IMPORTANT NOTICE

IMPORTANT: You must read the following notice before continuing. The following notice applies to the attached base offering memorandum (the "**Base Offering Memorandum**"), whether received by e-mail, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Base Offering Memorandum. In reading, accessing or making any other use of the Base Offering Memorandum, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Offering Memorandum, including any modifications made to them from time to time, each time you receive any information from "Sovereign Wealth Fund "Samruk-Kazyna" JSC (also known as Joint Stock Company Sovereign Wealth Fund Samruk-Kazyna) (the "**Issuer**") as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES DESCRIBED IN THE BASE OFFERING MEMORANDUM HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD OR PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE NOTES MAY BE OFFERED AND SOLD WITHIN THE UNITED STATES ONLY TO PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") AS DEFINED IN, AND IN RELIANCE ON, RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") AND ARE ALSO QUALIFIED PURCHASERS ("**QPs**") AS DEFINED IN SECTION 2(a)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE ISSUER HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT, IN RELIANCE ON THE EXEMPTION PROVIDED BY SECTION 3(C)(7) THEREOF.

THE BASE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS (OTHER THAN TO QIBs THAT ARE ALSO QPs). THE BASE OFFERING MEMORANDUM MAY BE DISTRIBUTED TO INVESTORS OUTSIDE THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

The document and any offer of the securities described in the document when made are only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 ("**EEA Qualified Investors**"). In addition, in the United Kingdom (the "**UK**"), this document is being distributed only to, and is directed only at, qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018

(the "**EUWA**") (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), and qualified investors falling within Article 49 of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This document must not be acted on or relied on (i) in the UK, by persons who are not Relevant Persons, and (ii) in any member state of the EEA, by persons who are not EEA Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the UK, Relevant Persons, and (ii) in any member state of the EEA, EEA Qualified Investors, and will be engaged in only with such persons.

CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view the Base Offering Memorandum or make an investment decision with respect to the Notes described therein, (A) each prospective investor in respect of the Notes being offered outside of the United States in an offshore transaction pursuant to Regulation S must be outside of the United States, (B) each prospective investor in respect of the Notes being offered within the United States pursuant to Rule 144A must be a QIB that is also a QP, and (C) each prospective investor in respect of the securities being offered in the UK must be a Relevant Person.

By accepting this e-mail and accessing, reading or making any other use of the Base Offering Memorandum, you shall be deemed to have represented to each of Citigroup Global Markets Limited, Guotai Junan Securities (Hong Kong) Limited and Standard Chartered Bank (the "**Arrangers**" or the "**Dealers**"), that: (i) you understand and agree to the terms set out herein; (ii) you are either (a) not a U.S. person and you are purchasing the Notes outside the United States in an "offshore transaction" in reliance on Regulation S under the Securities Act, and, to the extent that you purchase the securities described herein, you will be doing so pursuant to Regulation S, and that the electronic mail address that you have given is not located in the United States (including the State and District of Columbia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), or (b) a QIB that is also a QP; (iii) if you are in the UK, you are a Relevant Person; (iv) you are a person who is permitted under applicable law and regulation to receive the Base Offering Memorandum; (v) you consent to delivery of the Base Offering Memorandum and any supplements thereto by electronic transmission; (vi) you will not transmit the Base Offering Memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except as permitted herein; and (vii) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the securities.

The distribution of the Base Offering Memorandum and the offering, sale and delivery of the Notes in any jurisdiction may be restricted by law. You are reminded that the Base Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Base Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the Base Offering Memorandum, electronically or otherwise, to any other person and in particular to any U.S. address (other than to QIBs that are also QPs). Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Base Offering Memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described in the Base Offering Memorandum be made by a licensed broker or dealer and the Arrangers and the Dealers (as defined in the Base Offering Memorandum) or any affiliate of the Arrangers or the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

Under no circumstances shall the Base Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Base Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers, the Dealers, the Issuer nor any person who controls or is a director, officer, employee or agent of any Arranger, Dealer or the Issuer nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Issuer, the Arrangers and the Dealers. If you received the Base Offering Memorandum by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive the Base Offering Memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The distribution of the Base Offering Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Base Offering Memorandum comes are required by the Arrangers, the Dealers and the Issuer to inform themselves about, and to observe, any such restrictions.

CONFIDENTIAL

"Sovereign Wealth Fund "Samruk-Kazyna" JSC

(a joint stock company incorporated in the Republic of Kazakhstan)

U.S.$1,500,000,000
MEDIUM TERM NOTE PROGRAM

Under the U.S.$1,500,000,000 Medium Term Note Program (the "**Program**") described in this base offering memorandum (the "**Base Offering Memorandum**"), "Sovereign Wealth Fund "Samruk-Kazyna" JSC (also known as Joint Stock Company Sovereign Wealth Fund Samruk-Kazyna) (the "**Issuer**") may from time-to-time issue notes (the "**Notes**") in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of Notes outstanding under the Program will not exceed U.S.$1,500,000,000 (or its equivalent in other currencies calculated as described in the Program Agreement referred to herein), subject to increase, as described herein. The Notes will be constituted by and subject to, and have the benefit of, a deed of covenant dated September 30, 2026 (as may be further supplemented, amended or restated from time-to-time) (the "**Deed of Covenant**") of the Issuer.

References in this Base Offering Memorandum to "CMU Notes" are to Notes denominated in any lawful currency which the Central Moneymarkets Unit Service (the "**CMU Service**" or the "**CMU**") accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service.

Application has also been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes issued under the Program during the period of 12 months from the date of this Base Offering Memorandum to be admitted to trading on the London Stock Exchange's International Securities Market (the "**ISM**"). This Base Offering Memorandum comprises admission particulars for the purposes of admission to trading of the Notes on the ISM. The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**").

The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) ("POATR")). The London Stock Exchange, as a Recognized Investment Exchange does not make assessments of investor eligibility. Given that under Regulation 16 of POATR, only qualified investors are permitted to trade on ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of POATR are permitted to trade on ISM. Securities admitted to trading ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). Neither the London Stock Exchange nor the FCA has approved or verified the contents of the admission particulars. The relevant pricing supplement document (the "**Pricing Supplement**") in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading on the ISM (or any other stock exchange).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*" (the "**Conditions**")) of Notes will be set out in the relevant Pricing Supplement which will be delivered to the London Stock Exchange and, with respect to Notes to be admitted to trading on the ISM, will also be published on the website of the London Stock Exchange through a regulatory information service or may be published in such other manner permitted by the International Securities Market Rulebook effective as at January 19, 2026 (as may be modified and/or supplemented and/or restated from time to time, the "**ISM Rulebook**").

Application has also been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Program under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only during the 12-month period after the date of the Base Offering Memorandum on the Hong Kong Stock Exchange. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Notes to be issued under the Program are intended for purchase by Professional Investors only and the Program has been and the Notes (to the extent such Notes are to be listed on the Hong Kong Stock Exchange) will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Base Offering Memorandum, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Base Offering Memorandum to Professional Investors only have been reproduced in this Base Offering Memorandum. Listing of the Program or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Program, the Notes, the Issuer, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Base Offering Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Base Offering Memorandum.

This Base Offering Memorandum includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Base Offering Memorandum and confirms, having made all reasonable

enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

In addition, unless otherwise agreed with the relevant Dealer(s) (as defined below) and provided for in the Pricing Supplement, the Issuer will use its reasonable endeavors to cause all Notes issued by the Issuer under the Program to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the Kazakhstan Stock Exchange (the "**KASE**") and/or to be included in the official list of and be admitted to trading on the Astana International Exchange Ltd (the "**AIX**"), from (and including) the date of issue of the relevant Notes in respect of such Notes (the "**Issue Date**"). With respect to any Notes to be included in the official list of and be admitted to trading on the AIX, the relevant Pricing Supplement will also be published on the website of the AIX through an AIX Regulatory Announcement Service.

Simultaneously with an offering of Notes outside of the Republic of Kazakhstan, at least 30% of the Notes of each Series must be offered through the KASE and/or the AIX on the same terms as the offering in a foreign state (a "**Kazakhstan Offering**") with at least 20% of the principal amount of such Notes being placed through the KASE and/or the AIX. With effect from October 21, 2026, the following exceptions to the Kazakhstan Offering requirement will apply: this requirement does not apply where the placement of debt securities outside the Republic of Kazakhstan may be carried out on terms more favorable to the Issuer and/or where there is no demand for such securities on the KASE and/or AIX. The criteria for determining such more favorable terms and absence of demand are to be established by a regulatory act of the authorized body. In connection with the listing of the Notes on the KASE and/or the AIX and the offer and sale of Notes in Kazakhstan, the Issuer will authorize one or more Kazakhstan Manager(s) (as will be defined in the relevant Pricing Supplement), each being a licensed broker-dealer company authorized and having the legal capacity to offer or procure any Notes to be offered and placed in Kazakhstan, to provide services in connection with the Kazakhstan Offering. For the avoidance of doubt, the other Dealer(s) will not be involved in the Kazakhstan Offering.

References in this Base Offering Memorandum to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to trading on the ISM. The relevant Pricing Supplement will state on which exchange(s) the Notes are to be admitted to trading. The Program also permits Notes to be issued on an unlisted basis or to be listed on such other or further listing authorities, stock exchanges or quotation systems as may be agreed between the Issuer and the relevant Dealer(s). Any Notes issued on an unlisted basis will not be issued from this Base Offering Memorandum.

AN INVESTMENT IN NOTES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE NOTES ISSUED UNDER THE PROGRAM.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and, subject to certain exceptions, may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Notes may be offered and sold (i) within the United States to persons who are qualified institutional buyers (each, a "**QIB**"), as defined in Rule 144A under the Securities Act ("**Rule 144A**") and are also qualified purchasers (each, a "**QP**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption from registration provided by Rule 144A (such Notes so offered and sold, the "**Rule 144A Notes**") and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S (such Notes so offered and sold, the "**Regulation S Notes**"). The Issuer has not registered and does not intend to register as an investment company under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7) thereof. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions, see "**Subscription and Sale**" and "**Transfer Restrictions**". Regulation S Notes and Rule 144A Notes in a particular Tranche will each initially be represented by a separate global note (a "**Regulation S Global Note**" and a "**Rule 144A Global Note**", respectively, and together, the "**Global Notes**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of the Provisions Relating to Notes in Global Form*".

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Program*" and any additional Dealer appointed under the Program from time-to-time by the Issuer (each, a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue of Notes or on an ongoing basis. References in this Base Offering Memorandum to the "relevant Dealer" shall, in relation to an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all the Dealers agreeing to subscribe for such Notes, or in the case of a syndicated issue of Notes, the lead manager of such issue, as the case may be.

As at the date of this Base Offering Memorandum, the long-term foreign currency debt of the Issuer has been rated BBB with Stable Outlook by Fitch Ratings Limited ("**Fitch**") and Baa1 with stable outlook by Moody's Investors Service Limited ("**Moody's**"). Fitch is not established in the EEA, but the rating it has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the Regulation (EC) No. 1060/2009 (the "**EU CRA Regulation**"). Moody's is not established in the EEA, but the rating it has given to the Notes is endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under the EU CRA Regulation. Notes issued under the Program may be rated or unrated. Where an issue of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Such rating will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Base Offering Memorandum should be read and construed together with any amendment or supplement hereto. Further, in relation to any Series of Notes, this Base Offering Memorandum should be read and construed together with the relevant Pricing Supplement.

Arrangers and Dealers

Citigroup **Guotai Junan International** **Standard Chartered Bank**

The date of this Base Offering Memorandum is September 30, 2026

IMPORTANT NOTICES

This Base Offering Memorandum does not comprise a prospectus for the purposes of either Regulation (EU) 2017/1129 or the Prospectus Rules: Admission to Trading on a Regulated Market Sourcebook (the "**PRM**") and has not been approved as such by the competent authority in any member state of the EEA or by the FCA.

The Issuer accepts responsibility for the information contained in this Base Offering Memorandum. To the best of the knowledge of the Issuer, the information contained in this Base Offering Memorandum is true and accurate and is in accordance with the facts and the Base Offering Memorandum as completed by the relevant Pricing Supplement does not omit anything likely to affect its import.

The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Base Offering Memorandum including the accuracy or completeness of any information or statement included in it. Liability for this Base Offering Memorandum lies with the Issuer. Nor has the AIX, its directors, officers or employees assessed the suitability of the Notes to which this Base Offering Memorandum relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether any Notes issued pursuant to this document are suitable for your individual investment objectives and circumstances, you should consult an authorized financial advisor.

For the purposes of AIFC Law (as defined in the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre" No. 438-V dated December 7, 2015, as amended), this Base Offering Memorandum constitutes the offer document for the Notes Program described herein and has been prepared by the Issuer pursuant to Rule PR 3 of the AIX Business Rules. Accordingly, this Base Offering Memorandum has not been approved as prospectus by the AIX and it has not been approved by any other competent authority under the AIFC Law.

Certain information in this Base Offering Memorandum contained under the headings "*Risk Factors*" and "*Overview of Kazakhstan*" and certain other macroeconomic data which appear in this Base Offering Memorandum have been extracted from documents and other publications released by the National Statistics Office, the National Bank of Kazakhstan ("**NBK**") and the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market. The Issuer accepts responsibility for accurately reproducing such extracts, and as far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render such information inaccurate or misleading. See "*Presentation of Financial and Other Information—Market and Industry Data*".

The distribution of this Base Offering Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Memorandum comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restriction.

No person has been authorized to give any information or to make any representation not contained in or not consistent with this Base Offering Memorandum or any other document entered into in relation to the Program or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer, the Fiscal Agent or any Dealer or any of their respective affiliates.

None of the Arrangers, the Dealers or the Fiscal Agent has verified the completeness and accuracy of all the information contained herein. Accordingly, no representation or warranty is made or implied by the Arrangers, the Dealers, the Fiscal Agent or any of their respective affiliates, and none of the Arrangers, the Dealers, the Fiscal Agent nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of all the information contained in this Base Offering Memorandum, and each of them disclaims all and any liability whether arising in tort or contract or otherwise, which it might otherwise have in respect of, this Base Offering

Memorandum or any supplement hereto. The delivery of this Base Offering Memorandum, any Pricing Supplement or the offering, sale or delivery of any Note shall not, in any circumstances, create any implication that the information contained in this Base Offering Memorandum is true subsequent to the date hereof or the date upon which this Base Offering Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Base Offering Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Offering Memorandum nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Offering Memorandum or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Offering Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Offering Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Offering Memorandum or any applicable supplement; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (d) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

OFFER RESTRICTIONS

This Base Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers or the Dealers to subscribe for, or purchase, any Notes. The distribution of this Base Offering Memorandum, any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Offering Memorandum or any Pricing Supplement and other offering material relating to the Notes, see "*Transfer Restrictions*" and "*Subscription and Sale*".

This Base Offering Memorandum may be communicated solely to (A) persons outside the United Kingdom or (B) persons inside the United Kingdom who are (i) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities of the Issuer or any of its subsidiaries (the Issuer and its subsidiaries together, the "**Group**") may otherwise lawfully be communicated or caused to be communicated (all such persons in (A) and (B) above being "**relevant**

persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

None of this Base Offering Memorandum, any Pricing Supplement or any other information supplied in connection with the Program constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers, the Fiscal Agent or any of their respective affiliates that any recipient of this Base Offering Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Base Offering Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. The contents of this Base Offering Memorandum are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS. The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of the Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS. The Notes are not intended to be offered, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**"), for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.

PROHIBITION OF SALES TO AIFC RETAIL CLIENTS. The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail client in the Astana International Financial Centre (the "**AIFC**"). For these purposes, a retail client has the meaning defined in AIFC Glossary.

MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET. The Pricing Supplement in respect of any Notes will include a legend entitled "**MiFID II product governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither

the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET. The Pricing Supplement in respect of any Notes will include a legend entitled "**UK MiFIR Product Governance**", which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

SINGAPORE SFA PRODUCT CLASSIFICATION. In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

SALES TO CANADIAN INVESTORS. The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of the Notes.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/2011, as amended (the "**BMR**"). If any such reference rate does constitute such a benchmark, the relevant Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks (the "**BMR Register**") established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (Register of administrators and benchmarks) of the BMR. The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Pricing Supplement to reflect any change in the registration status of the administrator.

Amounts payable on the Notes may be calculated by reference to EURIBOR or SOFR (as defined in the Conditions), as specified in the relevant Pricing Supplement. As at the date of this Base Offering Memorandum, European Money Markets Institute (as administrator of EURIBOR) appears, and the Federal Reserve Bank of New York (as administrator of SOFR) does not appear on the BMR Register. As far as the Issuer is aware, the Federal Reserve Bank of New York (as administrator of SOFR) does not fall within the scope of the BMR by virtue of Article 2 of that regulation.

The language of this Base Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. In connection with the listing of the Notes on the KASE, the Issuer will furnish the KASE with a Russian translation of this Base Offering Memorandum (the "**Translation**"). The Translation has been prepared by the Issuer solely for the purpose of listing the securities described in the Base Offering Memorandum on the KASE. None of the Dealers or any of their affiliates has verified, makes any representation or warranty, or takes any responsibility for the accuracy or completeness of the Translation. This Base Offering Memorandum in English is the only authentic and definitive version for the investment decision making process. In the event of any conflict or discrepancy between the English version of this Base Offering Memorandum and the Translation, or any dispute regarding the interpretation of any statement in the English version or the Translation, the English version shall prevail.

This Base Offering Memorandum has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption under the PRM, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in the UK of Notes, which are the subject of an offering contemplated by the relevant Pricing Supplement may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to PRM2.3 or supplement a prospectus pursuant to PRM10.1 in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a Base Offering Memorandum for such offer.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Program (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e.

two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

NEITHER THE NOTES NOR ANY BENEFICIAL INTERESTS THEREIN HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes may have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where

the currency for principal or interest payments is different from the potential investor's home currency;

- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes are expected to perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors may be subject to law or review or regulation by certain authorities. Each potential investor should determine for itself, on the basis of professional advice where appropriate, whether and to what extent Notes are lawful investments for it, Notes can be used as collateral for various types of borrowing, and other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

STABILIZATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilizing manager(s) (the "**Stabilizing Manager(s)**") (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

In this Base Offering Memorandum, the Issuer is presenting historical consolidated financial information for the Issuer and its subsidiaries (the "**Group**") as at and for the years ended December 31, 2025, 2024 and 2023, which are derived from the Group's audited consolidated financial statements as at and for the year ended December 31, 2025 (the "**2025 Financial Statements**"), the Group's audited consolidated financial statements as at and for the year ended December 31, 2024 (the "**2024 Financial Statements**"), and the Group's audited consolidated financial statements as at and for the year ended December 31, 2023 (the "**2023 Financial Statements**") and, together with the 2024 and 2025 Financial Statements, (the "**Consolidated Annual Financial Statements**"). The Consolidated Annual Financial Statements included in this Base Offering Memorandum have been prepared in accordance with IFRS accounting standards issued by the International Accounting Standard Board (the "**IFRS Accounting Standards**"). The 2025 Financial Statements have been audited by PricewaterhouseCoopers LLP ("**PwC**"), independent auditors, in accordance with International Standards on Auditing. The 2024 Financial Statements and the 2023 Financial Statements have been audited by Ernst & Young LLP ("**EY**"), independent auditors, in accordance with International Standards on Auditing.

In this Base Offering Memorandum, the Issuer also presents historical consolidated financial information for the Group as at and for the six months ended June 30, 2026 and 2025, which are derived from the Group's unaudited interim condensed consolidated financial statements as at and for the six months ended June 30, 2026 (the "**Interim Consolidated Financial Statements**") included in this Base Offering Memorandum have been prepared in accordance with International Accounting Standard 34, "Interim Financial Statements" and have been reviewed by PwC, independent auditors, in accordance with International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

PwC's independent auditor's report in respect of the 2025 Financial Statements appears on pages F-57 to F-64 of this Base Offering Memorandum, EY's independent auditor's report in respect of the 2024 Financial Statements appears on pages F-168 to F-172 of this Base Offering Memorandum, EY's independent auditor's report in respect of the 2023 Financial Statements appears on pages F-297 to F-302 of this Base Offering Memorandum. PwC's report on review of interim financial information in respect of the Interim Consolidated Financial Statements appears on pages F-3 to F-4 of this Base Offering Memorandum.

Unless otherwise indicated, the financial information presented herein is extracted without material adjustment from the Consolidated Annual Financial Statements and the Interim Consolidated Financial Statements and the notes thereto contained in this Base Offering Memorandum beginning on page F-1 (collectively, the "**Consolidated Financial Statements**"), except that certain financial information as at and for the year ended December 31, 2024 in this Base Offering Memorandum is derived from the unaudited restated comparative information in the 2025 Financial Statements, and financial information as at and for the year ended December 31, 2023 in this Base Offering Memorandum is derived from the restated comparative information in the 2024 Financial Statements (other than certain items in the consolidated statement of financial position as at December 31, 2023, which were derived from Note 2 to the 2025 Financial Statements). See Note 2 to the 2025 Financial Statements and Notes 5 and 16 to the 2024 Financial Statements for further details of these changes and reclassifications.

The contents of the Issuer's website (or any other website) and the content of any website accessible from hyperlinks on the Issuer's website are expressly not incorporated into, and do not form any part of, this Base Offering Memorandum.

The financial information included in this Base Offering Memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations which would apply if the Notes were being registered with the SEC.

