- portation	Com- munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	1,819,099	366,514	408,918	153,751	150,458	8,832	12,418	2,694	-	2,922,684
Revenues from sales to other segments	4,266	9	1,075	995	37,862	1,642	245,681	4,670	(296,200)	-
Total revenue	1,823,365	366,523	409,993	154,746	188,320	10,474	258,099	7,364	(296,200)	2,922,684
Geographical markets										
Kazakhstan	307,627	192,025	375,112	148,561	185,014	8,538	258,099	7,364	(296,200)	1,186,140
Other countries	1,515,738	174,498	34,881	6,185	3,306	1,936	-	-	-	1,736,544
Gross profit	498,789	66,551	125,829	58,047	48,220	2,615	246,134	3,413	(251,391)	798,207
General and administrative expenses	(41,110)	(10,694)	(24,173)	(13,530)	(5,182)	(1,419)	(7,562)	(846)	3,801	(100,715)
Transportation and selling expenses	(187,242)	(2,084)	(1,628)	(3,392)	(2,546)	(392)	-	-	2,873	(194,411)
Finance income	24,488	3,173	5,003	1,793	2,806	415	9,775	5,358	(18,894)	33,917
Finance costs	(72,518)	(1,618)	(39,419)	(12,200)	(13,672)	(1,481)	(10,340)	(5,862)	22,266	(134,844)
Share in profits/(loss) of joint ventures and associates	241,186	30,232	2,887	-	1,995	(42)	(3,784)	-	-	272,474
Foreign exchange (loss)/gain, net	(4,346)	1,794	(15,942)	1,070	(446)	(4,412)	5,641	(983)	19	(17,605)
Income tax expenses	(86,539)	(12,108)	(13,427)	(11,694)	(7,129)	(34)	(435)	134	(2,579)	(133,811)
Net (loss)/profit for the period	381,427	70,929	44,989	32,715	20,473	(5,170)	237,621	637	(249,227)	534,394

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

38. SUBSEQUENT EVENTS

Share capital

On July 1, 2022, one placed share of the Fund was registered in favour of the previously received property. The amount of 239 million tenge was reclassified from additional paid-in capital to the share capital of the Fund.

Dividends received

In July and August 2022 the Group received dividends from Asian Gas Pipeline LLP, Kazakhstan - China Pipeline LLP, JV Kazgermunay LLP, and Munaytas LLP, the joint ventures, of 70,949 million tenge, 5,000 million tenge, 4,759 million tenge, and 2,637 million tenge, respectively, and from Caspian Pipeline Consortium and United Transport and Logistics Company - Eurasian Rail Alliance JSC, the associates, of 129 million US dollars (equivalent to 61,046 million tenge) and 2,670 million tenge, respectively.

Dividends paid to the holders of non-controlling interest

In July 2022, the Group paid dividends to the holders of non-controlling interest in NAC KAP and NC KMG of 56,857 million tenge.

Acquisitions

In July 2022, the Group acquired 49% of shares in Petrosun LLP that specializes in the sale of liquefied petroleum gas and petroleum products. As a result of the analysis the Group recognized Petrosun LLP as a joint venture and accounts for using the equity method in accordance with IAS 28.

Incident at the Kashagan field

On August 3, 2022, a leak was discovered at the Kashagan field (North Caspian project) at the preliminary gas sampling facility. As a result, production was completely stopped. Since August 10, the production has been partially resumed. North Caspian Operating Company, the project operator, is conducting an incident assessment inspection and restoration work.

State subsidy of the interest rate

On September 1, 2022, the Group received 29,183 million tenge under the Republican budget program «Subsidising the coupon rate on the carrier's Bonds issued for the development of the main railway network and rolling stock of railway transport».