Restatements and Reclassifications

Changes in the presentation of the consolidated statement of financial position

The Group made certain reclassifications in its consolidated statement of financial position as at December 31, 2024 and December 31, 2023, in accordance with the presentation adopted in the 2025 Financial Statements. Investment property was reclassified and combined with other non-current assets, and amounts due to employees were combined with employee benefit liabilities. In addition, financial investments in debt and equity securities were presented separately from other financial assets in accordance with paragraph 59 of IAS 1.

Change in accounting for deferred tax liabilities

During 2025, the Group changed its accounting policy with respect to the recognition of certain deferred tax liabilities arising from loans received from the Government. In prior periods, the Group did not recognize deferred tax liabilities in respect of the discount representing the difference between the nominal value of the loan and its fair value, which was recognized in the consolidated statement of changes in equity.

The initial recognition of loans at fair value and the subsequent amortization of the discount do not give rise to taxable income and, will not be deductible for tax purposes in subsequent periods in accordance with the Tax Code of the Republic of Kazakhstan of July 18, 2025, № 214-VIII, which generally came into force on January 1, 2026 (the "**Tax Code**"). In accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting policy has been applied retrospectively in the 2025 Financial Statements, and comparative information as at and for the year ended December 31, 2024 and as at December 31, 2023 has been restated accordingly.

Acquisition of subsidiaries from parties under common control

In 2025, in connection with the acquisition of Phystech II JSC ("**Phystech II**"), the Issuer issued shares valued at KZT 8,117 million to the Government in exchange for 100% of the shares of Phystech II. The acquisition of Phystech II was accounted for as the acquisition of a business from parties under common control. Accordingly, the 2025 Financial Statements were presented as if the shares of Phystech II were transferred at January 1, 2024, which was the beginning of the earliest presented period in these financial statements. As a result, relevant comparative information as at December 31, 2024 was restated, with respective increase in the retained earnings. See more information in Note 2 to the 2025 Financial Statements.

In accordance with the changes and acquisition noted above, certain comparative amounts as at and for the year ended December 31, 2024 and as at December 31, 2023 have been restated in the 2025 Financial Statements. As a result, certain financial information as at and for the year ended December 31, 2024 in this Base Offering Memorandum is derived from the unaudited restated comparative information in the 2025 Financial Statements, and certain financial information as at December 31, 2023 in this Base Offering Memorandum is derived from Note 2 to the 2025 Financial Statements. See Note 2 to the 2025 Financial Statements for further details of these changes and reclassifications.

Business combination

As at December 31, 2024, the Group completed the accounting for the business combination that took place in late 2023, which was initially accounted for at provisional amounts. Accordingly, the 2023 Financial Statements were restated to reflect fair value adjustments.

Classification of assets related to corporate income tax withheld

In 2024, the Group revised the classification of assets related to corporate income tax withheld as at December 31, 2023, and reclassified assets amounting to KZT 40,121 million from other current assets to other non-current assets.

In accordance with the completion of the accounting for the business combination and reclassification noted above, certain comparative amounts as at and for the year ended December 31, 2023, have been restated in the 2024 Financial Statements. As a result, certain financial information as at and for the year ended December 31, 2023 in this Base Offering Memorandum is derived from the restated comparative column in the 2024 Financial Statements (other than certain items in the consolidated statement of financial position as at December 31, 2023, which were derived from the Note 2 to the 2025 Financial Statements). See Notes 5 and 16 to the 2024 Financial Statements for further details of these changes and reclassifications.

Currencies

In this Base Offering Memorandum:

- "**Tenge**" or "**KZT**" refers to Kazakhstan Tenge, the lawful currency of the Republic of Kazakhstan;
- "**U.S.$**" or "**U.S. dollars**" refers to U.S. dollars, the lawful currency of the United States of America;
- "**EUR**", "**€**" or "**euro**" refers to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European community, as amended;
- "**CHF**" or "**Swiss Francs**" refers to Swiss Francs, the lawful currency of Switzerland; and
- "**RUB**" refers to Russian rubles, the lawful currency of the Russian Federation.

Solely for convenience, this Base Offering Memorandum includes conversions of certain Tenge amounts into U.S. dollars at specified rates. Unless otherwise stated, data presented in U.S. dollars is converted from Tenge either at the applicable market exchange rate on the date or at the year-end of the relevant data or at the average exchange rate for the year for the relevant data. In line with the Resolution of the Board of the NBK № 56, dated September 26, 2025, and the Order of the Minister of Finance of the Republic of Kazakhstan № 544, dated September 29, 2025, the market exchange rate for the translation of Tenge amounts into U.S. dollars is determined based on the weighted average exchange rate of the Tenge to the U.S. dollar, fixed at 15:30 hours (Astana time).

Although the Issuer uses the market exchange rate when preparing its financial statements, the Tenge to U.S. dollar translations included in this Base Offering Memorandum are not reflective of a translation in accordance with IFRS Accounting Standards and should not be construed as a representation that the Tenge amounts have been or could be converted into U.S. dollars at that rate or any other rate.

The following table sets forth the period end, average and low and high KZT/U.S.$ exchange rates quoted on the KASE, as reported by the NBK (after rounding adjustments) for the periods indicated:

Period	Period end[(1)]	Average[(2)]	High	Low
Year ended December 31, 2023.....	454.56	456.21	482.77	431.08
Year ended December 31, 2024.....	525.11	469.31	525.11	439.40
Year ended December 31, 2025.....	505.53	521.31	549.15	488.53
Six months ended June 30, 2026.....	480.72	486.20	512.83	457.21

(1) Data for the period end are taken from the website of the NBK (https://nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut). The weighted average exchange rate of Tenge against U.S. dollar fixed on the KASE as at 15:30 Astana time is set as an official exchange rate of the national currency Tenge against U.S. dollar as of the next day after the trading day.

(2) The average exchange rate for the period is calculated as the arithmetic average for the business days of the period. Source: The NBK, "Official Foreign Exchange Rates on average for the period" (https://nationalbank.kz/en/news/oficialnye-kursy).

The Tenge/U.S. dollar exchange rate as quoted on KASE and reported by the NBK on September 28, 2026, was KZT 441.88 per U.S.$1.00.

The above rates may differ from the actual rates used in the preparation of the Issuer's financial statements or other financial information appearing in this Base Offering Memorandum. No representation is made that the Tenge amounts in this Base Offering Memorandum could have been converted into U.S. dollars, at any particular rate or at all. Fluctuations in exchange rates between the Tenge and U.S. dollar are not necessarily indicative of fluctuations that may occur in the future.

Certain Definitions

In this Base Offering Memorandum, the "**Issuer**" refers to "Sovereign Wealth Fund "Samruk-Kazyna" JSC (also known as Joint Stock Company Sovereign Wealth Fund Samruk-Kazyna), and the "**Group**" refers to the Issuer together with its subsidiaries. The "**Government**" means the government of the Republic of Kazakhstan and "**State**" or "**Kazakhstan**" means the Republic of Kazakhstan.

Rounding

Certain amounts which appear in this Base Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the sum of the figures which precede them.

Market and Industry Data

Certain statistical and market information that is presented in this Base Offering Memorandum on such topics as Kazakhstan's economy in general and related subjects has, unless otherwise stated herein, been extracted from documents and other publications released by the NBK, the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market and the National Statistics Office of Kazakhstan (the "**National Statistics Office**") and other public sources in Kazakhstan, including the World Bank and the International Monetary Fund, as well as from Kazakhstan press reports and publications, Kazakhstan laws and estimates of the Issuer (based on its management's knowledge and experience of the markets in which the Issuer operates).

The Issuer has accurately reproduced such information, and so far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Where third-party information has been used in this Base Offering Memorandum the source of such information has been identified. Prospective investors should note that some of the Issuer's estimates are based on such third-party information. None of the Issuer, the Arrangers or the Dealers have independently verified the figures, market data or other information on which third parties have based their studies.

Official data published by Kazakhstan governmental or regional agencies are substantially less complete or researched than those of more developed countries. Further, official statistics, including those produced by the NBK, the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market and the National Statistics Office, may be produced on different bases than those used in more developed countries. The Issuer has not independently verified such official statistics and other data, and any discussion of matters relating to Kazakhstan in this Base Offering Memorandum is, therefore, subject to uncertainty due to questions regarding the completeness or reliability of such information. Specifically, investors should be aware that certain statistical

information and other data contained in this Base Offering Memorandum has been extracted from official Kazakhstan government (the "**Government**") sources and was not prepared in connection with the preparation of this Base Offering Memorandum. Unless otherwise stated, macroeconomic data, which appear in this Base Offering Memorandum have been derived from statistics published by the National Statistics Office. Nevertheless, prospective investors are advised to consider this data with caution.

Presentation of Alternative Performance Measures

In this Base Offering Memorandum, the Issuer uses the following non-IFRS metrics in the analysis of its business and financial position, which the Issuer considers to constitute Alternative Performance Measures ("**APMs**"), as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated October 5, 2015 (the "**ESMA Guidelines**").

Set out below is a summary of the APM metrics used, the definition, bases of calculation and reconciliation of such metrics and the rationale for the inclusion of such metrics.

Metric	Definition and method of calculation	Rationale
EBITDA	Calculated as gross profit, minus general and administrative expenses, minus transportation and selling expenses, plus share in profit of joint ventures and associates, net as reported in the consolidated statement of comprehensive income, and plus depreciation, depletion and amortization as disclosed in the segment reporting note to the Consolidated Financial Statements.	Performance measure
Interim LTM EBITDA	Interim LTM EBITDA for the 12 months ended June 30, 2026, is calculated by adding the EBITDA for the six months ended June 30, 2026, to the EBITDA for the year ended December 31, 2025 and subtracting the EBITDA for the six months ended June 30, 2025.	Performance measure
Adjusted debt	Calculated as the sum of current and non-current borrowings, loans from the Government of the Republic of Kazakhstan, lease liabilities, derivative instruments and guaranteed principal amount of liabilities of entities outside the Group. Guaranteed principal amount of liabilities of entities outside the Group represents the principal amount of third-party liabilities guaranteed by the Group. This amount is not debt incurred by, or recorded as borrowings of, the Group; it is included solely to reflect the Group's contingent exposure, as the Group may be required to repay such liabilities if the relevant third-party obligor defaults and the guarantees are called.	Leverage/indebtedness measure
Net debt	Calculated as Adjusted debt minus cash and cash equivalents.	Liquidity measure
Adjusted debt / EBITDA	Calculated as the ratio of Adjusted debt divided by EBITDA.	Performance measure
Adjusted Debt / Interim LTM EBITDA	Calculated as the ratio of Adjusted debt divided by Interim LTM EBITDA.	Performance measure
Adjusted debt / Equity	Calculated as the ratio of Adjusted debt divided by total equity.	Leverage/indebtedness measure
Net debt / EBITDA	Calculated as the ratio of Net debt divided by EBITDA.	Performance measure

Metric	Definition and method of calculation	Rationale
Net debt / Interim LTM EBITDA	Calculated as the ratio of Net debt divided by Interim LTM EBITDA.	Performance measure
Current liquidity	Calculated as the sum of cash and cash equivalents, amounts due from credit institutions (current portion) and financial investments in debt and equity instruments (current portion).	Liquidity measure
EBITDA / Total interest expense	Calculated as the ratio of EBITDA divided by interest on loans and debt securities issued, interest on lease liabilities and certain other interest expenses.	Performance measure
Capital expenditure	Calculated as capital expenditures of the reportable segments as disclosed in the segment-reporting note to the Consolidated Financial Statements.	Investing measure

The above APMs have been included in this Base Offering Memorandum to facilitate a better understanding of the Issuer's historical trends of operation and financial condition. The Issuer uses APMs as supplementary information to its IFRS operating results. The APMs have not been audited nor reviewed by independent auditors and are not defined by, or presented in accordance with, IFRS Accounting Standards. The APMs are not measurements of the Issuer's operating performance under IFRS Accounting Standards and should not be considered as alternatives to any measures of performance under IFRS Accounting Standards.

In addition, other companies, including those in the Issuer's industry, may calculate similarly titled APMs differently from the Issuer. Because companies do not calculate these APMs in the same manner, the Issuer's presentation of such APMs may not be comparable to other similarly titled APMs used by other companies.

For an explanation of the relevance of each of the APMs, a reconciliation of the APMs to the most directly comparable measures calculated and presented in accordance with IFRS Accounting Standards and a discussion of their limitations, see "*Selected Consolidated Financial Information*". The Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS Accounting Standards or those calculated using financial measures that are calculated in accordance with IFRS Accounting Standards.

FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Offering Memorandum and include statements regarding the Issuer's current intentions, beliefs or expectations concerning, amongst other things, the Issuer's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity and the development of the sectors and economy in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Base Offering Memorandum. In addition, even if the Issuer's results of operations, financial condition and liquidity and the development of the sectors and economy in which it operates are consistent with the forward-looking statements contained in this Base Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- overall macro-economic and national and international business conditions and commodity prices;
- economic and political conditions, as well as the stability of the banking sector, in Kazakhstan generally;
- regional and geopolitical challenges, including changes in economic, social or political conditions in Kazakhstan, Russia and the Central Asia region, including changes in government and the impact of Russia's armed conflict in Ukraine; and
- continued support of the Government and its control of the Group and changes in Government policies with respect to the application of Government funding by the Group.
- competitive factors in the sectors and economy in which Group companies' customers compete;
- changes in legislation, regulation or Government policy;
- changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- interest rate fluctuations, exchange rate fluctuations and other capital market conditions;
- the impact of sanctions on Group companies' counterparties; and
- restrictions on the ability to transfer capital across borders.

The sections of this Base Offering Memorandum titled "*Risk Factors*", "*Selected Consolidated Financial Information*", "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" and "*Business of the Group*" contain a more complete discussion of the factors that could affect the Issuer's future performance and the sectors and economy in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Offering Memorandum may not occur.

The Issuer does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Offering Memorandum.

ADDITIONAL INFORMATION

The Issuer is not required to file periodic reports under Section 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). For so long as the Issuer is not a reporting company under Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer will, upon request, furnish to each holder or beneficial owner of Notes that are "restricted securities" (within the meaning of Rule 144(a)(3) under the Securities Act) and to each prospective purchaser thereof designated by such holder or beneficial owner upon request of such holder, beneficial owner or prospective purchaser, in connection with a transfer or proposed transfer of any such Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. See "*Terms and Conditions of the Notes—Negative Pledge and Covenants*". As long as the relevant Notes are represented by a Rule 144A Global Note, for the purposes of this paragraph the expression "holder" shall be deemed to include account holders in the clearing systems who have interests in the relevant Rule 144A Global Note.

SUPPLEMENTS TO THIS BASE OFFERING MEMORANDUM

The Issuer has undertaken, in connection with the listing of Notes, that if there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Offering Memorandum, which is capable of affecting the assessment of any Notes, whose inclusion would reasonably be required by investors, and would reasonably be expected by them to be found in this Base Offering Memorandum, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the relevant Notes, the Issuer will prepare or procure the preparation of a supplement to this Base Offering Memorandum or, as the case may be, publish a new Base Offering Memorandum, for use in connection with that or any subsequent issue by the Issuer of listed Notes.

PRICING SUPPLEMENT

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes, which may be issued under the Program, the Issuer has endeavored to include in this Base Offering Memorandum all of the necessary information, except for information relating to the Notes, which is not known at the date of this Base Offering Memorandum and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Offering Memorandum and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Pricing Supplement.

For a Tranche of Notes, which is the subject of the Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, complete this Base Offering Memorandum and must be read in conjunction with this Base Offering Memorandum. The terms and conditions applicable to any particular Tranche of Notes which is the subject of the Pricing Supplement are the Terms and Conditions of the Notes described in the relevant Pricing Supplement as supplemented to the extent described in the relevant Pricing Supplement.

ENFORCEMENT OF FOREIGN JUDGMENTS AND ARBITRATION AWARDS

The Issuer is a joint stock company organized under the laws of Kazakhstan, and the majority of its officers and directors and certain other persons referred to in this Base Offering Memorandum are residents of Kazakhstan. All or a substantial portion of the assets of the Issuer and such persons are located in Kazakhstan. As a result, it may not be possible to effect service of process upon the Issuer or any such person outside Kazakhstan, to enforce against any of them, in courts of jurisdictions other than Kazakhstan, judgments obtained in such courts that are predicated upon the laws of such other jurisdictions or to enforce against any of them, in Kazakhstan's courts, judgments obtained in jurisdictions other than Kazakhstan, including judgments obtained in the courts of England.

The Notes and the Fiscal Agency Agreement are governed by the laws of England, and the Issuer has agreed in the Notes and the Fiscal Agency Agreement that, subject to certain exceptions, disputes arising thereunder are subject to arbitration in accordance with the LCIA Rules. See Condition 23 under "*Terms and Conditions of the Notes*". Kazakhstan's courts will likely not enforce any judgment obtained in a court established in a country other than Kazakhstan unless (i) there is in effect a treaty between such country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty; or (ii) there is a proved reciprocity in enforcement of judgments of Kazakhstan courts in that country, which can be very hard or impossible to prove. There is no such treaty in effect between Kazakhstan and the United Kingdom. However, each of Kazakhstan and the United Kingdom are parties to the 1958 New York Convention on Recognition and Enforcement of Arbitral Awards and, accordingly, an arbitral award obtained in the United Kingdom should generally be recognized and enforceable in Kazakhstan provided the conditions to enforcement set out in that Convention and applicable Kazakhstan laws are met.

The Law "On Arbitration" (No 488-V, dated April 8, 2016) (the "**Arbitration Law**") was signed by the President of Kazakhstan on April 8, 2016. The introductory language to the Arbitration Law, as well as other provisions of the Arbitration Law, imply that the Arbitration Law should apply only where the matter involves dispute resolution in Kazakhstan (i.e., in respect of arbitration bodies with a seat in Kazakhstan). In particular, the preamble to the Arbitration Law states that: "This law regulates social relations arisen in the process of arbitration activity on the territory of the Republic of Kazakhstan as well as the procedure and terms of recognition and enforcement of arbitral awards in Kazakhstan**.**"

There are, however, certain provisions in the Arbitration Law, which may have implications (as described below) in respect of the arbitration provisions contained in the Notes, the Fiscal Agency Agreement and the Deed of Covenant. In particular, the provisions of the Arbitration Law do not clearly differentiate between domestic and foreign arbitration. In particular:

- Article 8.8 of the Arbitration Law restricts the trying of disputes involving quasi-sovereign companies by arbitration. The Issuer falls under the definition of a quasi-sovereign company. More specifically, Article 8.8 provides that a dispute between quasi-sovereign companies cannot be resolved by arbitration. While there is no established practice in relation to Article 8.8 of the Arbitration Law, the Issuer's management ("**Management**") believes that this requirement only applies when two or more quasi-sovereign companies are involved in a dispute as adverse parties. Accordingly, Article 8.8 should not apply if two or more quasi-sovereign companies are not adverse parties to the dispute, which would be the case in respect of the Notes, the Fiscal Agency Agreement and the Deed of Covenant.

- Article 8.10 of the Arbitration Law requires state-controlled companies to obtain consent from the competent authority of a relevant industry in order to enter into an arbitration agreement. While the Issuer falls within the definition of a state-controlled company, in November 2023, the Supreme Court of Kazakhstan clarified, in Resolution No 3, that no competent authority's consent shall be required for an arbitration agreement between state-controlled companies and non-residents of the Republic of Kazakhstan. Accordingly, Management believes that Article 8.10 should not apply to arbitration agreements under the Notes, the Fiscal Agency Agreement and the Deed of Covenant.

Given that there is not a well-developed practice in Kazakhstan on the application of the Arbitration Law, there can be no assurance that Kazakhstan courts would support the above interpretation of the Arbitration Law and that an award against the Issuer in arbitral proceedings in London under English law would be enforced in Kazakhstan. See "*Risk Factors—Risk Factors Relating to the Program and the Notes—Enforceability of Judgments and Arbitration Awards*".

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GENERAL DESCRIPTION OF THE PROGRAM

The following general description does not purport to be complete and is qualified in its entirety by the remainder of this Base Offering Memorandum. Words and expressions defined in "Form of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

Issuer	"Sovereign Wealth Fund "Samruk-Kazyna" JSC.
Legal Entity Identifier	213800N83GBAZJ4ER974.
Arrangers.....	Citigroup Global Markets Limited, Guotai Junan Securities (Hong Kong) Limited and Standard Chartered Bank.
Dealers.....	Citigroup Global Markets Limited, Guotai Junan Securities (Hong Kong) Limited, Standard Chartered Bank and any other Dealer(s) appointed under the Program from time-to-time by the Issuer, which appointment may be for a specific issue of Notes or on an ongoing basis.
Fiscal Agent, Paying Agent and Transfer Agent	Citibank, N.A., London Branch.
Registrar	Citibank Europe plc.
CMU Lodging and Paying Agent, CMU Transfer Agent and CMU Registrar	Citicorp International Limited
Size.....	U.S.$1,500,000,000 (or its equivalent in other currencies calculated in accordance with the provisions of the Program Agreement) outstanding at any one time. The Issuer may increase the amount of the Program at any time in accordance with the Program Agreement.
Issuance.....	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects, save that a Tranche may comprise Notes of different denominations. Each Tranche will be the subject of a Pricing Supplement, which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Base

	Offering Memorandum and must be read in conjunction with this Base Offering Memorandum. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes, as supplemented, amended or replaced by the relevant Pricing Supplement.
Forms of Notes.....	Each Series of Notes will be issued in registered form only. Regulation S Notes and Rule 144A Notes will initially be represented by a Regulation S Global Note and a Rule 144A Global Note, respectively. The Global Notes will be exchangeable for Definitive Notes (as defined herein) in the limited circumstances specified in the Global Notes.
Clearing Systems.....	DTC (in the case of Rule 144A Notes), unless otherwise agreed, and Clearstream, Luxembourg and Euroclear (in the case of Regulation S Notes), unless otherwise agreed, the CMU (in the case of CMU Notes), unless otherwise agreed, and such other clearing system as may be agreed between the Issuer, the Fiscal Agent, Transfer Agent and the relevant Dealer.
Currencies.....	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal, regulatory and central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes.....	The Notes will constitute direct, general and unconditional obligations of the Issuer, which will at all times rank pari passu among themselves and pari passu in right of payment with all other present and future unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Issue Price.....	Notes may be issued at any price, as specified in the relevant Pricing Supplement.
Maturities.....	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal, regulatory and central bank requirements.
Redemption.....	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise), as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates

	and in such manner, as may be specified in the relevant Pricing Supplement.
Optional Redemption.....	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part), the Noteholders or both to the extent (if at all) specified in the relevant Pricing Supplement. See "*Terms and Conditions of the Notes—Condition 10. Redemption and Purchase*" and "*Form of Pricing Supplement*".
Tax Redemption.....	Early redemption will be permitted for certain tax reasons, as set out in Condition 10.2 under "*Terms and Conditions of the Notes*".
Interest.....	Notes may be interest bearing or non interest bearing (as set out in the relevant Pricing Supplement). Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series (as set out in the relevant Pricing Supplement).
Denominations.....	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement (the "**Specified Denomination**"), provided that the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency. For so long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in the minimum authorized denomination of €100,000 (or its equivalent in another currency) and higher integral multiples of any smaller amount specified in the relevant Pricing Supplement. Notes to be listed on the Hong Kong Stock Exchange will have a denomination of at least CNY1,000,000 and integral multiples of CNY10,000 (or its equivalent in other currencies). Interests in the Rule 144A Notes shall be held in amounts of not less than U.S.$200,000 or its equivalent in another currency.
Negative Pledge and Covenants....	The Notes will have, among others, the benefit of a negative pledge and covenants relating to limitations on disposal of Core Assets and limitations on Reorganizations, each as set out in Condition 6 under "*Terms and Conditions of the Notes*".

Cross Acceleration	The Notes will have the benefit of a cross-acceleration condition as described in Condition 13.3 under "*Terms and Conditions of the Notes*".
Taxation	All payments in respect of Notes will be made free and clear of withholding taxes of Kazakhstan unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 under "*Terms and Conditions of the Notes*") pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Redenomination	The applicable Pricing Supplement may provide that Notes may be redenominated in Euros in accordance with Condition 22 under "*Terms and Conditions of the Notes*".
Governing Law.....	English law.
Listing.....	Application has been made for Notes issued during the period of 12 months from the date of this Base Offering Memorandum to be admitted to trading on the ISM. The Notes are not admitted to the Official List of the FCA. Application has also been made to the Hong Kong Stock Exchange for the listing of the Program by way of debt issues to Professional Investors only and/or will be made to the Hong Kong Stock Exchange for permission to deal in and for the listing of the Notes to be issued under the Program by way of debt issues to Professional Investors only during the period of 12 months after the date of this Base Offering Memorandum on the Hong Kong Stock Exchange. Application has also been made for the Notes issued under the Program to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the official list of the KASE and/or to the official list of and be admitted to trading on the AIX. The Program also permits Notes to be issued on an unlisted basis outside of Kazakhstan or to be listed on such other or further listing authorities, stock exchanges or quotation systems outside of Kazakhstan, as may be agreed between the Issuer and the relevant Dealer.
Selling Restrictions.....	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA, the

	United Kingdom, Singapore, DIFC, the AIFC and Kazakhstan. See "*Subscription and Sale*".
Risk Factors.....	Investing in the Notes involves a high degree of risk, which investors should ensure they fully understand. These include factors that may affect the Issuer's ability to fulfil its obligations under, or in connection with, Notes issued under the Program and factors that are material for assessing the market risks associated with Notes issued under the Program. See "*Risk Factors*".

OVERVIEW OF THE ISSUER AND THE GROUP

The following is an overview of certain information contained elsewhere in this Base Offering Memorandum. It does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Base Offering Memorandum. Prospective investors should also carefully consider the information set forth in "Risk Factors" below prior to making an investment decision. Capitalized terms not otherwise defined in this overview have the same meaning as elsewhere in this Base Offering Memorandum.

The Issuer is a joint stock company established in November 2008, with the Government being its sole shareholder. The Government's overall objective in establishing the Issuer was to increase management efficiency and to optimize organizational structures to successfully achieve the Government's strategic objectives. The purpose of the Issuer's activities is to increase the sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the entities within the Group, as well as effective management of the Group's assets.

The Group's mission is to ensure sustainable economic development and long-term value creation through effective management of a diversified portfolio of assets and business support for the benefit of the people of Kazakhstan. The Group's portfolio companies represent Kazakhstan's largest high-profile companies in sectors that the Government considers strategic for national development and growth, including oil and gas, mining, transportation, communications, energy and industrials.

As at June 30, 2026 and December 31, 2025, the Group had total assets of KZT 46,665.3 billion and KZT 44,242.9 billion, respectively, with a total equity value of KZT 27,809.6 billion and KZT 27,180.3 billion, respectively. The Group generated KZT 10,254.2 billion and KZT 1,738.8 billion of revenue and net profit, respectively, for the six months ended June 30, 2026, and KZT 18,771.5 billion and KZT 3,213.7 billion of revenue and net profit, respectively, for the year ended December 31, 2025.

The Issuer's registered office is 17/10 Syganak str., Astana, Kazakhstan.

Significant Holdings

The Group's portfolio companies span across sectors, including, among others, oil and gas, mining, transportation, communication, energy and industrial.

The table below provides, by operating segments, certain information on the principal portfolio companies of the Group and the Group's ownership as at June 30, 2026.

	Operating Segment	Year Founded	The Group's ownership (%)	Equity Listing
KMG	Oil and gas	2002	67.42	Local listing (KASE and AIX)
QazaqGaz	Oil and gas	2005	100	No
Kazatomprom	Mining	1997	62.99	International listing (LSE) and local listing (KASE and AIX)
Tau-Ken Samruk	Mining	2009	100	No
KTZ	Transportation	2002	100	No
Air Astana	Transportation	2001	41 (associate)	International listing (LSE) and local listing (KASE and AIX)
Qazaq Air (Vietjet Qazaqstan)	Transportation	2015	49 (associate)	No
Kazakhtelecom	Communication	1994	91.28	Local listing (KASE)
Qazpost	Communication	1991	100	No

	Operating Segment	Year Founded	The Group's ownership (%)	Equity Listing
Kcell	Communication	1998	46.55 (ownership through Kazakhtelecom)	Local listing (KASE)
Samruk-Energy	Energy	2007	100	No
KEGOC	Energy	1996	85	Local listing (KASE and AIX)
Samruk-Kazyna Ondeu	Industrial	2009	100	No

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Offering Memorandum prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Group, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The risks described herein represent those risks which are considered to be material to the Notes and which may affect the Issuer's ability to fulfill its obligations under the Notes. Prospective investors should note that the risks described below are not the only risks the Group faces. There may be additional risks that the Group currently considers not to be material or of which the Group is not currently aware, and any of these risks could have the effects set forth above.

Prospective investors should read this entire Base Offering Memorandum and Financial Statements. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Offering Memorandum have the same meanings in this section.

Investing in the Notes involves certain risks. An investment in the Notes is suitable only for sophisticated investors who have sufficient financial resources to sustain any losses from such investment and who are in a position to commit funds for a considerable period of time. Prospective investors should consider, among other things, the following:

RISK FACTORS RELATING TO THE GROUP

Operational Risks

The Issuer is wholly-owned by the Government of Kazakhstan, which may exercise significant influence over its operations

The Issuer is wholly-owned by the Government. As the sole shareholder of the Issuer (the "**Shareholder**"), the Government is in a position to influence the Issuer's activities and exercise control over all matters requiring shareholder approval, including the ability to appoint and remove the members of the Boards of Directors and Chairman of the Management Board of the Issuer and approval of significant corporate transactions and related party transactions. Moreover, the Government may influence the activities of the Issuer's portfolio companies through the Issuer.

From time to time, the Issuer may be requested by the Government to participate in or support strategic initiatives or projects of national importance that aim to promote the development of Kazakhstan's economy. While such projects are generally aligned with the Issuer's strategic objectives, certain of them may not always generate market-level returns or may require allocation of management attention and resources.

The Issuer's subsidiaries may also be required to finance various social projects, including the construction of social facilities, or the Government may determine that an asset in the Issuer's portfolio needs to be placed under control of another state or municipal authority, including on non-market terms. For example, on December 31, 2025, in accordance with the Resolution No. 1146 of the Government dated December 25, 2025, the Issuer transferred 100% of the shares of Kazakhstan Nuclear Power Plants LLP free of charge to the State property and privatization committee of the Ministry of Finance of Kazakhstan with net assets of KZT 24,483 million. In addition, involvement in such projects could divert the Issuer's management attention and resources.

The Government manages the Issuer through the exercise of the powers of the sole shareholder provided for by the Law "On the Sovereign Wealth Fund" (№ 550-IV, dated February 1, 2012, as amended) (the "**Sovereign Wealth Fund Law**"), the Agreement on Interaction and the Charter, however, there can be no assurance that the Government will not exercise significant influence over the commercial affairs of the Issuer. The Government's interests may also conflict with those of the Issuer or the Noteholders. As most of the Issuer's current portfolio consists of quasi-sovereign enterprises of strategic and national importance, key decisions with respect to these assets may involve policy considerations and may not always be made purely on a commercial basis or within expected timeframes. Thus, the outcome from any such decision-making processes may not always be strictly commercial or transparent or made on a timely basis which in turn may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Government may alter its economic development strategy or its relationship with the Issuer

In December 2012, the President of Kazakhstan presented a strategy for the development of Kazakhstan through to 2050 (the "**Kazakhstan-2050 Strategy**"), a long-term development strategy with seven main focus areas that aims for Kazakhstan to become one of the 30 most developed countries in the world by 2050. The Kazakhstan-2050 Strategy is implemented through the National Development Plan 2029 of the Republic of Kazakhstan until 2029 (the "**National Development Plan 2029**"), the National Security Strategy of the Republic of Kazakhstan and development plans of state bodies and national companies. The National Development Plan 2029 aims to renew and grow Kazakhstan's economy and improve citizens' welfare, new growth drivers and introduces measure aimed at achieving these objectives by 2029. The economic and other assumptions underlying the objectives set forth in the Kazakhstan-2050 Strategy and the National Development Plan 2029, including with respect to oil prices and production, GDP growth, inflation, external debt and the fiscal deficit, may not be met, which would undermine Kazakhstan's ability to achieve its stated objectives. Failure to achieve one or more of the objectives or complete certain reforms or projects set forth in the Kazakhstan-2050 Strategy or the National Development Plan 2029 may render it difficult to achieve other stated objectives, and Kazakhstan's ability to achieve its strategic objectives may be affected by many factors beyond its control. Moreover, the implementation of certain planned reforms may face practical, administrative or other challenges. If these strategies or reforms are not successfully implemented, or the expected benefits are not realized, the Issuer's business, results of operations, financial condition and prospects could be adversely impacted.

In addition, the Government has a number of privatization plans, which may be difficult to achieve without implementing further legislation or active participation from international investors. If the Government is not able to fund or implement the large number of reforms and proposals (including privatizations) currently being proposed, or if there is a delay in such funding or implementation, then the Government may not be able to meet the long-term strategic objectives, which could result in an adverse effect on the economy of Kazakhstan.

The Kazakhstan-2050 Strategy is the most important state planning document that the Issuer considers in developing its development strategy. Following that, the Issuer's development strategy is also based on other state planning documents, which include, in the order of importance, the national priorities of Kazakhstan, the national development plan and national security strategy of Kazakhstan, territorial development plan for Kazakhstan, low-carbon development plan and national projects of Kazakhstan, as well as quasi-government sector development strategies. If the Government alters its strategy in any of these state planning documents, the Issuer's development strategy will also be impacted, potentially in an adverse manner.

In addition, any action by the Government which limits the Issuer's mandate, limits the amount of financial support the Issuer receives from, or assets granted by, the Government, and/or leads the Government to reclaim assets previously granted to the Issuer without the payment of any compensation for such reclaimed

assets could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

No guaranteed Government financial support

The Issuer is wholly-owned by the Government. However, the Government is not obligated to provide financial support to the Issuer and the Issuer's obligations under the Notes are not guaranteed by the Government. The Government has no direct or indirect obligations to Noteholders in relation to the Notes. There can be no assurance that the Government will provide financial support to the Issuer in the event that the Issuer is unable to meet its obligations under the Notes. See further "*—The Issuer is wholly-owned by the Government of Kazakhstan, which may exercise significant influence over its operations*".

The Issuer and its portfolio companies may not be able to implement their business strategies successfully

The Issuer's strategy is described in this Base Offering Memorandum in "*Business of the Group—Strategy*". The future prospects of the Issuer are dependent on its ability to implement its business strategy successfully, which is in turn dependent on a variety of factors, many of which are beyond the Issuer's control. The success of this strategy will depend on a number of factors, including the Issuer's ability to implement sustainable development initiatives, carry out responsible investments, and achieve efficient and active portfolio management.

In addition, there can be no assurance that even if the Issuer successfully implements its strategy, it would result in an improvement of its results of operations. Furthermore, in addition to the Issuer's strategy, its portfolio companies have their own strategies the success of which depend on numerous factors, many of which are beyond the control of the respective portfolio companies. Failure of any portfolio company to execute its strategy may lead to lower dividend flows or a decrease in the value of the Issuer's investment in the respective portfolio company. The Issuer may decide to alter or discontinue aspects of its business strategy and may adopt alternative or additional strategies in response to the Group's operating environment or competitive situation or factors or events beyond the Issuer's control.

The Issuer's failure to execute its business strategy, on a timely basis or at all, as well as the failure or delay of the portfolio companies to implement their individual strategies, could materially adversely affect the Group's business, financial condition and results of operations.

The Issuer and its portfolio companies are dependent on senior management and key personnel

The Group's senior management and key personnel may voluntarily terminate their employment with the Issuer or its portfolio companies or leave their positions due to reasons beyond the Issuer's or its portfolio companies' control. The Group's success depends upon its ability to identify, hire, develop, motivate and retain highly qualified senior management and key personnel for the Issuer and its portfolio companies. If the Group experiences a large number of retirements or departures of its senior management and key personnel, attracting and retaining a sufficient number of replacement personnel may be challenging. If the Group is unable to hire and retain senior management and key personnel with requisite skills and expertise, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's operations are dependent on the reliability and security of its IT systems and the performance, reliability and security of the telecommunications and internet infrastructure in Kazakhstan

The operations of the Group's portfolio companies depend heavily on information technology ("**IT**") systems to manage financial records, customer data, proprietary information and operational processes. In addition, the Group relies on the security of critical information and operational technology systems for,

amongst other things, the storage and distribution of its portfolio company products; the processing, use and security of financial records, proprietary information, intellectual property, personal information and operating data; and communications with management, personnel and business partners. These IT systems are critical to the Group's business and are exposed to rapidly evolving cyber threats, such as data breaches, hacking, denial-of-service attacks, insider threats and other forms of cyber intrusion. Despite the implementation of security measures, there can be no assurance that these systems will be sufficiently robust to prevent all unauthorised access, disruptions or failures. A significant breach or failure of the Group's IT systems could disrupt the Issuer's or any of its portfolio company's operations and could result in the loss or misuse of data or sensitive information, injury to people, loss or corruption of data, reputational damage, regulatory penalties, financial loss and litigation. Any failure to manage IT, cybersecurity and data protection risks effectively could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Group's business depends on the performance, reliability and security of the telecommunications and internet infrastructure in Kazakhstan, where the Group's computer hardware is currently located. Any disruptions in, or failures of, the telecommunications and internet infrastructure in Kazakhstan may adversely affect the quality or availability of the Group's platforms. The failure of telecommunications network operators to provide the Group with the requisite bandwidth could affect the speed and availability of the Group's platforms. Moreover, if the security of the Group's domain names is compromised for any reason, the Group will be unable to use such domain names in its business operations, which, in turn, could adversely affect the Group's business and brand image.

There is no assurance that the Group's data would not be misappropriated by a third party due to vulnerabilities in Kazakhstan's telecommunications and internet infrastructure, which could adversely affect the Group's business, financial condition, results of operations and prospects.

International trade policies of foreign governments, including sanctions, tariffs, export controls or other restrictive measures by the U.S., UK and EU, may have an adverse effect on the Group

The U.S. government imposes economic sanctions and trade embargoes with respect to certain countries in support of its foreign policy and national security goals. These laws and regulations are administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") and, in certain instances, by the U.S. State Department. U.S. economic sanctions impose restrictions on U.S. persons and, in certain circumstances, non-U.S. persons with respect to activities or transactions with certain countries, governments, entities or individuals that are the target of the relevant U.S. economic sanctions. Under applicable U.S. economic sanctions, U.S. persons also are prohibited from facilitating such activities or transactions and non-U.S. persons are prohibited from causing other persons to violate applicable prohibitions. For example, if non-U.S. persons engage in a transaction that would be prohibited for U.S. persons, a U.S. dollar transfer would be prohibited and would create compliance risk for both the non-U.S. persons and the U.S. financial institution that must processes the payment.

Further, since 2025, the U.S. government has implemented significant changes to its trade policy, including the imposition, expansion and periodic revision of import tariffs and other trade measures, and further changes may be introduced with limited notice. The scope, application, duration and ultimate impact of these measures continue to evolve in response to political, economic and geopolitical developments. Such measures, together with any retaliatory actions taken by affected countries, could disrupt global trade flows and supply chains, increase costs, contribute to inflationary pressures, reduce investment and adversely affect global economic growth. Any of these developments could, directly or indirectly, have a material adverse effect on Kazakhstan's economy and, consequently, on the Group's business, financial condition, results of operations and prospects.

The EU has adopted different regulations establishing a sanctioning framework against Russia in view of the conflict in Ukraine. These sanctions include the freezing of assets of certain conflict-related entities and individuals (the Regulation No 269/2014) and restrictive measures aimed at limiting trade relations between Russia and the EU and harming the Russian economy (Regulation 833/2014). Since the beginning of the conflict in Ukraine, the EU Council has issued numerous sanctions packages that continuously tighten and improve its sanctions pressure on the Russian Federation.

The United Kingdom has established its own autonomous sanctions regime against Russian Federation in response to conflict situation in Ukraine under the Sanctions and Anti-Money Laundering Act 2018 ("SAMLA"). These measures are implemented through the Russia (Sanctions) (EU Exit) Regulations 2019, which provide the legal basis for asset freezes targeting designated individuals and entities, as well as broader sectoral restrictions affecting key areas of the Russian economy, including finance, energy, defense, and trade. Since the escalation of the conflict in Ukraine, the UK government has introduced a series of amendments to expand and strengthen these measures, increasing economic pressure on the Russian Federation and broadly aligning with international partners.

Comparable measures have also been adopted by a number of other jurisdictions, including Australia, Canada, Japan, Switzerland, and Republic of Korea. These frameworks establish a range of restrictive measures designed to prohibit or limit financial transactions and other forms of engagement with sanctioned countries, entities and individuals, often including asset freezes, trade restrictions, and controls on the provision of economic resources, with the aim of exerting economic and political pressure.

In addition, the continuing expansion of sanctions against Russia and related anti-circumvention measures in connection with the conflict in Ukraine may increase scrutiny of financial institutions, corporates and counterparties in Kazakhstan and elsewhere in Central Asia. For example, since 2022, the scope of sanctions has expanded significantly. In particular, the U.S., EU and UK have each imposed blocking sanctions on a number of major Russian state-owned banks and corporates, prohibiting U.S., EU and UK persons from engaging in virtually all transactions with such institutions. Secondary sanctions regimes have also been introduced, under which persons that facilitate significant transactions or have material dealings with sanctioned Russian banks or other sanctioned entities risk themselves being designated as sanctioned persons.

In addition, in 2023 and 2024, the U.S. significantly expanded its sanctions, targeting the metals and mining, energy, defense, technology, aerospace, maritime, manufacturing, construction and finance sectors, including restrictions on several Russian financial institutions. These included new designations of Russian banks and actions against entities involved in sanctions evasion. The U.S. also banned all new investment in Russia by U.S. persons and restricted the export of many U.S. services to Russia. Since 2023, both the EU and the UK have evolved their sanctions focus to include stronger enforcement and preventing circumvention, particularly through third countries. In 2025, the U.S., UK and EU further intensified sanctions targeting Russia's oil production and exports. Further, the EU's 20th package of sanctions included robust energy measures and, for the first time, anti-evasion measures against certain third-country lenders in Kyrgyzstan, Laos and Azerbaijan. The package also designated third-country suppliers of critical high-tech items (including entities in Kazakhstan) for providing dual-use goods or weapons systems to the Russian military-industrial complex. Following this, the EU's 21st package, adopted in July 2026, further extended the list of individuals and entities under sanctions and, among others, froze the existing crude oil price cap adjustment mechanism, introduced a mechanism to block transactions with third-country cryptocurrency platforms facilitating sanctions evasion and designated certain sea vessels. The package also expanded export restrictions applicable to certain entities in third countries, including a limited number of entities located in Kazakhstan, that the EU considers to have supported Russia's military-industrial complex or the circumvention of export restrictions.

Furthermore, on September 18, 2026, the U.S. President signed the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 (the "**Act**") into law. The Act further restricts transactions involving Russian energy producers, financial institutions and their counterparties, and increases secondary-sanctions and trade-tariff risks for buyers of Russian energy products and other participants in the Russian energy sector. The timing, scope and application of the measures available under the Act are subject to implementing actions and the applicable Presidential waiver, modification and termination authorities.

Proposed or future measures, including any measures targeting sanctions circumvention or the provision of services to sanctioned persons, could increase compliance costs, disrupt payments, delay transactions, impair relationships with international counterparties and expose the Group to heightened regulatory or reputational risk.

The Group's operations expose it to the risk of violating, or being accused of violating, economic and trade sanctions or engaging in conduct that may create a risk of the imposition of secondary sanctions. For instance, certain sanctions have imposed restrictions on certain major Russian companies including Gazprom, Tatneft, Transneft and Lukoil. In addition, sanctions have been imposed that would restrict certain investments in certain types of crude oil extraction projects (i.e. deepwater, arctic offshore, or shale deposits) in Russia can trigger sanctions even in the absence of any involvement by U.S. persons.

KMG and various of its subsidiaries have business relationships with each of Transneft, Lukoil, Tatneft, Rosneft and Gazprom. As a result of the sanctions imposed on Lukoil, further implementation of the Kalamkas-Sea and Khazar Offshore Oil & Gas Development project in the Kazakh section of the Caspian Sea was suspended. KMG has also been considering with Lukoil an early withdrawal from a joint project named "Al-Farabi" by relinquishing the contract area to the Government. In November 2025, OFAC issued a license authorizing operations necessary for the Caspian Pipeline Consortium (a joint venture with, among others, Transneft, Lukoil and Rosneft, in which KMG owns 20.75%), TCO (a joint venture with, among others, Lukoil, in which KMG owns 20%) and Karachaganak (a joint venture with, among others, Lukoil, in which KMG owns 10%). Furthermore, in March 2026, the Group obtained a determination from OFAC and a license from the UK Treasury, permitting the continued performance of its contractual obligations with Rosneft until March 19, 2027, and the receipt of freight forwarding services from Transneft until March 19, 2028. Settlements in respect of these operations are conducted in accordance with applicable sanctions requirements.

While neither the Issuer nor any of its subsidiaries are currently directly subject to sanctions by any U.S., EU and UK authorities, there can be no assurance that the Issuer, any of its subsidiaries, their customers or business associates will not be sanctioned in the future or that any authorizations or permissions from OFAC will not be amended or rescinded. If the Issuer or its subsidiaries were to be sanctioned in the future, some of its investors, in the U.S., EU, UK and in other jurisdictions in which sanctions similar to the U.S. economic sanctions apply, may be required (by operation of law or regulations or under internal investment policies, or both) to divest their interests in the Notes and others may be prevented from purchasing Notes. Moreover, in such circumstances, other counterparties to the Group, in and outside the U.S. may be required, or may decide for reputational reasons or otherwise, to cease their business relationships with, or divest their financing of or investments in, the Group. Furthermore, banks required to comply with international sanctions regulations may suspend or terminate their operations with the Group in order to avoid regulatory breaches, legal liability, responsibility and/or potential reputational damage. Any of these risks, if they materialize, could have a material adverse effect on the Group's business, financial condition, cash flows, results of operations and prospects.

Sanctions imposed on the Russian Federation may have an adverse effect on the Russian economy and in turn, may have an adverse effect on the Group

The sanctions imposed on the Russian Federation to date have had an adverse effect on the Russian economy, causing volatility in Russian markets, which, in turn, has had an adverse effect on Kazakhstan and its economy. These sanctions prompted downward revisions to the credit ratings of the Russian Federation and a number of major Russian companies that are ultimately controlled by the Russian Federation, causing extensive capital outflow from Russia and impairing the ability of Russian issuers to access the international capital markets. While Kazakhstan has maintained a neutral stance in the Russia-Ukraine conflict and continues to comply with international sanctions regimes, recent public statements by senior officials suggest growing concern over the unintended economic consequences of these measures. In some cases, authorities of Kazakhstan have emphasized the need to preserve domestic economic interests, potentially leading to nuanced interpretations or selective application of trade restrictions. These dynamics may contribute to regulatory uncertainty and complicate cross-border operations, which could, in turn, adversely affect the Group's business and operations in the region.

Factors that affect the Russian ruble tend to also impact the exchange rate of the Tenge. Any future actions by the U.S. or other countries towards Russia, such as sanctions, could adversely affect the Russian financial market, potentially causing short-term volatility in the Tenge. In addition, if such sanctions adversely affect the operations or finances of Russian financial institutions providing financial and trade-related services to customers in Kazakhstan this may hinder their ability to continue providing such services.

The continuation, escalation or expansion of hostilities between Russia and Ukraine may lead to further restrictions, sanctions or countersanctions, increased economic instability worldwide, heightened operating risks, cyber disruptions or attacks, volatility in commodity prices and additional disruption to global shipping and supply chains. Kazakhstan's close economic links with Russia, the Russia-Ukraine conflict and the related sanctions, counter-sanctions and restrictions have had, and may continue to have, adverse impacts on the global economy, capital markets, supply chains, energy prices, suppliers and consumer demand as a result of increased inflationary pressures directly associated with the conflict, all of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Geopolitical tensions and the laws and regulations relating to the U.S. and Iran conflict could adversely affect the Group

Persistent geopolitical tensions and military conflict between the U.S. and Iran have historically contributed to prolonged uncertainty across the Middle East. Escalating military activity and blockades on Iranian ports and the Strait of Hormuz as well as U.S. sanctions in recent months have resulted, and continue to result, in volatility with respect to global crude oil prices, heightened inflationary pressures, and intensified fluctuations in global equity and credit markets.

The continuation or escalation of military conflict involving Iran and neighboring states could continue to disrupt global trade, financial markets, energy and mining sectors, and transportation networks. While the Group's operations are based principally in Kazakhstan, the Issuer or any of its portfolio companies may be affected directly or indirectly by developments in the region as a result of geographic proximity to the Middle East, exposure to regional economic and trade dynamics, and the nature of the businesses comprising the Group's operating segments.

The Group has previously explored potential cooperation with Iran. In 2016, Kazatomprom entered into a uranium supply contract with an Iranian counterparty (the "**Iran Agreement**") pursuant to the Iran nuclear deal prior to the United States' withdrawal from such deal. Starting from August 7, 2018, the United States began re-imposing certain nuclear-related sanctions on Iran that had previously been lifted as part of the

United States' implementation of the Joint Comprehensive Plan of Action as endorsed by United Nations Security Council Resolution 2231. No uranium deliveries were made under the Iran Agreement and, as at the date of this Base Offering Memorandum, the Iran Agreement is dormant and Kazatomprom has no ongoing commercial relationship with the relevant Iranian counterparty in connection with the Iran Agreement.

Separately, in 2022, the Issuer held discussions with Iranian officials regarding potential cooperation in areas including transit, mining and metallurgy and the gas industry. Representatives of the Group also participated in a broader Kazakh-Iranian investment round table concerning potential trade and investment cooperation between Kazakhstan and Iran.

Nevertheless, any future Iran-related activities undertaken by any member of the Group would be subject to applicable sanctions and the Group's internal compliance procedures. There can be no assurance that the Group's past or future actual or perceived Iran-related contacts will not attract public criticism, regulatory scrutiny or adverse reputational consequences, or that any failure to comply with applicable sanctions will not result in penalties or other restrictions that could adversely affect the Group's business, financial condition or results of operations.

The Issuer and other members of the Group may become subject to legal proceedings which could materially and adversely affect the Group

The Group is exposed to legal disputes and litigation with competitors, operators and joint venture partners, among others. These actions may seek, among other things, compensation for alleged losses, civil penalties or injunctive or declaratory relief. In addition, the Group is subject to regulatory investigations and examinations relating to, amongst other things, administrative, environmental, labor and tax claims. These claims could involve a wide range of issues and in certain instances substantial amounts could be claimed. In addition, there are certain ongoing large-scale disputes and international arbitrations with certain joint venture partners that may have a material adverse effect on the Group's business and financial condition, even though such disputes and arbitrations are not directly against the Group.

Although the Group does not currently expect any such matters, individually or in the aggregate, to have a material adverse effect on its business or financial position, the outcome of legal or regulatory proceedings is inherently uncertain. Unfavorable developments or decisions in such matters could adversely affect the Group's business, financial condition or results of operations. The Government is also subject to legal proceedings from time to time which may impact the Issuer's business and financial condition.

No assurance can be given that the claimants in the current or future proceedings will not seek to attach assets owned by the Issuer or that such proceedings will not otherwise adversely affect the Issuer's business, prospects, financial condition, cash flows or results of operations.

The Issuer and other members of the Group have conducted and are considering further internal reorganizations

The Group has undertaken reorganizations of certain aspects of its corporate structure and other portfolio restructuring measures, including transfers of assets and businesses within the Group, mergers and liquidations of Group entities, acquisitions and disposals of interests in subsidiaries and changes in the Group's ownership structure, in order, inter alia, to improve operational efficiency and achieve cost savings. Such reorganizations and measures have required, and may continue to require, significant internal resources and attention from the Issuer's management, which could otherwise be devoted to other matters and projects. There can be no assurance that any future reorganizations, if implemented, will successfully improve efficiency or achieve cost savings, or that they will not encounter unforeseen barriers, delays or additional costs. Recent examples include the reorganization of certain assets within the Samruk-Energy

and KMG groups. The Group is also considering the liquidation of certain entities, including Ust-Kamenogorsk HPP JSC, and Balkhash TPP JSC, currently scheduled for 2026, and KazMunayGas-Service LLP, currently scheduled for 2028. The timing and implementation of these liquidations remain subject to change. Failure to implement any such reorganizations successfully could materially adversely affect the Issuer's business, prospects, financial condition, cash flows or results of operations.

The Group could be materially adversely affected by natural disasters or interruptions in the supply of utilities in the locations in which it has material operations or in which its material customers or suppliers operate

Kazakhstan's climate is characterized by harsh winters and hot summers. A large number of the Issuer's portfolio companies' facilities and large segments of their networks are located in areas that experience severe weather conditions, particularly in winter. In particular, the extensive pipeline networks operated by "QazaqGaz" JSC ("**QazaqGaz**") and certain members of the KMG group, as well as the railway infrastructure operated by KTZ, may be exposed to extreme variations in winter and summer temperatures, which may accelerate wear and tear on pipelines, railway tracks, rolling stock and related equipment. Extremely harsh weather conditions and the remoteness of certain of the Issuer's portfolio companies' facilities may make it difficult to gain access to conduct repair or maintenance quickly.

Additionally, the Group has assets in locations which are subject to natural disasters, such as flooding and earthquakes, as well as interruptions or shortages in the supply of utilities (such as water and electricity), that could disrupt operations. For example, in spring 2024, Kazakhstan experienced severe flooding, resulting in widespread damage and disruption across multiple regions. While such flooding did not materially impact the Group's assets and business, similar future events affecting the areas in which the Group operates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, certain of the Group's material suppliers and customers also have operations in such locations.

There can be no assurance that adverse weather events, natural disasters or an interruption in the supply of utilities resulting in a prolonged disruption to any of the Group's material operations, or the operations of its material customers or suppliers, will not negatively affect the Group's operations in the future, which could, in turn, have a materially adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's insurance policies may not be sufficient to cover all risks that it faces

The Group maintains a range of insurance policies, which indemnify either the relevant policyholder or third parties for loss or damage to assets and any associated liabilities. Although the Group believes that its insurance coverage is adequate for its operations, the scope of such coverage may be more limited than that generally available in more developed insurance markets, such as in Western Europe and North America. There is, however, no assurance that the Group's insurance coverage will continue to be available in the market from either capacity or commercial standpoints, or that all potential losses or liabilities will be fully covered. Certain risks may be uninsured or only partially insured, and claims under existing policies may be subject to deductibles, exclusions or limits of coverage. Further, the Group or a third party could be subject to a material loss to the extent that a claim is made against the Group which is not covered in whole or in part by insurance and for which third party indemnification is not available. Any uninsured or underinsured loss could adversely affect the Group's business, financial condition or results of operations.

Portfolio and Investment Risks

Almost all of the Issuer's portfolio companies and other assets are based in Kazakhstan

As at June 30, 2026, predominantly all of the Group's aggregated assets were represented by portfolio companies domiciled in Kazakhstan. The concentration of the Issuer's assets in Kazakhstan exposes the Issuer to the prevailing economic and political conditions in Kazakhstan and Central Asia (see further "—*Risks Factors Relating to Kazakhstan*", "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Key Factors Affecting Results of Operations—The Current Economic Environment in Kazakhstan*"). Should economic growth or performance in Kazakhstan decline, or should Kazakhstan be affected by political or social instability in the future, or should any decline in business, industrial, manufacturing or financial activity occur, this could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to the industry and business-specific risks faced by its portfolio companies and other significant holdings

The Issuer is a holding company and as such is dependent on the operations, revenues and cash flows generated by its portfolio companies and investments in associates. The companies that comprise the Issuer's holdings are involved in a diverse range of businesses and operations and are subject to differing risks and challenges, largely depending on the industries in which they operate. The Issuer is also exposed to the specific risks affecting the projects or assets of its holdings. In addition, the Issuer's exposure to these industry and business-specific risks will continue if the Issuer does not develop or maintain a diversified portfolio.

Examples of the industry and business-specific risks to which the Issuer's significant holdings, in terms of assets and revenue, are exposed are included in the following discussion.

Oil and gas

Portfolio companies in the oil and gas segment, such as KMG and QazaqGaz, are primarily exposed to the following industry and business-specific risks:

- price fluctuations in crude oil, gas and refined products markets and related fluctuations in demand for such products. Historically, global crude oil and natural gas prices have been highly volatile and are generally characterized by significant fluctuations that are determined by the global balance of supply and demand, geopolitical and regional conditions, conflicts and many other factors. In particular, since the outbreak of military action between the U.S. and Iran and the imposition of restrictions on transit through the Strait of Hormuz, benchmark crude oil prices have increased significantly and have remained volatile. The Group's export routes do not transit the Strait of Hormuz, and the Group has therefore not experienced a direct interruption to its export capability. While higher benchmark prices have supported the revenues of the Group's oil and gas businesses, this benefit has been partially offset by higher fiscal take, freight and war risk insurance costs, and by increased fuel costs in the Group's transportation businesses. Any de-escalation could result in a rapid decline in prices, which would adversely affect the Group's results of operations. (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Key Factors Affecting Results of Operations—Commodity Prices*");

- portfolio companies may require substantial ongoing capital expenditures. The oil and gas industry is capital intensive and requires capital expenditures related to maintenance, exploration and development, production, transportation, refining and trading and compliance with environmental laws and regulations;

- risks associated with project delays and operations. The oil and gas industry in general and the portfolio companies in particular may be exposed to delays and cost overruns in development projects and operations;

- risks associated with developing replacing and growing current oil and gas reserves. A number of production fields operated by the portfolio companies are mature, and portfolio companies may be unable to successfully develop, replace and grow their current oil and gas reserves in order to maintain stable production levels;

- natural gas transportation revenue generated by the portfolio companies is heavily dependent upon the volumes of natural gas transported for Gazprom, a Russian state-owned oil and gas company, which volumes are, in turn, dependent on international demand for natural gas, natural gas prices and certain other factors;

- risks associated with incidents or conditions affecting the export of crude oil and gas, including geopolitical and regional instability, tensions, armed conflicts, international sanctions, trade restrictions, embargoes, changes in applicable laws and regulations, limitations on access to shipping, ports or transportation infrastructure, and other factors that may disrupt operations, restrict exports, increase costs, or adversely affect market access. The portfolio companies rely heavily on oil and gas transportation systems to transport their products and their customers products to markets outside Kazakhstan and any disruption or unavailability of such transportation systems would adversely affect the ability to do so. In particular, Kazakhstan oil export infrastructure remains heavily dependent on transit routes through Russia. The Caspian Pipeline Consortium pipeline, which transports crude oil from Kazakhstan's major producing fields to the Russian Black Sea port of Novorossiysk accounts for the majority of Kazakhstan's crude oil exports. In July 2026, drone attacks in the vicinity of the Novorossiysk terminal resulted in the suspension of CPC loading operations, causing Kazakhstan's oil production to fall sharply as exports through its principal route were interrupted;

- the reported quantities or classifications of crude oil and gas reserves may be lower than estimated because of inherent uncertainties in the calculation of reserves;

- Government policies and regulations on the oil and gas sector, including in respect to pricing and domestic supply requirements, may affect the business of the portfolio companies. These companies face risks associated with regulated oil and gas transportation tariffs, some of which have been and may be set by the Government at below cost. In addition, the operations of these companies and their subsidiaries, joint ventures and associates are regulated by and must be conducted in compliance with governmental regulations as well as the obligations under their respective licences, contracts and field development plans;

- risks relating to the loss, or change in, the status of national operator or national company;

- environmental risks are inherent in virtually all aspects of oil and gas business, including oil and gas exploration, production, transportation and refining. The portfolio companies are required to comply with environmental laws and regulations which may continue to develop and change. There are environmental issues with current and past sites of operations caused by the portfolio companies, joint ventures and associates and their predecessors. The primary environmental liabilities include land contamination, gas flaring, the disposal of wastewater and oil spills;

- risks related to climate change and sustainability, including shifting demand and regulatory changes, may require the Group's portfolio companies to incur additional costs or capital

expenditures. Such factors could reduce global demand for oil and gas and adversely affect the Group's portfolio companies' access to financing; and

- portfolio companies face competition from other suppliers of oil and gas. The sale of crude oil and gas internationally is very competitive. The portfolio companies' primary competitors for the sale of crude oil include international oil companies, many of which have substantial crude oil reserves and financial resources.

Mining

Portfolio companies in the mining segment, such as Kazatomprom and Tau-Ken Samruk, are primarily exposed to the following industry and business-specific risks:

- the portfolio companies engage in open-pit mining, underground mining and in-situ recovery and these activities are subject to hazards and operational risks associated with the exploration, development and production of natural resources, any of which could result in production shortfalls, accidents, disruptions or damage to persons, property or the environment. The output of the portfolio companies' mines may also be adversely affected by unforeseen geological conditions;

- risks relating to the volatility in the price of uranium, polymetallic ores and other natural resources and any prolonged reduction in market prices, including as a result of any major accidents affecting the nuclear industry, could have a material adverse effect on the relevant portfolio companies (see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Key Factors Affecting Results of Operations—Commodity Prices*");

- risks relating to shifts in public opinion on nuclear energy and its safety;

- risks relating to expansion of sanctions, export controls and licensing requirements;

- the uranium market is highly consolidated and Kazatomprom is currently dependent on a small number of customers that purchase a significant portion of its uranium, and this customer concentration may increase;

- risks relating to the inability to maintain a reserves and resource base for stable production or discovering new ore reserves;

- risks relating to the loss, or change in, the status of national operator or national company; and

- the imposition of tariffs or quotas by uranium importing countries.

Transportation

Significant holdings in the transportation segment, such as the Group's portfolio company KTZ, as well as, investments in associates such as Air Astana and Qazaq Air, are primarily exposed to the following industry and business-specific risks:

- KTZ has historically experienced liquidity problems and relied on various forms of Government support, either directly or through the Issuer. Such support, which KTZ has historically received, and continues to rely on, may be delayed, reduced or discontinued. There can be no assurance that KTZ will continue to receive the same or a sufficient level of support from the Government or that Government support, if any, will be given in a timely fashion. Moreover, any delay in the receipt of Government support may result in an inability of KTZ to complete key capital expenditure and investment projects on time or at all;

- the results of operations and financial condition of portfolio companies operating in the transportation segment are influenced by general economic conditions in Kazakhstan, which, in turn, are influenced by global economic conditions;

- the railway and logistics infrastructure owned by the portfolio companies requires continuing funding (including the risk of insufficient supply of, or increases in the prices, of locomotives or rolling stock may limit KTZ's investment in its infrastructure);

- risks associated with the portfolio companies being monopolies, dominant entities or members of the market of public importance, which may result in adverse interference in their operations;

- a significant portion of KTZ's revenues is generated from services subject to state regulation. The regulatory authorities may amend the tariff methodology, impose tariff caps or require cross-subsidization between different customer groups or services. KTZ may be unable to freely determine the prices it charges for regulated railway infrastructure and transportation service. Tariffs are approved by the relevant regulatory authorities and may not increase in line with inflation, operating costs or capital expenditure requirements. Furthermore, delays in obtaining tariff approvals or lower than expected tariff increases could adversely affect KTZ's revenues and cash flows;

- the railway transportation system is dependent on economic conditions in the countries bordering Kazakhstan and maintaining good relations with neighboring countries to have open access to international commodities markets. In addition, Kazakhstan relies on operational cooperation with other neighboring countries, such as Russia, for cross-border freight transportation and access to railway infrastructure, which may further expose Kazakhstan to risks arising from geopolitical tensions, changes in diplomatic relations, international sanctions, export controls, trade restrictions and other restrictive measures, as well as disruptions affecting the availability, use or efficiency of cross-border railway networks and infrastructure; and

- risks associated with the cyclical nature of the aviation industry and its dependence on the local and global tourism industry. Furthermore, a global economic downturn and/or regional political upheaval may also affect the aviation and tourism industries. Declining demand for air travel due to the general economic conditions, geopolitical environment, pandemics and the increased use of videoconferencing, may result in a significant decline in business and leisure travel.

Energy

Portfolio companies in the energy segment, such as Samruk-Energy and KEGOC, are primarily exposed to the following risks:

- demand for electricity and heat in Kazakhstan, as well as demand for electricity transmission services, depends on economic activity and is subject to fluctuations, and the portfolio companies may be unable to obtain expected levels of revenue and/or address daily, seasonal or yearly fluctuations in demand for electricity and heat. In addition, hydropower-generated electricity output depends significantly on the water flow in the rivers as well as on the operating regimes of reservoirs;

- operations on the electricity and heat markets, including electricity transmission services, are subject to price setting and tariff regulation. If tariffs established by regulatory authorities fail to provide adequate economic returns or are set at rates that are not sufficient to cover related expenses due to social or political reasons, the portfolio companies' business, financial condition, results of operations may be materially adversely affected;

- growth in electricity demand, including from artificial intelligence ("**AI**"), cloud computing and data centers, may exceed the pace at which new generation capacity and transmission infrastructure can be developed. The increasing electricity requirements of AI related infrastructure and large-scale data centres may require substantial investment in new generation, transmission and distribution assets, which may be subject to permitting challenges or delays. Failure to expand generation or transmission infrastructure in line with demand could adversely affect the Group's portfolio companies' business, financial condition, results of operations and prospects;

- Samruk-Energy relies on a single source of coal supply for its coal-fired power plants. Any disruptions, including those caused by a major accident or a workers' strike at the coal mines operated by Bogatyr Komir LLP or on the railway network, may disrupt coal supplies, increase production costs, and result in the suspension of operations at its coal-fired power plants. However, to mitigate the risks arising from interruptions in coal supplies, Samruk-Energy's power plants maintain the required level of fuel reserves, taking into account their distance from the coal mine. In addition, coal from other mines in the Ekibastuz coal basin may be used as an alternative fuel source;

- maintenance and modernization of the production and distribution infrastructure require significant ongoing investment, and there can be no assurance that the portfolio companies will be able to obtain funding necessary to make such investments. A significant portion of the segment's plant and equipment requires replacement, repair or modernization and may be susceptible to technical failures or emergencies, increased maintenance costs and reduced reliability and efficiency; and

- risks associated with the portfolio companies being monopolies, dominant entities or members of the market of public importance, which may result in adverse interference in their operations.

Communications

Portfolio companies in the communications segment, such as Kazakhtelecom, Kcell and Qazpost, are primarily exposed to the following risks:

- Kazakhtelecom and Kcell offers a variety of telecommunications services to their customers. Therefore, their revenue and profit in the future depends on the development and state of the telecommunications market in Kazakhstan which, in turn, depends on economic factors such as inflation, exchange rate, unemployment, interest rates and others operating conditions. In addition, Kcell operates in a highly competitive market, and increased competition, including aggressive pricing and promotional offers by its competitors, may place downward pressure on tariffs, increase customer churn and customer acquisition and retention costs, and result in a loss of market share;

- risks associated with developing, providing and expanding telecommunications products and services, including risks relating to the operation, expansion or roll-out and benefits of 4G/LTE and 5G networks or other networks, broadband services and integrated products and services, such as fixed-mobile convergence, as well as spectrum limitations. Kazakhtelecom and Kcell depend on the reliability of their networks, and damage to their networks or a system failure could result in a loss of subscribers, reduced revenue or unanticipated capital expenditure and operating expenses;

- risks associated with the ability to meet license requirements, to obtain, maintain, renew or extend licenses, frequency allocations and frequency channels and to obtain related regulatory approvals;

- risks associated with tariff regulation applicable to Kazakhtelecom because it is recognized as a natural monopoly in certain markets; and

- Qazpost is Kazakhstan's national postal operator providing a wide range of postal, financial, brokerage and agency services. Therefore, its revenue and profit in the future depends on the development and state of the logistic and postal market in Kazakhstan which, in turn, depends on economic factors such as inflation, exchange rate, unemployment, interest rates and other operating conditions.

Industrial

Portfolio companies in the industrial segment, such as Samruk-Kazyna Ondeu, are primarily exposed to the following risks:

- construction and commissioning risks related to chemical production facilities, including compliance with stringent industrial safety, environmental and hazardous-materials regulations for sulphuric acid plants;

- dependence on the uninterrupted supply of power, water, gas and technical reagents, without which sulphuric acid production cannot operate at planned capacity;

- risks inherent to operating in Special Economic Zones, including potential changes in tax regimes, customs rules or requirements for maintaining residency status;

- market risks linked to the demand for sulphuric acid and related industrial products, which may be cyclical and dependent on mining and metallurgical sectors; and

- operational and environmental risks specific to chemical processing, including the handling, storage and transportation of hazardous materials.

Exposure of the Issuer's portfolio companies to these and other industry and business-specific risks, may have an adverse effect on the business, financial condition, result of operations and prospects of these portfolio companies, which, in turn, may have an adverse effect on the Group's business, financial condition, results of operations and prospects. Any of the foregoing could cause the value of the Issuer's affected portfolio companies to decline.

The Group has invested and may continue to invest in joint ventures and companies over which the Group has only joint or no control exposing the Group to additional risks

A number of portfolio companies currently invest in, and expect to make additional investments in, joint ventures and companies that they do not control or over which they only have joint control. The Group also currently holds minority investments in non-public companies and may in the future also dispose of shares in its portfolio companies in a manner that results in it retaining only a minority interest.

Many of the joint venture projects are long-term arrangements and the interests of the different consortium members may diverge over the life of project resulting in competing business strategies and priorities. The relevant portfolio company cannot fully control the operations or the assets of these entities, nor can it unilaterally make major decisions with respect to such entities. This lack of control constrains the portfolio company's ability to cause such entities to take action that would or might be in the best interests of the portfolio company or, in limited cases, to refrain from taking action that would or might be materially adverse to the interests of the Issuer.

In addition, even though many of the joint venture partners are large, global entities, the Group is exposed to the credit risk of these joint venture partners. Many of these projects are capital intensive and require significant investments from the partners to fund initial project costs and any cost overruns. If one of the partners is unable or refuses to fund its proportion of such investments, the joint venture may be unable to

complete the project on time and on budget, if at all. In addition, if one of the Group's partners in a joint venture were to suffer an insolvency event, it could lead to the liquidation of that partner's investment in the project, which could, in turn, adversely affect the joint venture operations.

Although relations between the Group and its joint venture partners are generally positive and management of the relevant portfolio companies does not anticipate any deterioration in its relationship with its joint venture partners, the Issuer cannot be assured that relations will remain so in the future. Any deterioration in the relationship with joint venture partners or a deterioration in the Government's relationship with the governments of such joint venture partners, such as the Chinese or Russian governments, could have a material adverse impact on these various joint ventures and, accordingly, the Group's business. In addition, the Group may be unable to renew, on similar terms or at all, any contracts with joint venture partners. If any of the risks described above materialize, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Risks relating to divestments under the Privatization Plan and other divestments and investments

In accordance with the 2021-2025 Privatization Plan, approved pursuant to Government Resolution No. 908 "On Certain Issues of Privatization for 2021–2025", as amended (the "**Privatization Plan**"), the Issuer has pursued and may continue to pursue the Government's goal of gradually decreasing state ownership in key economic sectors by disposing of equity stakes in some of its portfolio companies (see *"Business of the Group—Privatization and Asset Optimization Plans*" for details). Such disposals can be conducted in a number of ways, including initial public offerings, tenders (auctions) and private sales and the specific method of disposal shall be determined by the Issuer on an individual basis.

Following the expiry of the period covered by the 2021–2025 Privatization Plan, certain transactions initiated or contemplated under that plan may remain outstanding. In addition, Government Resolution No. 894 dated October 24, 2025 "On Certain Issues of Optimization of Quasi-State Sector Entities and State Property Objects" as amended, established the framework for the 2026–2030 Optimization Plan and recommended that the Issuer approve the list of quasi-state and state-owned entities subject to potential privatization, reorganization or liquidation. Accordingly, certain assets and entities within the Group may be subject to transfer to the competitive environment or liquidation. The Issuer may be required or expected to implement or participate in such transactions in accordance with applicable law, Government policy and decisions of its Shareholder.

The Issuer's ability to successfully consummate any remaining or future privatization or other disposal transactions is subject to numerous uncertainties and risks, including macro-economic conditions, geopolitical considerations, sanctions and related restrictions, regulatory review, market and pricing conditions, investor demand, the availability and cost of financing, and numerous other factors specific to the business or assets being disposed of. The method, scope and timing of any such transactions may not be finally determined and may be subject to further review, consultation with independent advisers, applicable corporate and regulatory approvals and compliance with contractual restrictions. There is no assurance that such disposals will ultimately yield a profit or have a positive impact on the Issuer's financial condition and/or results of operations, including reducing outstanding debt.

Under Article 56(5) of the Budget Code No.171-VIII of the Republic of Kazakhstan, dated March 15, 2025, proceeds from the privatization of Government property and from the transfer to the competitive environment of assets of national managing holdings, national holdings, national companies and their subsidiaries, dependent entities and other affiliated legal entities are required to be credited to the National Fund of the Republic of Kazakhstan in full in nominal terms. Accordingly, to the extent that a disposal by the Issuer or another member of the Group falls within this regime, such proceeds will not be available for retention or use by the Issuer or the relevant member of the Group for reinvestment, debt reduction or other corporate purposes.

There are also risks associated with the use of proceeds generated from disposals to the extent such proceeds are retained by the Issuer or another member of the Group, as it may be difficult to reinvest such proceeds in assets that generate comparable returns or may be challenging to identify appropriate investment opportunities.

A disposal by the Issuer of an interest in a portfolio company may also proportionately reduce the Issuer's entitlement to dividends and other distributions and may reduce its control over, or influence on, that portfolio company. Any resulting reduction in dividends or other distributions could adversely affect the Issuer's liquidity and its ability to meet its own obligations and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Moreover, the Issuer could be exposed to post-transaction liabilities under legal documentation, including indemnity payments. In addition, any disposition, even if announced, may be subject to significant delays and may not be completed for various reasons, including changes in market conditions geopolitical developments, changes in financing conditions, regulatory requirements or review, failure to satisfy closing conditions or other factors, such as a re-evaluation of the Issuer's strategic priorities or other unexpected developments, including potential reputational impact.

In addition to any disposals undertaken under or following the Privatization Plan 2021-2025 and Government Resolution No. 894, the Issuer may from time to time make divestments of other non-core assets, as well as investments in new assets for purposes of expanding and diversifying its portfolio. Such transactions expose the Issuer to numerous risks, including:

- diversion of management attention and financial resources that would otherwise be available for the ongoing development of its portfolio;
- challenges in managing the increased scope, geographic and asset class diversity and complexity of the Issuer's investments;
- difficulties in obtaining financing on commercially acceptable terms necessary to support the growth of new investments; and
- challenges in effectively redeploying capital raised through the divestment of the Issuer's existing investments.

The Issuer conducts due diligence, sometimes with the assistance of outside consultants, by evaluating a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with a new project or make a new investment. Nevertheless, when conducting due diligence and making an assessment regarding a project or an investment, the Issuer can only rely on resources available to it at the time, including information provided by the target of the investment where relevant and, in some circumstances, third party investigations. In some cases, information cannot be verified by reference to the underlying sources to the same extent as the Issuer could for information produced from its own internal sources. The Issuer can offer no assurance that any due diligence investigation it carries out with respect to any project or investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. Any failure by the Issuer to identify relevant facts through the due diligence process may cause it to make inappropriate business decisions.

Significant investments and divestments could thus prove to be costly in terms of the Issuer's time and resources and may impose risks, which, if unsuccessfully managed, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may pursue investment opportunities in countries or sectors in which it has no previous investment experience or in markets that are subject to greater social, economic and political risks

The majority of the Group's current investments and assets are located in Kazakhstan. However, as part of the Group's 2023-2032 Development Strategy, the Group may seek new investments internationally and in additional sectors in the future. It may consider projects and make investments in countries or sectors where it has limited or no prior investment experience. As a result, the Group, even with advice from its advisers, may not adequately assess the risks of investing in such countries or sectors, and may be unfamiliar with applicable laws and regulations in those markets, which could affect its projects and investments. There cannot be any assurance that the Group's strategy will be successful in such markets, and it could lose some or all of the value of its international projects and investments.

In addition, the Group's investments in emerging markets may involve a higher degree of risk than those in developed economies and, in some cases, may carry significant legal, economic and political risks. Moreover, in certain emerging markets, legal restrictions on foreign investment may also limit investment opportunities.

If any of the foregoing risks occur, or if the Group fails to identify investment risks correctly, the Group's business, results of operations, financial condition or prospects could be materially and adversely affected.

Financial Risks

Substantially all of the dividends and distributions the Issuer receives come from a small number of its portfolio companies

As a result of its holding company structure, the Issuer's ability to meet its operating and investment requirements and to service its debt, including payments of amounts due under the Notes, depends on the dividends and distributions it receives from its portfolio companies. Dividends from Kazakhtelecom, Kazatomprom and KMG represented in aggregate 89.26% and 90.5% of the Issuer's total dividend income in the year ended December 31, 2025, and for the six months ended June 30, 2026, respectively. Therefore, the Issuer's financial condition is principally exposed to the economic sectors where these portfolio companies operate. In particular, the Issuer is substantially exposed to the oil and gas and mining sectors, as dividends from KMG and Kazatomprom generally represent a large part of the Issuer's total dividends received (57.05% for the year ended December 31, 2025). The ongoing ability of these and other portfolio companies to pay dividends or make other distributions or payments will be subject to, among other things, the availability of profits or funds (which in turn may depend on macro-economic conditions, commodity prices, business cycles, capital expenditures and business operations in Kazakhstan, other countries and globally), restrictions, if any, on payments of dividends set forth in covenants given in connection with financial indebtedness and applicable laws and regulations. For example, certain of the Issuer's portfolio companies, such as KMG, QazaqGaz and KTZ, have significant debt and will continue to use a large portion of their cash flow to pay principal and interest on their debt which will reduce the cash flow they can use for other purposes, including dividend payments to the Issuer. In addition, to the extent that the Issuer's portfolio companies are not in compliance with debt covenants, such noncompliance could result in cross-default(s) or cross-acceleration(s) under the applicable agreements, which could have a material adverse effect on the Group's financial condition and liquidity (see "*—The Group is exposed to liquidity risks and financing risks*"). Further, some of the portfolio companies have significant investment projects, such as KMG, QazaqGaz, KTZ and Samruk-Energy (See "*Business of the Group—Investment Activities*"), which may reduce the amounts available to pay dividends to its shareholders. While the Issuer has imposed certain dividend policies in the portfolio companies which require them to pay certain percentage of their free cash flows as dividends to the Issuer (depending on which category they are classified based on certain financial stability indicators), such free cash flows and indicators will nevertheless depend on the aforementioned factors. For information on the dividend policy for portfolio companies, see "*Management's Discussion*

and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources—Dividend Policy for Portfolio Companies".

While the Issuer is able to manage the business of its portfolio companies by exercising shareholder rights and appointing members to their boards of directors, the Issuer's portfolio companies ultimately operate as independent companies. They are run by their own boards of directors, in some cases including independent non-executive directors, and they control their own bank accounts. The Issuer may not be able to control the timing or amount of dividend payments from certain entities and could therefore face risks in receiving cash through dividends in the future.

The inability of the Issuer's portfolio companies to pay dividends or make distributions to the Issuer could have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity position and prospects, and the Issuer may not be able to meet its payment obligations. Furthermore, if the Issuer sells, transfers or otherwise disposes of its interest in a portfolio company that pays substantial dividends or distributions to the Issuer, this could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, as well as the Issuer's ability to perform its payment obligations under the Notes.

The Group is exposed to liquidity risks and financing risks

The Issuer's liquidity could be impaired by operating losses of its portfolio companies, low free cash flow and capital requirements, any of which could lead to reduced or zero dividend payments, or failures to finance investment plans. The Issuer may also be unable to monetize assets, and fail to obtain financing on a timely basis or at a reasonable cost, as well as other factors. In addition, the Issuer's portfolio companies are also subject to liquidity and financing risks that may be exacerbated by circumstances associated with their respective industries (see "*—The Group is subject to the industry and business-specific risks faced by its portfolio companies and other significant holdings*").

The availability of financing is dependent on a number of factors, such as market conditions, the general availability of credit and the Issuer's credit profile. For example, any disruption in the global credit markets or re-pricing of credit risk may impact the Issuer's ability to fund its business in a similar manner, and at a similar cost, to the funding raised in the past. If the Issuer is unable to obtain financing in a timely fashion and on acceptable terms, it may be forced to delay or reduce investment needs, sell certain of its assets on disadvantageous terms and/or forgo business opportunities, including investments and joint ventures. In addition, the Issuer may not be able to refinance, extend or pay existing financial obligations. The occurrence of any of the foregoing events could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

No assurance can be given that the Issuer will be able to raise the financings required, or that it will maintain sufficient liquidity, for its operations and its financial obligations. In addition, failure to comply with financial covenants specified under certain of the Issuer's credit facilities could cause lenders to accelerate the repayment of the Issuer's borrowings. As at June 30, 2026, the Group obtained waivers due to noncompliance with certain financial covenants in connection with the borrowings from HSBC Continental Europe and Eurasian Development Bank. See Note 17 in the Interim Consolidated Financial Statements.

Some of the Group's financing documents contain cross default or cross acceleration provisions, which in the event of default or acceleration under a single facility may constitute an event of default under other financing agreements. Any further defaults, including on financial covenants or otherwise, on any existing loans which the Issuer or its material subsidiaries fail to cure, or fail to receive waivers in respect of, could, if such default meets certain conditions, result in a default under the Notes which would lead to an acceleration of the Notes as described in Condition 13.3 under "*Terms and Conditions of the Notes*". Any

deficiency in liquidity could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer has paid and will continue to pay dividends to the Government in the future

The Issuer pays out dividends to its sole shareholder, the Government, pursuant to a dividend policy adopted by the Government. Under the current dividend policy established by the Government, the amount of annual dividends payable by the Issuer to the Government is generally set at no less than 50% of the dividends received by the Issuer during the relevant reporting period from entities in which it holds shares or otherwise has an interest therein, taking into account financing provided by the Issuer for projects pursuant to decisions of its sole shareholder. Dividends received in connection with the transfer of Group assets to the competitive environment and remitted to the National Fund are excluded from this calculation. Accordingly, the amount actually distributed in cash in any period may be substantially lower than the statutory minimum, or nil, where the Issuer has funded projects at the direction of its sole shareholder, and the Government, as the sole shareholder, may in any event resolve that no dividends be paid on the Issuer's ordinary shares.

The Issuer's relationships with its portfolio companies in respect of dividend payments are governed by an internal policy that provides for a differentiated approach based on, among other things, their maturity, financial condition, financial stability and liquidity. The calculation of dividends takes into account cash flow from operating activities, including dividends from associates and joint ventures, less maintenance capital expenditure, and may also reflect approved investment expenditure and applicable contractual restrictions, including financial covenants. For information on the dividend policy for portfolio companies, see "*Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources—Dividend Policy for Portfolio Companies*". The Issuer has paid out cash dividends of KZT 1,268,852 million in 2023 and KZT 736,819 million in 2024 to the Government. In 2025, the Issuer did not pay any dividends to the Government.

However, the Issuer made other distributions and payments pursuant to the instructions of its sole shareholder, including financing certain social and infrastructure projects. In addition, the Issuer may be expected to contribute, financially or otherwise, to the Government's budget by other means. Any dividend payment or budget contribution to the Government could be made out of the Issuer's revenues, retained earnings or proceeds from sales of its investments and, as such, this may have an adverse effect on the Issuer's ability to perform its financial obligations including to make payments on the Notes and its ability to capitalize on investment opportunities.

The Issuer and the Government may be required to provide financial support to its portfolio companies

Given the Group's mission and strategic objectives (see "*Business of the Group—Strategy*"), it may from time to time provide financial support to some of its portfolio companies. For example, the Government, through the Issuer, regularly provides and intends to continue providing financial support to KTZ, which support includes, among other things, capital contributions, grants and subsidies, loans and bonds granted on concessional terms. KTZ relies on such support to finance its operations and fund capital expenditures. The continued provision of financial support and the need to increase the extent of such support may strain the Issuer's finances and put pressure on available cash flows, as well as restrict its investment capabilities. In addition, the Government has from time to time directly provided financial support to some of the Group's principal portfolio companies. There can be no assurance that such support will be available in the future, which could result in additional financial burden on the Issuer and could have an adverse impact on the value of the portfolio companies.

The Group may continue to have material funding requirements

The Issuer anticipates that its portfolio companies will continue to incur capital and investment expenditure in future years and may have material funding needs in relation to particular projects or to refinance existing indebtedness. In the past three years, the Group's largest capital expenditures have been in the transportation, oil and gas and energy operating segments. Portfolio companies typically fund their future capital and investment expenditures and financial obligations through operating cash flow, borrowings from third parties (including by way of bond issues, project financing and bank financing) and asset monetization where appropriate. The Group had total capital expenditures of KZT 3,408.3 billion, KZT 3,746.1 billion, KZT 2,720.6 billion in the years ended December 31, 2025, 2024 and 2023, respectively.

The Group's ability to obtain external financing and the cost of such financing are dependent on numerous factors including general economic and market conditions in Kazakhstan and globally, international interest rates, credit availability from banks or other lenders, investor confidence in the Group and the success of the Group's businesses. There can be no assurance that external financing, either on a short-term or long-term basis and whether to fund new projects or investments or to repay existing financing, will be available or, if available, that such financing will be obtainable on terms that are not onerous to the Group.

In the event that appropriate sources of financing are not available or are only available on onerous terms and the portfolio companies do not have sufficient operating cash flow or cash generated from asset sales or do not receive additional capital from the Issuer, this could adversely affect the Group's business through increased borrowing costs and reductions in capital and investment expenditure. In addition, any affected member of the Group may be forced, amongst other measures, to do one or more of the following:

- delay or reduce capital expenditures;
- forgo business opportunities, including acquisitions and joint ventures;
- sell assets on less than optimal terms; or
- restructure or refinance all or a portion of its debt on or before maturity.

Exchange rate fluctuations could have an adverse impact on the Group and Kazakhstan's public finances and economy

Although the Tenge is convertible for current account transactions, it is not a fully convertible currency for capital account transactions outside Kazakhstan. Since the NBK adopted a floating rate exchange policy for the Tenge in April 1999, the Tenge has fluctuated significantly and the NBK has adopted a number of exchange rate policies. The Tenge had generally appreciated in value against the U.S. dollar over the previous decade until its devaluation by the NBK in February 2009. In February 2009, the NBK established a trading band of KZT 150: U.S.$1.00 +/- 3%. This trading band was widened in February 2010 and set at an asymmetric KZT 150/U.S.$1.00 +10/-15%. In February 2011, the trading band was officially abolished, and the formal exchange rate arrangement was changed from a pegged exchange rate within horizontal bands to a managed floating exchange rate regime. On February 11, 2014, the NBK devalued the Tenge by 18.3% against the U.S. dollar to KZT 184.50 per U.S.$1.00, stating that such devaluation was made in light of the situation in the global financial and commodity markets and the depreciation of the Russian Ruble in 2013 and 2014, as well as the overall situation in the global financial and commodity markets. In September 2014, the NBK re-established the trading band at KZT 170-188: U.S.$1.00.

In August 2015, the NBK announced the adoption of a free-floating exchange rate and medium-term inflation targeting policy, which resulted in a 26.2% depreciation against the U.S. dollar. In February 2022, the Tenge depreciated significantly against major foreign currencies amid the external geopolitical situation driven by escalating tensions in the region. In order to reduce the negative impact of external factors on the

Kazakhstan economy, the NBK raised the base rate from 10.25% to 13.5% per annum, and interventions with respect to the currency market were performed to support the Tenge exchange rate against foreign currencies. In 2023, the Tenge appreciated 0.9% against the U.S. dollar and depreciated 1.8% against the euro. In 2024, the Tenge depreciated 15.2% against the U.S. dollar and 8.8% against the euro. In 2025, the Tenge appreciated 3.7% against the U.S. dollar and depreciated 8.5% against the euro. Past devaluations of the Tenge have resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, all of which have had, and are expected to continue to have, a material effect on the Group's financial position and results of operations.

As at December 31, 2025, the official KZT/U.S.$ exchange rate reported by the NBK was KZT 502.57 per U.S.$1.00, as compared to KZT 523.54 per U.S.$1.00 as at December 31, 2024 and KZT 454.56 per U.S.$1.00 as at December 31, 2023. As at June 30, 2026, the official KZT/U.S.$ exchange rate reported by the NBK was KZT 480.72 per U.S.$1.00. As at June 30, 2025, the official KZT/U.S.$ exchange rate reported by the NBK was KZT 520.39 per U.S.$1.00.

The Group's consolidated financial position, results of operations and cash flows may be materially affected by movements in foreign exchange rates, particularly the U.S. dollar/Tenge and Chinese Yuan/Tenge exchange rates. This exposure principally arises from the Group's foreign-currency-denominated borrowings, trade payables, cash and cash equivalents, amounts due from credit institutions, accounts receivable and other financial assets and liabilities, as well as from the translation of foreign operations into the Group's Tenge presentation currency. The Group may incur additional borrowings in currencies other than Tenge in the future, which could increase its exposure to foreign exchange fluctuations. A depreciation of the Tenge against the currencies in which the Group's indebtedness is denominated would increase the Tenge-equivalent value of its debt obligations and debt service costs.

Due to borrowings in foreign currencies such as the U.S. dollar, Euro, Swiss Francs and Chinese Yuan, decreases in the value of these foreign currencies relative to the Tenge have reduced, and will continue to reduce, the value of the Issuer's foreign currency-denominated liabilities when measured in Tenge, whereas increases in the value of foreign currencies relative to the Tenge have increased, and will increase, the value of the Issuer's foreign currency-denominated liabilities when measured in Tenge. Because the Group's reporting currency is Tenge, the Company has suffered, and will continue to suffer, foreign currency translation losses when foreign currencies increase in value against the Tenge.

While the Group seeks to mitigate such exposure through hedging arrangements, there is no guarantee that such arrangements will be successful or minimize foreign currency exposure.

In addition, there can be no assurance that the NBK will maintain its managed exchange rate policy. Any change in the NBK's exchange rate policy could have an adverse effect on Kazakhstan's public finances and economy, which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows and results of operations.

The Group is exposed to interest rate risk

The Group is exposed to interest rate movements through its floating rate financing arrangements. As a result, the Group is sensitive to changes in interest rates. As at December 31, 2025, the Group had KZT 3,410 billion in loans and borrowings that bear interest at floating rates and had KZT 4,677 billion in loans and borrowings that bear interest at fixed rates.

Interest rates are sensitive to numerous factors not within the Group's control, including Government and the monetary policies of the NBK and globally. The Group cannot give any assurance that any current or future hedging activities will sufficiently protect it from the adverse effects of interest rate movements. As at the date of this Base Offering Memorandum, the Group does not have any hedging arrangements to

minimize interest rate risk. An increase in interest rates would cause the Group's debt service obligations to increase and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Significant judgment is involved in the preparation of the Group's consolidated financial statements for any period

The preparation of the Group's consolidated financial statements requires management to make certain judgments, including, for example, the estimation of long-term assets recoverability, the estimation of natural resource reserves, and the assessment of fair values and provisions.

The exercise of this judgment may have a material effect on the Group's results of operations as presented in its consolidated financial statements, and the results of operations could be materially different from those which would have been presented if different assumptions and/or estimates had been used. In addition, there can be no assurance that any assumptions made by management will necessarily prove to have been accurate predictions of future events.

Some of the portfolio companies financial reporting processes are not fully automated

Some of the portfolio companies do not have a fully integrated automated accounting system for the preparation of IFRS financial data, as well as for consolidation. Therefore, the preparation of the relevant IFRS financial information is partially a manual process that involves the consolidation of the relevant subsidiaries into consolidated IFRS schedules through accounting adjustments. Although the Issuer believes that the current systems at the respective portfolio companies are adequate to permit the preparation of IFRS financial reports on a timely and accurate basis, this process is complex, time-consuming, and requires significant attention from senior accounting personnel. Lack of fully developed financial reporting processes may adversely affect Group's reported business data, results of operations and financial condition.

The Group's results of operations could be materially adversely affected by changes in tax-related matters

The Group conducts operations and sell products in various countries and, as a result, is subject to taxation and audit by a number of taxing authorities. Tax rates vary in the jurisdictions in which the Group operates. Changes in tax laws, regulations and related interpretations in these countries may adversely affect the Group's business and results of operations. For example, from January 1, 2026, a number of important changes were introduced to the Tax Code, including an increase in the standard VAT rate from 12.0% to 16.0%, with reduced rates applicable to specific industries.

In addition, the Group is subject to laws and regulations in various jurisdictions that determine how much profit has been earned and when such profit is subject to taxation in that jurisdiction. Changes in these laws and regulations could affect the locations where the Group is deemed to earn income, which could in turn adversely affect its business and results of operations.

The Group has significant deferred tax asset balances, in particular those relating to its petroleum and petrochemical businesses, the recoverability of which is contingent upon satisfying certain conditions and the Group being able to generate profits in future years to utilize these deferred tax balances. Until such time as the recovery is complete, the Group is exposed to changes in tax laws in multiple jurisdictions in relation to the recovery of its deferred tax assets. Further the Group may have tax positions which may differ to those adopted by the tax authorities. The resolution of these differences could be time consuming and expensive and could expose the Group to potential significant future tax exposure.

RISK FACTORS RELATING TO KAZAKHSTAN

Macroeconomic and Geopolitical Risks

The Group is dependent on the economic conditions prevailing in Kazakhstan

The Kazakhstan market, being an emerging market, is subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. In particular, the Group, like other entities operating in Kazakhstan, is exposed to Kazakhstan-specific risks, including fluctuations in or devaluation of the local currency, civil disturbances, the introduction of or changes to exchange controls, limited availability of hard currency, volatility in energy and other commodity prices, changes in tax and competition legislation, nationalization or expropriation of property, restrictions, interruptions or embargos affecting the export of hydrocarbons or other strategic materials, and the impact of international sanctions. The occurrence of any of these risks, or any of the risks described below, could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. While the Government has been promoting economic reform to diversify the economy, Kazakhstan's revenue continues to depend on the prices of export commodities. Weak demand in its export markets and low commodity prices, especially within the oil and gas industry, may adversely affect Kazakhstan's economy in the future, which may in turn have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

An oversupply of oil or other commodities in world markets, a general turndown in the economies of any significant markets for oil or other commodities or a weakening of the U.S. dollars relative to other currencies would have a material adverse effect on the Kazakhstan economy, which, in turn, could indirectly have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Additionally, any disruption of oil and gas production, transportation or refining in Kazakhstan for any reason, including as a result of terrorism, natural disaster, industrial accident, public health threats and global pandemics or change in national government policy, could have a material adverse effect on the Issuer's business, financial condition or results of operations.

Kazakhstan's economy and finances have continued to experience moderate levels of growth following the 2020 contraction of –2.5%. According to Government statistics, real GDP growth was 5.1% in 2023, 5.0% in 2024, 6.5% in 2025, and 4.1% in the first six months of 2026 compared with the corresponding period of 2025. The International Monetary Fund forecasts real GDP at 4.6% in 2026. Since 2022, the Tenge has generally weakened against the U.S. dollar, moving from KZT 460.93 per U.S. dollar in 2022 to KZT 469.31 in 2024. As at the date of this Base Offering Memorandum, S&P affirmed Kazakhstan's sovereign credit rating at "BBB-" with a Positive outlook, Fitch Ratings affirmed Kazakhstan's sovereign credit rating at "BBB" with a Stable outlook, and Moody's upgraded Kazakhstan's sovereign credit rating to "Baa1" with a Stable outlook. Any future negative changes to the outlook or rating downgrade of Kazakhstan is likely to result in a rating downgrade of the Issuer's ratings. Any future downgrade of Kazakhstan's sovereign credit rating and liquidity problems in Kazakhstan's economy could adversely affect its economic development, which could, in turn, materially and adversely affect the Issuer's prospects, business, financial condition and results of operations.

There can be no assurance that either the economic performance of Kazakhstan can or will be sustained. To the extent that economic growth or performance in Kazakhstan slows or begins to decline, there is a return to high or sustained inflation, or political conditions deteriorate materially the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group is dependent on the political climate in Kazakhstan

The Group is heavily dependent on Kazakhstan's social and political conditions, as most of its operations are conducted, and most of its assets are located, in Kazakhstan. Since gaining independence in 1991, Kazakhstan has transitioned from a centrally controlled command economy to a market-oriented economy. However, this transition has been accompanied by periods of economic and political uncertainty, high inflation, local currency instability and frequent changes in the legal environment. Although the Government continues to pursue economic, political and institutional reforms, there can be no assurance that such reforms will be implemented effectively or achieve their intended objectives. Kazakhstan has also experienced periods of political unrest that have had, and could continue to have, a negative impact on its economy. For example, in January 2022, protests triggered by rising fuel prices escalated into widespread unrest, particularly in Almaty and the southern regions. The Government declared a state of emergency, imposed restrictions on communication and transportation, and financial institutions limited their operations. These measures include restrictions on internet access, disrupted online transactions, financial services and business operations. The state of emergency was lifted on January 19, 2022.

Kazakhstan's political landscape continues to evolve following the events of January 2022 and subsequent reforms. A referendum held on June 5, 2022 resulted in constitutional amendments limiting presidential powers, reforming the Constitutional Council and strengthening local representative authorities. In September 2022, President Tokayev called an early presidential election, which he won in November 2022 with 81.3% of the vote. His re-election extends his term until 2029.

On March 15, 2026, Kazakhstan approved a new constitution following a national referendum, introducing sweeping institutional reforms, including the replacement of the bicameral parliament with a unicameral Kurultai, the recreation of the office of vice president and the expansion of presidential authority over key state appointments. The constitutional reforms also revise provisions relating to civil rights and freedom of expression and may tighten regulatory requirements around public order and speech. The implementation of these changes involves a transition to a new institutional structure and the adoption or amendment of related legislation. There can be no assurance that this transition will be completed without delays, implementation difficulties, changes in government policy or periods of political or regulatory uncertainty.

Kazakhstan depends on neighboring states to access international markets for a number of its major exports, including oil and natural gas. Thus, Kazakhstan is dependent upon good relations with its neighbors to ensure its ability to export. Access to relevant export and transit routes may be affected by geopolitical tensions, international sanctions, disputes involving neighboring states, infrastructure disruptions or changes in transit arrangements. Should access to these export routes be materially impaired, this could adversely affect the economy of Kazakhstan. Moreover, adverse economic factors in regional markets may adversely affect Kazakhstan's economy.

There can be no assurance that the Government's political and institutional reforms, including the new constitutional framework, will prevent future political or social unrest, public dissatisfaction, regional tensions, changes in government policy or institutional uncertainty. Any such developments, or any deterioration in Kazakhstan's relations with neighboring states, could adversely affect economic activity, investor confidence and the Group's operating environment, which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Currency control laws affect the Group's foreign currency dealings.

Under the Law of Kazakhstan "On Currency Regulation and Currency Control" dated July 2, 2018 (the "**Currency Law**"), the Government, based on a joint recommendation from the NBK together with other relevant state bodies and in circumstances where serious threats arise to the sustainability of the balance of payments, the stability of the domestic foreign exchange market or the economic security of Kazakhstan,

and where such situation cannot be resolved through other economic policy measures, is empowered by special action to introduce measures establishing a special procedure for the conduct of certain currency transactions. Any such measures must comply with Kazakhstan's international treaty obligations arising from its participation in international organizations and associations and are temporary in nature, being subject to cancelation once the circumstances giving rise to their introduction cease to exist.

In order for Kazakhstan to remain in compliance with its membership obligations under the charter of the International Monetary Fund, the currency regime cannot restrict residents from repaying foreign currency-denominated obligations. As at the date of this Base Offering Memorandum, the Government has not invoked the aforesaid statutory provisions. Accordingly, it is unclear how any implementation of the new currency regime would ultimately impact the Group. However, any imposition of significant restrictions on the Group's foreign currency dealings could have a material adverse effect on the Issuer's business, prospects, financial condition or results of operations and its ability to make payments under the Notes.

The Group is subject to the volatility of Kazakhstan's Banking Industry

The global financial and economic crisis of 2008-2009 significantly affected the Kazakhstan banking system, which continues to remain under stress, with banks seeking to deleverage through partial repayments and debt restructurings. A number of distressed asset takeovers and mergers have occurred in the Kazakhstan banking sector. In addition, in the past several years the regulator revoked the licenses of a number of banks of varying size. While, along with the regulator's measures to support the liquidity of financial institutions, such restructurings, consolidations and revocation of licenses have contributed to the general stability of the Kazakhstan banking industry, the sector continues to operate in a challenging environment where further defaults or debt restructurings cannot be ruled out.

The Kazakhstan banking sector has been particularly affected by the lack of availability of international wholesale debt financing and the volatility of deposits. Kazakhstan banks have previously relied heavily on such financing and deposits as a source of funding. The high dependence on capital market funding poses a significant refinancing risk for both individual banks and the banking system as a whole and wholesale debt financing has become significantly more expensive. In addition, the banking sector in Kazakhstan has been burdened by high levels of non-performing assets and NPLs across the sector. The negative impact of the continuing problems in the banking sector may affect the willingness of foreign investors and banks to consider lending to, or investing in, Kazakhstan banks, which in turn could result in lower liquidity levels and higher borrowing costs in the economy. It is also uncertain what impact the on-going problems in the sector may have on investors' perceptions of Kazakhstan. Such problems could have a negative impact on the country's sovereign credit rating or other adverse developments, which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

There are risks of corruption and other business environment weaknesses in Kazakhstan

As in many other emerging market jurisdictions, the incidence and perception of elevated levels of corruption remains a significant issue in Kazakhstan, although the climate has improved in this respect in recent years. Kazakhstan was ranked 96 out of 182 countries in Transparency International's 2025 Corruption Perceptions Index, with Kazakhstan's score of 38 (with 1 the most corrupt score and 100 being the least corrupt), representing a deterioration compared to the ranking of 88 out of 180 countries in Transparency International's 2024 Corruption Perceptions Index, where Kazakhstan's score was 40. Kazakhstan's business climate and competitive indicators are also negatively affected by the need for reform in investor protection arrangements, the cost of establishing a business, the tax system, resolving insolvency and contract enforcement.

Failure to address continued or perceived corruption and governance failures in the public sector and any future allegations, or perceived risk, of corruption in Kazakhstan, could have a material adverse effect upon

Kazakhstan's ability to attract foreign investment, which could, in turn, have a material adverse effect on Kazakhstan's economy. In addition, future accusations of or arrests of employees for corruption, or perception of corruption on the part of the Group's employees, could have a material adverse effect upon the reputation of the Issuer, which could, in turn, have a material adverse impact on the Issuer's business, prospects, financial condition, cash flows or results of operations.

The outcome of the implementation of further market-based economic reforms in Kazakhstan is uncertain

The need for substantial investment in many enterprises has driven the Government's privatization plans. There remains a need for substantial investment in many sectors of Kazakhstan's economy and there are areas in which economic performance in the private sector is still constrained by an inadequate business infrastructure. Furthermore, the significant size of the shadow economy (or black market) in Kazakhstan may adversely affect the implementation of reforms and hamper the efficient collection of taxes. The Government has stated that it intends to address these problems by improving the business infrastructure and tax administration and by continuing the privatization process. However, there can be no assurance that these measures will be effective and any failure to implement them may have a material adverse effect on the Group's business, prospects, financial condition, cash flows, results of operations.

Kazakhstan's physical infrastructure requires ongoing modernization and investment

Kazakhstan's physical infrastructure requires continued modernization and investment, and deficiencies in such infrastructure may affect normal business activity. Certain parts of Kazakhstan's physical infrastructure date back to the Soviet era and continue to require significant maintenance, modernization and investment. Particularly affected are rail and road networks, power generation and transmission, pipelines and communication systems. There can be no assurance that the Government will dedicate budget revenues to improving the country's physical infrastructure. Delays or insufficient progress in the modernization and rehabilitation of Kazakhstan's infrastructure could adversely affect the national economy, disrupt the transportation of goods and supplies, increase the Group's operating and capital expenditure or interrupt its operations, any of which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group may have difficulties in obtaining effective redress in court proceedings

The independence of the Kazakhstan judicial system is not immune from social, economic and political influences. The judicial system is often inefficient and time intensive, and some judges are inexperienced in business and corporate law matters. Certain court decisions may not be consistent with each other. The Kazakhstan judicial system can be time intensive. Kazakhstan is a civil law-based jurisdiction and, as such, judicial precedents have no binding effect on subsequent decisions. All of these shortcomings may affect the ability of the Group to obtain effective legal redress in Kazakhstan courts. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain for the Group.

The Republic of Kazakhstan is not a party to any multilateral or bilateral treaties with the United Kingdom or the United States (or indeed most western jurisdictions) for the mutual enforcement of court judgments. Whilst Kazakhstan law provides for enforcement of foreign court awards on the basis of reciprocity, there is no guidance or practice on this matter and currently it is uncertain whether or not Kazakhstan courts will enforce decisions from foreign courts on such a basis. The procedures applied by the Kazakhstan courts and enforcement authorities may vary in practice, which could result in delays in enforcement procedures in the Republic of Kazakhstan. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain and could have a material adverse effect on the price of the Notes.

The Issuer cannot ensure the accuracy of official statistics and other data in this Base Offering Memorandum published by Government authorities.

Official statistics and other data published by Government authorities may not be as complete or reliable as those of more developed countries. Official statistics and other data may also be produced on different bases from those used in more developed countries. The Issuer has not independently verified such official statistics and other data and any discussion of matters relating to Kazakhstan in this Base Offering Memorandum is, therefore, subject to uncertainty due to questions regarding the completeness or reliability of such information. Specifically, investors should be aware that certain statistical information and other data contained in this Base Offering Memorandum has been extracted from official Government sources and was not prepared in connection with the preparation of this Base Offering Memorandum.

In addition, certain information contained in this Base Offering Memorandum is based on the knowledge and research of the Issuer's management using information obtained from non-official sources. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. This information has not been independently verified and, therefore, is subject to uncertainties due to questions regarding the completeness or reliability of such information, which was not prepared in connection with the preparation of this Base Offering Memorandum.

Taxation Risks

Kazakhstan taxation system is subject to frequent change

Historically, the system of tax collection in Kazakhstan has been difficult and unpredictable resulting in continual changes to the tax legislation, which sometimes have occurred on a short notice and have included changes to the provisions that establish the rules of tax administration, but also to other provisions such as tax base determination and tax rate. On certain occasions, adverse changes were adopted with retroactive effect. The lack of stability of tax legislation produces tax uncertainties which may result in adverse tax implications for the Issuer.

It is not uncommon for the tax authorities to take differing interpretations of tax laws at different periods in time. This increases the level of uncertainty and, therefore, tax risks, and could potentially lead to the inconsistent enforcement of these laws and regulations. Official explanations and court decisions are often unclear and contradictory, while tax disputes could result in significant litigation costs for the Group.

It is also not uncommon for taxpayers and tax authorities to take different interpretations of the tax legislation. During consideration of tax disputes, the tax authorities and courts often issue decisions in favor of the Government. Therefore, taxation in Kazakhstan is often unclear or inconsistent, and may result in unexpected tax assessments and liabilities that could lead to a material adverse effect on, inter alia, the Issuer's business, financial condition, results of operations or prospects.

References to the IFRS Accounting Standards in the Tax Code could result in adverse tax assessment for the Group

A significant part of the Tax Code contains direct links to the IFRS Accounting Standards, which makes the IFRS Accounting Standards an important and considerable factor within Kazakhstan's tax system. Given that the IFRS Accounting Standards are built on the "substance over form" principle, the application of certain principles and methods of the IFRS Accounting Standards is a matter of professional judgment, which may result in tax disputes between the Group and the Kazakhstan tax authorities. During tax audits, the Kazakhstan tax authorities sometimes interpret the IFRS Accounting Standards in a way that could differ from professional judgment of financial reporting specialists and/or auditors. In addition, the

Kazakhstan tax authorities issue letters where they give their own interpretation of the IFRS Accounting Standards which does not take into account all aspects of application of the IFRS Accounting Standards.

The application of the IFRS Accounting Standards in the taxation system of Kazakhstan entails a risk of ambiguous or inconsistent interpretation and may therefore lead to additional, and potentially material, tax assessments on the Group. Such tax assessments could have a material adverse effect on, inter alia, the Group's business, results of operations, financial condition or prospects.

The Kazakhstan Law on Transfer Pricing may have a negative effect on the Group's operational flexibility and tax assessments.

The Group's transactions for the cross-border sale of crude oil and gas, uranium and other commodities are subject to transfer pricing scrutiny, which could have an adverse effect on the Group's tax position. Under Law No. 67-IV of the Republic of Kazakhstan "On Transfer Pricing" dated July 5, 2008 (the **"Kazakhstan Law on Transfer Pricing**"), if the price of export is not at arm's length, additional taxes may be imposed on the Group to adjust transaction prices to the arm's length level. The Kazakhstan Law on Transfer Pricing applies regardless of whether transaction parties are related or not.

The Kazakhstan Law on Transfer Pricing came into effect in Kazakhstan from January 1, 2009. Although the Kazakhstan Law on Transfer Pricing is supplemented by implementing regulations, its application requires significant factual assessments, including in relation to the comparability of transactions, applicable price ranges, differentials and supporting documentation. Certain provisions may be subject to interpretation, and the relevant administrative and judicial practice may continue to evolve. As a result, application of transfer pricing control to various types of transactions is not clearly regulated. As at the date of this Base Offering Memorandum, management believes that its interpretation of the Kazakhstan Law on Transfer Pricing is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained, but the Group can make no assurance that this is the case. Because of the uncertainties associated with the Kazakhstan Law on Transfer Pricing, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest at and for the historical period under review and could in turn have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

RISK FACTORS RELATING TO THE PROGRAM AND THE NOTES

The Notes will be structurally subordinated to the claims of creditors of the Issuer's portfolio companies and joint ventures

The Issuer's subsidiaries and joint ventures have incurred indebtedness, and in the future will continue to incur indebtedness, in order to finance their operations. A significant proportion of the Group's indebtedness has been incurred by the Issuer's subsidiaries and joint ventures. In the event of the insolvency of any of the subsidiaries or joint ventures of the Issuer, claims of secured and unsecured creditors of such entity, including trade creditors, banks and other lenders, will have priority with respect to the assets of such entity over any claims that the Issuer or the creditors of the Issuer, as applicable, may have with respect to such assets. Accordingly, if the Issuer became insolvent at the same time, claims of the Noteholders against the Issuer in respect of any Notes issued under the Program would be structurally subordinated to the claims of all such creditors of the Issuer's subsidiaries and joint ventures. The Terms and Conditions of the Notes do not restrict the amount of indebtedness that the Group may incur, including indebtedness of subsidiaries and joint ventures.

The Notes may not be a suitable investment for all prospective investors in the Notes

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

- understand thoroughly the terms of the Notes; and

- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Notes are complex financial instruments. A prospective investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the prospective investor's overall investment portfolio.

Absence of Trading Market for the Notes

Notes issued under the Program will have no established trading market when issued, and no such market may develop. If a market does develop, it may not be liquid at times or at all. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Application has been made for the admission of the Program and/or the listing of any Series of Notes for trading on the ISM of the London Stock Exchange. In addition, unless otherwise agreed with the relevant Dealer and provided for in the Pricing Supplement, the Issuer will cause all Notes issued by the Issuer under the Program to be admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the official list of the KASE (the issue of such Notes must be registered with the ARDFM prior to their placement) and/or to the official list of and be admitted to trading on the AIX. The issuance and placement of the Notes will be subject to applicable requirements of Kazakhstan law, including the requirements relating to the offering and placement of a portion of the Notes through KASE and/or AIX and the notification of the ARDFM of the results of such placement. The liquidity of any market for the Notes will depend on the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and may be affected by political, economic, social and other developments both in Kazakhstan and in other emerging markets. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes.

Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Program. Certain Notes may have features that contain particular risks for potential investors.

Set out below is a description of the most common of such features:

Notes Subject to Optional Redemption by the Issuer

If an optional redemption feature is included in a Series of Notes, it is likely to limit their market value. During any period when the Issuer may elect to redeem such Notes, the market value of those Notes will generally not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor will generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Rate Notes

Notes with variable interest rates can be volatile investments. If Notes are structured to include multipliers or other leverage factors, caps or floors or any combination of those features or other similar related features, the market value of such Notes may be even more volatile than those for securities that do not include those features.

Floating Rate Notes

The Program allows for the issuance of floating rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be EURIBOR. Reference rates and indices, including interest rate benchmarks such as EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**") have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change or discontinuation in the performance of a Benchmark could have a material adverse effect on the Notes referencing or linked to such Benchmark.

Notes Issued at a Substantial Discount or Premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Noteholder Meetings Provisions

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined percentages of Noteholders voting in favor to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a contrary manner.

The Issuer will need to arrange and maintain listing of Notes on the official securities list of the AIX in order for the holders of Notes to enjoy the tax exemptions provided under the AIFC Law

Under the Constitutional Law of the Republic of Kazakhstan "On International Financial Center Astana" dated December 7, 2015, as amended (the "**AIFC Law**"), interests paid on the securities and capital gains derived from sale of the securities will be exempt until January 1, 2066 from taxation in Kazakhstan provided that such securities are included in the official securities list of the AIX at the time the interests

are accrued and at the date of their sale, respectively. The provisions of the AIFC Law in terms of tax benefits are broader than the provisions of the Tax Code, which gives more flexibility and advantages to holders of the securities.

Accordingly, if the Notes are listed only on the KASE or are delisted from the official securities list of the AIX for any reason, the holders of the Notes will not enjoy or will lose the tax benefits under the AIFC Law and the holders of the Notes will have to follow the statutory regime established by the Tax Code. See *"Taxation"*.

The Notes are pari passu securities

Subject to the restrictions on levels of indebtedness in other financing agreements, there is no restriction on the amount of debt securities the Issuer may incur and which may rank equally or be senior in right of payment with the Notes. The incurrence of any such debt may reduce the amount investors may recover in respect of the Notes in certain scenarios as the incurrence of additional debt could affect the Issuer's ability to repay principal of, and make payments of interest on, the Notes. This could have a material adverse effect on the trading price of the Notes.

The Notes constitute unsecured obligations of the Issuer

The Issuer's obligations under the Notes will constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Notes would be unsecured claims, which would be satisfied only after any secured creditors, if at all. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows.

Payments made in respect of Notes may be subject to withholding tax and have other tax consequences for investors

Generally, payments of interest on borrowed funds made by a Kazakhstan entity to a non-resident are subject to Kazakhstan withholding tax at the rate of 10% for legal entities, unless (i) such withholding tax is reduced or eliminated pursuant to the terms of an applicable double tax treaty or (ii) the interest is payable under the Notes, which are listed, as at the date of accrual of interest, on the official list of a stock exchange operating in the territory of Kazakhstan (such as, the KASE or the AIX) and satisfy the applicable trading criteria established by the Government of Kazakhstan.

If payments in respect of any Notes are subject to withholding of Kazakhstan tax as a result of which the Issuer would reduce such payments by the amount of such withholding, the Issuer is obliged to increase payments as may be necessary so that the net payments received by holders of Notes will not be less than the amounts they would have received in the absence of such withholding. It should be noted, however, that gross-up provisions may not be enforceable under Kazakhstan law where such provisions may be viewed by the Kazakhstan tax authorities as constituting payments of taxes on behalf of third parties.

The market price of the Notes may be volatile

In recent years stock markets have experienced significant price fluctuations. These fluctuations often were unrelated to the operating performance of the companies whose securities are traded on such stock markets. Market fluctuations as well as adverse economic conditions have negatively affected the market price of many securities and may affect the market price of the Notes.

In particular, the markets for securities bearing emerging market risks, such as risks relating to Kazakhstan, may be volatile. Markets for such securities are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investors' reactions to developments in one country may affect securities of issuers in other

countries, including Kazakhstan. In 2020 and 2021, the global markets experienced significant financial turmoil that had a ripple effect on other emerging markets. These events caused significant volatility in prices of emerging market debt. Any such volatility may adversely affect the liquidity of the market for, or price of, the Notes.

If an investor holds Notes that are not denominated in the investor's home currency, such investor will be exposed to movements in exchange rates that may adversely affect the value of such investor's holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer is obliged to pay principal and interest on the Notes in the relevant Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease equivalent in the Investor's Currency of the yield on the Notes, the principal payable on the Notes and the market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

The credit rating(s) assigned to the Notes at any time may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Further, other ratings (including confidential or unpublished ratings) may be assigned with respect to the Issuer or the Notes (now or in the future) which may differ (and which may be lower) from the ratings set out in this Base Offering Memorandum.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a

UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied. If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Offering Memorandum.

The holders of Notes may not be able to enjoy tax exemptions for agency bonds in case the Issuer loses its status of a financial agency

Holders of the Notes may lose eligibility for tax benefits applicable to agency bonds if the Issuer loses its status as a financial agency.

The Issuer qualifies as a financial agency in accordance with Budget Code No. 171-VIII of the Republic of Kazakhstan, dated March 15, 2025. Under Kazakhstan legislation, securities issued by financial agencies are classified as agency bonds and are subject to specific tax treatment.

According to Kazakhstan tax legislation, interest income earned on agency bonds and any gains arising from their sale should not be subject to taxation for both resident and non-resident noteholders.

However, these tax exemptions are contingent upon the Issuer's continued classification as a financial agency. If the Issuer ceases to qualify as a financial agency, the Notes may no longer benefit from these tax exemptions, which could result in additional tax liabilities for noteholders if the alternative benefits for the listed Notes cannot be applied.

Because the Global Notes are held by or on behalf of DTC, the CMU, Euroclear and/or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Terms and Conditions of the Notes provide that Notes shall be issued with a minimum denomination of CNY1,000,000 (in the case of Notes denominated in Renminbi) or €100,000 (or at least its equivalent in another currency in the case of Notes denominated in currencies other than Renminbi) and in amounts, in excess thereof, which are integral multiples of an amount of the relevant Specified Currency, as specified in the applicable Pricing Supplement (the "**Specified Currency**"). Where Notes are traded in a clearing system, it is possible that processing of trades in the clearing systems may result in amounts being held in denominations smaller than the minimum denominations specified in the relevant Pricing Supplement related to an issue of Notes. If Definitive Notes are required to be issued in relation to such Notes in accordance with the provisions of the terms of the relevant Global Notes, a holder who does not have an integral multiple of the minimum denomination in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in the form of Definitive Notes unless and until such time as its holding becomes an integral multiple of the minimum denomination. Holdings of less than a minimum denomination, or integral multiple thereof, may also be less liquid and there may be difficulties in trading such holdings.

In addition, while the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system to

receive payments under the relevant Notes. The Issuer shall have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Enforceability of Judgments and Arbitration Awards

Kazakhstan's courts will not enforce any judgment of a court established in a country other than Kazakhstan unless: (i) there is in effect a treaty between such country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty; or (ii) there is a proved reciprocity in enforcement of judgments of Kazakhstan courts in that country, which can be very hard or impossible to prove. There is no such treaty in effect between Kazakhstan and the United Kingdom. However, each of Kazakhstan and the United Kingdom are parties to the 1958 New York Convention on Recognition and Enforcement of Arbitral Awards and, accordingly, an arbitration award should be recognized and enforceable in Kazakhstan provided the conditions of enforcement set out in such Convention and applicable Kazakhstan laws are met. See "*Enforcement of Foreign Judgments and Arbitration Awards*".

On April 8, 2016, the Arbitration Law was signed by the President of Kazakhstan. Whilst the introductory language to the Arbitration Law, as well as other provisions of this law, imply that the Arbitration Law should only apply where the matter involves dispute resolution in Kazakhstan (i.e., in respect of arbitration bodies with a seat in Kazakhstan) and should not apply to foreign arbitration such as the LCIA with a seat outside of Kazakhstan. In particular, the preamble to the Arbitration Law states that: "*This [l]aw regulates social relations arisen in the process of arbitration activity on the territory of the Republic of Kazakhstan as well as the procedure and terms of recognition and enforcement of arbitral awards in Kazakhstan . . . .*" There are, however, certain novelties in the Arbitration Law that may have implications (as described in *"Enforcement of Foreign Judgments and Arbitration Awards"*) in respect of the arbitration provisions contained in the Notes, the Deed of Covenant and the Fiscal Agency Agreement. In particular, the provisions of the Arbitration Law do not clearly differentiate between domestic and foreign arbitration. However, given that there is no well-developed practice in Kazakhstan on the application of the Arbitration Law, there can be no assurance that Kazakhstan courts would support the interpretation of the Arbitration Law set out in "*Enforcement of Civil Liabilities*" and that an award against the Issuer in arbitral proceedings in London under English law would be enforced in Kazakhstan. If the Arbitration Law applies to disputes under the Notes, the Fiscal Agency Agreement and the Deed of Covenant, there is a risk that an LCIA award in a proceeding related to the Notes, the Fiscal Agency Agreement and the Deed of Covenant may not be recognized and enforced in Kazakhstan as being contrary to Kazakhstan public order and/or a dispute under the Notes, the Fiscal Agency Agreement and the Deed of Covenant cannot be resolved by arbitration. Furthermore, an event of default could occur under the Notes, the Fiscal Agency Agreement and the Deed of Covenant to the extent that the Issuer's obligations under the Notes, the Fiscal Agency Agreement and/or the Deed of Covenant to settle disputes by arbitration in the LCIA and/or under English law become illegal or unenforceable.

Further, the Arbitration Law provides that arbitration does not have a right to consider disputes arising between natural persons (or legal entities) of the Republic of Kazakhstan, on one side, and the state authorities, state-owned enterprises, and legal entities in which the government directly or indirectly owns 50% or more of voting shares (participatory interests in the charter capital), on the other side, without obtaining a consent of the authorized body of a relevant sector (with regard to a state property) or a local executive body (with regard to a municipal property). Arbitral awards in relation to disputes between the Issuer and a Kazakhstan individual and/or a legal entity may not be enforceable in Kazakhstan in the absence of such consent.

In addition, certain of the assets owned by the Issuer or its subsidiaries, as well as certain of the shares in the Issuer's portfolio companies, are considered to be strategic assets of Kazakhstan. Kazakhstan law provides that the State shall have a priority right to purchase the strategic assets of Kazakhstan in the event of the disposition (whether through sale, bankruptcy or receivership).

Insolvency laws in Kazakhstan may not be as favorable to holders of Notes as English or U.S. insolvency laws or those of another jurisdiction with which the Noteholders may be familiar

The Issuer is organized in Kazakhstan and are subject to the bankruptcy law of Kazakhstan. Kazakhstan bankruptcy law may limit the Issuer's ability to make payments pursuant to the Notes, as applicable, and may impose further restrictions in respect of enforcement of the rights of the Noteholders.

After commencement of insolvency proceedings against the debtor, creditors of such debtor will be allowed to file claims against the debtor only within the bankruptcy proceedings. Such claims, if grounded, will result in the creditor being included into the list of the debtor's creditors, to be repaid from the sale of the debtor's bankruptcy estate, pursuant to the established order of priority. With limited exceptions, enforcement against the debtor's assets would no longer be permitted.

Under Kazakhstan bankruptcy law, expenses relating to the bankruptcy procedures are paid before any distributions to creditors of an insolvent debtor. The proceeds of the bankruptcy estate of the insolvent debtor should be distributed among its creditors in the following order of priority:

- claims of individuals relating to damage caused to their life and health by the bankrupt entity, alimony payments, social and labor payments, including social insurance and pension funds payments, fees under IP contracts;
- claims of creditors secured by pledge (to the extent of the value of the collateral) and creditors;
- that provided a loan to the debtor during bankruptcy proceedings;
- tax payments;
- claims of unsecured creditors (including claims of secured creditors to the extent that their claims were not satisfied from the value of the collateral); and
- claims for compensation of losses and payment of penalties.

Specifically, Kazakhstan bankruptcy law provides that transactions of a debtor can be recognized as invalid if they are entered into or made within three years prior to the institution of the bankruptcy or rehabilitation proceedings and contain elements which can form the grounds of invalidation under Kazakhstan Civil Code or contain the following elements (i) the price of the transaction or other conditions which are more onerous for the debtor than the price and conditions for similar transactions in the market concluded under similar circumstances; (ii) transactions that are beyond the framework of activities authorised for the debtor by the law, its constituent documents or the competence of the corporate bodies of the debtor; (iii) assets transferred free of charge or at price which was worse for the debtor than a price of other transactions under similar economic circumstances or otherwise the transfer infringes the interests of the creditors; (iv) transactions were entered into six months before the bankruptcy or rehabilitation proceedings and resulted in preferential payments to certain creditors; (v) the debtor has gifted its assets and entered in transactions, which are significantly different from the transactions entering into during the year before the institution of bankruptcy or rehabilitation proceedings; (vi) a transaction made without intent to create the appropriate legal consequences for such a transaction, to the detriment of infringes the interests of creditors. Since Kazakhstan's courts are not experienced with complex commercial issues, there is no way to predict the outcome of a bankruptcy proceeding.

Risks related to Renminbi denominated Notes

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of China which may adversely affect the liquidity of Notes denominated in Renminbi

Renminbi is not freely convertible at present. The government of the People's Republic of China (the "**PRC**") continues to regulate conversion between Renminbi and foreign currencies. However, there has been significant reduction in control by the PRC government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into China for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in China on the remittance of Renminbi into China for settlement of capital account items are being developed.

Although the Renminbi has been included in the Special Drawing Rights basket created by the International Monetary Fund since October 1, 2016, there is no assurance that the PRC government will continue to gradually liberalize control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilization will not be discontinued or that new regulations in China will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of China. In the event that funds cannot be repatriated out of China in Renminbi, this may affect the overall availability of Renminbi outside China and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside China, which may affect the liquidity of Notes denominated in Renminbi and the Issuer's ability to source Renminbi outside China to service Renminbi denominated Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside China is limited. While People's Bank of China (the "**PBOC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centers and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside China is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside China to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside China. The limited availability of Renminbi outside China may affect the liquidity of Notes

denominated in Renminbi. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi denominated Notes (the "**Renminbi Notes**"), there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in Notes denominated in Renminbi is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in China and international political and economic conditions as well as many other factors. In 2015, the PBOC implemented further changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of Notes denominated in Renminbi in that foreign currency will decline. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of Notes denominated in Renminbi below their stated coupon rates and could result in a loss when the return on Notes denominated in Renminbi is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

Payments with respect to Notes denominated in Renminbi may be made only in the manner designated in Notes denominated in Renminbi

All payments to investors in respect of Notes denominated in Renminbi will be made solely (i) for so long as Notes denominated in Renminbi are represented by Global Notes lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) for so long as Notes denominated in Renminbi are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial center in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of Notes denominated in Renminbi may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realized on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within China. The PRC Enterprise Income Tax Law levies EIT at the rate of 20.0%. of the gains derived by such non-PRC resident enterprise Holders from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10.0%. The PRC Individual Income Tax Law levies IIT at a rate of 20.0%. of the gains derived by such non-PRC individual Holders from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realized from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within China and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income between China and Hong Kong ("**Double Tax Arrangement**"), for

avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of Notes denominated in Renminbi.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident Holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of China

In the event that the Issuer decides to remit some or all of the proceeds from the Notes into China in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalize the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside China. In the event that the Issuer does remit some or all of the proceeds into China in Renminbi and the Issuer subsequently is not able to repatriate funds out of China in Renminbi, it will need to source Renminbi outside China to finance its obligations under Notes denominated in Renminbi, and its ability to do so will be subject to the overall availability of Renminbi outside China.

CAPITALIZATION

The following table sets forth the Issuer's consolidated capitalization as at June 30, 2026. This table should be read in conjunction with "*Selected Consolidated Financial Information*", "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" and the Consolidated Financial Statements, including the notes thereto, included elsewhere in this Base Offering Memorandum.

	As at June 30, 2026 (*in millions of Tenge*)
Non-current borrowings	7,539,966
Non-current lease liabilities	451,919
Non-current loans from the Government of the Republic of Kazakhstan	1,125,107
Current borrowings	1,404,808
Current lease liabilities	109,109
Current loans from the Government of the Republic of Kazakhstan	21,088
Total debt	**10,651,997**
Equity	
Share capital	5,797,566
Currency translation reserve	1,561,871
Revaluation reserve of investments at fair value through other comprehensive income	31,815
Hedging reserve	(46,002)

Other capital reserves	(17,003)
Retained earnings	14,341,299
Non-controlling interest	6,140,053
Total equity	**27,809,599**
Total capitalization*	**38,461,596**

***Total capitalization represents the sum of Total debt and Total equity.*

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of the Group as at and for the years ended December 31, 2025, 2024 and 2023 and for the six months ended June 30, 2026 and 2025 has (as the case may be) been derived from, should be read in conjunction with, and is qualified in its entirety by, the Consolidated Financial Statements, including the notes thereto, contained elsewhere in this Base Offering Memorandum. Certain of the financial information of the Group as at and for the years ended December 31, 2023 and December 31, 2024 has been subsequently restated in the Group's 2024 Financial Statements and 2025 Financial Statements. Accordingly, certain financial information as at and for the year ended December 31, 2024 in this Base Offering Memorandum is derived from the restated comparative column in the 2025 Financial Statements, and financial information as at and for the year ended December 31, 2023 in this Base Offering Memorandum is derived from the restated comparative column in the 2024 Financial Statements (other than certain items in the consolidated statement of financial position as at December 31, 2023, which were derived from the notes to the 2025 Financial Statements). More information regarding these restatements can be found in "*Presentation of Financial and Other Information*" section of this Base Offering Memorandum and Note 2 to the 2025 Financial Statements and Notes 5 and 16 to the 2024 Financial Statements.

Prospective investors should read the following selected consolidated financial information in conjunction with the information contained in the "*Presentation of Financial and Other Information*", "*Risk Factors*", "*Capitalization*", "*Management's Discussion and Analysis of Results of Operations and Financial Condition*", "*Business of the Group*", the Consolidated Financial Statements, including the notes thereto, and other financial data appearing elsewhere in this Base Offering Memorandum. Investors should not rely on interim results as being indicative of results the Issuer may expect for the full year.

Consolidated Statement of Comprehensive Income

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023 (restated)
			(in millions of Tenge, except per share data)		
Continuing Operations					
Revenue	10,254,158	8,479,688	18,771,506	16,433,066	15,434,005
Government grants	33,121	31,877	63,980	57,477	61,042
	10,287,279	**8,511,565**	**18,835,486**	**16,490,543**	**15,495,047**
Cost of sales	(8,167,843)	(6,619,639)	(14,583,136)	(12,494,639)	(11,771,789)
Gross profit	**2,119,436**	**1,891,926**	**4,252,350**	**3,995,904**	**3,723,258**
General and administrative expenses	(283,239)	(262,152)	(585,239)	(567,403)	(526,381)
Transportation and selling expenses	(462,740)	(412,104)	(869,132)	(901,135)	(870,498)
Expected credit losses on financial assets, net	(15,490)	(10,134)	(575)	(9,880)	(38,814)
Impairment loss, net	(13,514)	(70,825)	(140,246)	(137,996)	(325,807)
Gain from remeasurement of the previously existing interest in joint venture	-	-	-	295,719	-
Gain on bargain purchase	16,870	-	-	-	-
Gain from disposal of subsidiaries, net	55,259	140,737	140,827	141,792	193,585
Other operating income	5,808	14,944	22,856	26,424	32,182
Other operating loss	(17,540)	(12,426)	(60,050)	(16,646)	(55,700)
Operating profit	**1,404,850**	**1,279,966**	**2,760,791**	**2,826,779**	**2,131,825**
Finance costs	(353,372)	(334,779)	(661,148)	(574,418)	(709,947)
Finance income	390,554	334,992	718,872	605,581	486,364
Other non-operating loss	(31,178)	(34,932)	(77,992)	(64,922)	(57,852)
Other non-operating income	34,656	30,106	77,720	56,518	45,456
Share in profit of joint ventures and associates, net	789,904	637,933	1,435,722	1,148,846	945,079

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023 (restated)
			(in millions of Tenge, except per share data)		
Net foreign exchange (loss)/gain, net	(58,931)	(122,592)	(196,852)	240,193	20,428
Profit before income tax from continuing operations	**2,176,483**	**1,790,694**	**4,057,113**	**4,238,577**	**2,861,353**
Income tax expenses	(446,921)	(363,625)	(848,487)	(919,442)	(731,053)
Net profit for the period from continuing operations	**1,729,562**	**1,427,069**	**3,208,626**	**3,319,135**	**2,130,300**
Discontinued operations					
Income/(loss) from discontinued operations, net of income tax	9,203	520	5,085	(10,373)	-
Net profit for the period	**1,738,765**	**1,427,589**	**3,213,711**	**3,308,762**	**2,130,300**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)					
Exchange differences on translation of foreign operations	(492,651)	(91,054)	(417,998)	1,482,698	(193,838)
Gain/(loss) from hedge instruments for the net investment in the foreign operations	118,131	26,264	93,515	(363,581)	46,478
Unrealized gain/(loss) from revaluation of debt investments at fair value through other comprehensive income	5,757	(8,129)	(5,260)	(3,936)	1,102
Share of the other comprehensive (loss)/income of associates and joint ventures	(1,546)	1,272	2,135	11,459	5,362
(Loss)/gain on transactions with hedge investments	(81,984)	(57,036)	(33,738)	(17,783)	5,002
Net realized gain/(loss) on debt instruments at fair value through other comprehensive income	51	1,000	821	392	(566)
Reclassification of loss on cash flow hedge instruments	64,328	1,439	6,817	3,130	-
Recycling of foreign currency translation reserve to gain on disposal of a subsidiary	-	-	-	(6,285)	-
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods, net of tax	**(387,914)**	**(126,244)**	**(353,708)**	**1,106,094**	**(136,460)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)					
Share of the other comprehensive gain/(loss) of associates and joint ventures	266	735	(1,337)	8	554
Actuarial (loss)/gain on defined benefit plans	(9,800)	3,019	7,871	1,332	1,855
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods	**(9,534)**	**3,754**	**6,534**	**1,340**	**2,409**
Other comprehensive (loss)/income for the period, net of tax	**(397,448)**	**(122,490)**	**(347,174)**	**1,107,434**	**(134,051)**
Total comprehensive income for the period, net of tax	**1,341,317**	**1,305,099**	**2,866,537**	**4,416,196**	**1,996,249**
Net profit for the period attributable to:					
Shareholder	1,275,242	1,080,189	2,341,491	2,360,517	1,699,569
Non-controlling interests	463,523	347,400	872,220	948,245	430,731
	1,738,765	1,427,589	3,213,711	3,308,762	2,130,300
Total comprehensive income for the period, attributable to:					

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023 (restated)
	(in millions of Tenge, except per share data)				
Shareholder	1,010,373	989,112	2,089,077	3,126,218	1,602,883
Non-controlling interests	330,944	315,987	777,460	1,289,978	393,366
	1,341,317	1,305,099	2,866,537	4,416,196	1,996,249
Earnings/(loss) per share in net profit attributable to the Shareholder - tenge					
Basic and diluted earnings	366.24	310.22	672.46	677.93*	488.11
Basic and diluted earnings, from continuing operations	363.60	310.07	670.99	680.91*	488.11
Basic and diluted earnings/(loss), from discontinued operations	2.64	0.15	1.47	(2.98)	-

** The amounts of Basic and diluted earnings and Basic and diluted earnings, from continuing operations, for the year ended December 31, 2024 presented in this table differ from the corresponding amounts as previously reported in the 2024 Financial Statements. These differences reflect a change introduced by the Group with the preparation of the 2025 Financial Statements, in connection with the restatement of comparative information relating to the change in accounting for deferred tax liabilities, as described under "Presentation of Financial and Other Information".*

Consolidated Statement of Financial Position

	As at June 30,	As at December 31,		
	2026	2025	2024(restated)	2023 (restated)
		(in millions of Tenge)		
Assets				
Non-current assets				
Property, plant and equipment	20,385,817	19,373,491	17,666,701	15,419,563
Intangible assets	2,326,069	2,386,965	2,499,627	2,026,102
Exploration and evaluation assets	233,223	236,473	236,999	205,074
Investments in joint ventures and associates	7,144,627	7,244,036	7,705,869	6,900,007
Amounts due from credit institutions	24,558	28,680	33,845	55,684
Loans issued and net investment in finance lease	328,278	323,035	228,134	102,538
Financial investments in debt and equity instruments	971,819	887,041	860,306	427,906
Other non-current financial assets	439,526	422,889	204,815	166,288
Other non-current assets	2,729,762	2,258,789	1,345,418	1,253,787
Deferred tax assets	194,371	140,073	121,591	108,379
	34,778,050	**33,301,472**	**30,903,305**	**26,665,328**
Current assets				
Inventories	1,268,924	1,054,675	1,030,875	1,008,646
VAT receivable	621,563	564,430	602,254	386,977
Income tax prepaid	209,529	241,416	248,726	190,850
Trade accounts receivable	1,617,966	1,289,194	1,449,705	1,292,858
Amounts due from credit institutions	844,941	1,886,552	1,523,660	1,243,196
Loans issued and net investment in finance lease	517,499	41,647	65,682	131,472
Financial investments in debt and equity instruments	1,284,332	1,299,915	520,886	907,551

	As at June 30,	As at December 31,		
	2026	2025	2024(restated)	2023 (restated)
Other current financial assets	348,316	167,552	183,391	226,766
Other current assets	298,040	366,637	535,950	445,854
Cash and cash equivalents	4,411,789	3,604,029	3,212,279	2,740,336
	11,422,899	**10,516,047**	**9,373,408**	**8,574,506**
Assets classified as held for sale or distribution to the Shareholder	464,372	425,394	835,891	1,684,900
	11,887,271	10,941,441	10,209,299	10,259,406
Total assets	**46,665,321**	**44,242,913**	**41,112,604**	**36,924,734**
Equity and liabilities				
Equity attributable to the Shareholder				
Share capital	5,797,566	5,797,566	5,540,872	5,492,783
Additional paid-in capital	-	-	243,931	-
Currency translation reserve	1,561,871	1,822,636	2,047,629	1,270,562
Revaluation reserve of investments at fair value through other comprehensive income	31,815	26,402	32,209	36,091
Hedging reserve	(46,002)	(44,306)	(15,628)	(3,469)
Other capital reserves	(17,003)	(17,003)	(17,003)	(17,003)
Retained earnings	14,341,299	13,362,381	11,480,832	10,060,762
	21,669,546	**20,947,676**	**19,312,842**	**16,839,726**
Non-controlling interests	**6,140,053**	6,232,606	5,989,330	4,609,251
Total equity	**27,809,599**	**27,180,282**	**25,302,172**	**21,448,977**
Non-current liabilities				
Borrowings	7,539,966	6,716,384	5,831,896	5,383,218
Loans from the Government of the Republic of Kazakhstan	1,125,107	1,085,386	1,074,868	861,818
Provisions	428,619	455,929	486,205	471,062
Lease liabilities	451,919	399,227	326,589	282,171
Employee benefit liabilities	149,082	131,738	139,340	128,229
Other non-current financial liabilities	75,734	40,601	52,590	101,714
Other non-current liabilities	376,110	306,996	179,796	132,334
Deferred tax liabilities	2,551,853	2,561,190	2,567,696	2,047,060
	12,698,390	**11,697,451**	**10,658,980**	**9,407,606**
Current liabilities				
Borrowings	1,404,808	1,370,737	836,272	980,684
Loans from the Government of the Republic of Kazakhstan	21,088	115,690	12,204	11,028
Provisions	88,894	90,004	89,660	96,453
Income taxes payable	99,392	31,118	24,942	38,834
Trade and other payables	2,083,775	1,732,032	1,851,158	1,597,615
Lease liabilities	109,109	100,098	91,631	70,906
Employee benefit liabilities	293,521	265,738	241,086	222,064
Other current financial liabilities	1,056,878	682,620	562,203	326,429
Other current liabilities	751,920	744,325	1,098,356	1,150,318
	5,909,385	**5,132,362**	**4,807,512**	**4,494,331**

	As at June 30,	As at December 31,		
	2026	2025	2024(restated)	2023 (restated)
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	247,947	232,818	343,940	1,573,820
	6,157,332	**5,365,180**	**5,151,452**	**6,068,151**
Total liabilities	**18,855,722**	**17,062,631**	**15,810,432**	**15,475,757**
Total equity and liabilities	**46,665,321**	**44,242,913**	**41,112,604**	**36,924,734**

Consolidated Statement of Cash Flows

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023
			(in millions of Tenge)		
Net cash flows received from operating activities	**1,356,768**	**1,178,311**	**2,503,230**	**2,495,150**	**2,397,331**
Net cash flows used in investing activities	**(938,655)**	**(45,717)**	**(2,621,820)**	**(1,285,451)***	**(2,151,680)**
Net cash flows received/(used) in financing activities	**471,186**	**(171,001)**	**532,941**	**(1,052,183)**	**(329,744)**
Net increase/(decrease) in cash and cash equivalents	**889,299**	**961,593**	**414,351**	**157,516***	**(84,093)**
Effects of exchange rate changes on cash and cash equivalents	(80,897)	(10,224)	(95,760)	221,121	(35,288)
Changes in cash and cash equivalents disclosed as part of assets held for sale	(509)	72,229	72,379	94,003	(86,072)
Change in allowance for expected credit losses	(133)	481	780	(697)	173
Cash and cash equivalents at the beginning of the period	3,604,029	3,212,279	3,212,279	2,740,336	2,945,616
Cash and cash equivalents at the end of the period	**4,411,789**	**4,236,358**	**3,604,029**	**3,212,279***	**2,740,336**

** The amount of Net cash flows used in investing activities, Net increase/(decrease) in cash and cash equivalents and Cash and cash equivalents for the year ended December 31, 2024, presented in this table differ from the corresponding amounts as previously reported in the 2024 Financial Statements. These differences reflect a change introduced by the Group with the preparation of the*

2025 Financial Statements, in connection with the restatement of comparative information relating to the acquisition of Phystech II, as described under "Presentation of Financial and Other Information".

Alternative Performance Measures

The APMs presented below are subject to certain limitations and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. For a discussion of these limitations, see "*Presentation of Financial and Other Information*". The following table sets forth key APMs used by the Group's management in assessing the Group's performance, which reflect the Group's operations:

	As at or for the six months (twelve months for Interim LTM EBITDA) ended June 30,	As at or for the year ended December 31,		
	2026	2025	2024 (restated)	2023 (restated)
		(*in billions of Tenge, except ratios*)		
EBITDA[(1)]	2,891	5,621	4,909	4,492
Interim LTM EBITDA[(2)]	6,005	-	-	-
Adjusted debt[(3)]	12,393	11,682	9,402	7,872
Net debt[(4)]	7,981	8,078	6,190	5,132
Adjusted debt / EBITDA[(5)]	-	2.08	1.92	1.75
Adjusted debt / Interim LTM EBITDA[(5)]	2.06	-	-	-
Adjusted debt / Equity[(6)]	0.45	0.43	0.37	0.37
Net debt / EBITDA[(7)]	-	1.44	1.26	1.14
Net debt / Interim LTM EBITDA[(7)]	1.33	-	-	-
Current liquidity[(8)]	6,541	6,791	5,257	4,891
EBITDA / Total interest expense[(9)]	11.67	11.64	9.95	7.61
Capital expenditure[(10)]	2,009	3,408	3,746	2,721

(1) The Group calculates EBITDA as gross profit, minus general and administrative expenses, minus transportation and selling expenses, plus share in profit of joint ventures and associates, net as reported in the consolidated statement of comprehensive income, and plus depreciation, depletion and amortization as disclosed in the segment reporting note to the Consolidated Financial Statements.

(2) The Group calculates Interim LTM EBITDA for the 12 months ended June 30, 2026, by adding the EBITDA for the six months ended June 30, 2026, to the EBITDA for the year ended December 31, 2025, and subtracting the EBITDA for the six months ended June 30, 2025.

(3) The Group calculates Adjusted debt as the sum of current and non-current borrowings, loans from the Government of the Republic of Kazakhstan, lease liabilities, derivative instruments and guaranteed principal amount of liabilities of entities outside the Group. Guaranteed principal amount of liabilities of entities outside the Group represents the principal amount of third-party liabilities guaranteed by the Group. This amount is not debt incurred by, or recorded as borrowings of, the Group; it is included solely to reflect the Group's contingent exposure, as the Group may be required to repay such liabilities if the relevant third-party obligor defaults and the guarantees are called.

(4) The Group calculates Net debt as Adjusted debt minus cash and cash equivalents.

(5) The Group calculates Adjusted debt / EBITDA as the ratio of Adjusted debt divided by EBITDA. For the interim period, Interim LTM EBITDA was applied.

(6) The Group calculates Adjusted debt / Equity as the ratio of Adjusted debt divided by total equity.

(7) The Group calculates Net debt / EBITDA as the ratio of Net debt divided by EBITDA. For the interim period, Interim LTM EBITDA was applied.

(8) The Group calculates Current liquidity as the sum of cash and cash equivalents, amounts due from credit institutions- current and financial investments in debt and equity instruments - current.

(9) The Group calculates EBITDA / Total interest expense as the ratio of EBITDA divided by total interest expense. Total interest expense is calculated as interest on loans and debt securities issued, interest on lease liabilities and certain other interest items. For the interim period, EBITDA / Total interest expense is calculated using the Interim LTM EBITDA divided by total interest expense for the 12 months ended June 30, 2026, which is calculated by adding the total interest expense for the six months ended June 30, 2026, to the total interest expense for the year ended December 31, 2025, and subtracting the total interest expense for the six months ended June 30, 2025.

(10) The Group defines Capital expenditure as "Capital expenditures" line item disclosed in the segment-reporting note to the Consolidated Financial Statements.

The following table sets forth the EBITDA of certain principal segments for the periods indicated:

EBITDA[1]	Six months ended June 30,	Year ended December 31,		
	2026	2025	2024	2023
		(*in billions of Tenge*)		
Oil and gas	1,716	2,729	2,410	2,454
Mining	422	1,251	1,158	824
Transportation	458	955	605	644
Communication	74	142	279	290

(1) EBITDA on the segment level is calculated as the segment's gross profit, minus general and administrative expenses, minus transportation and selling expenses, plus share in profit of joint ventures and associates, net, and plus depreciation, depletion and amortization as disclosed in the segment reporting note to the Consolidated Financial Statements.

For other segment data, see "—*Segment Data*" below.

The following table sets forth a reconciliation of the Group EBITDA to gross profit for the periods indicated:

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023 (restated)
			(*in billions of Tenge*)		
Gross profit	2,119	1,892	4,252	3,996	3,723
General and administrative expenses	(283)	(262)	(585)	(567)	(526)
Transportation and selling expenses	(463)	(412)	(869)	(901)	(870)
Share in profit of joint ventures and associates, net	790	638	1,436	1,149	945
Depreciation, depletion and amortization	728	651	1,387	1,233	1,220
EBITDA	**2,891**	**2,507**	**5,621**	**4,909**	**4,492**

The following table sets forth a reconciliation of Interim LTM EBITDA for the twelve months ended June 30, 2026:

	For the twelve months ended June 30,
	2026
EBITDA for the year ended December 31, 2025	5,621
Plus	
EBITDA for the six months ended June 30, 2026	2,891
Less	
EBITDA for the six months ended June 30, 2025	(2,507)
Interim LTM EBITDA	**6,005**

The following table sets forth a reconciliation of Adjusted debt and Net debt as at the dates indicated:

	As at June 30,	As at December 31,		
	2026	2025	2024 (restated)	2023 (restated)
		(*in billions of Tenge*)		
Borrowings	8,945	8,087	6,668	-
Loans from the Government of the Republic of Kazakhstan	1,146	1,201	1,087	-
Lease liabilities	561	499	418	-
Derivative instruments	143	93	36	-
Aggregate of the above, as disclosed for 2023	-	-	-	7,626
Guaranteed principal amount of liabilities of entities outside the Group*	1,598	1,802	1,193	246
Adjusted debt	**12,393**	**11,682**	**9,402**	**7,872**
Less: Cash and cash equivalents	(4,412)	(3,604)	(3,212)	(2,740)
Net debt	**7,981**	**8,078**	**6,190**	**5,132**

** Guaranteed principal amount of liabilities of entities outside the Group represents the principal amount of third-party liabilities guaranteed by the Group. This amount is not debt incurred by, or recorded as borrowings of, the Group; it is included solely to reflect the Group's contingent exposure, as the Group may be required to repay such liabilities if the relevant third-party obligor defaults and the guarantees are called.*

The following table sets forth a reconciliation of Current liquidity as at the dates indicated:

	As at June 30,	As at December 31,		
	2026	2025	2024 (restated)	2023 (restated)
		(*in billions of Tenge*)		
Cash and cash equivalents	4,412	3,604	3,212	2,740
Amounts due from credit institutions - current	845	1,887	1,524	1,243
Financial investments in debt and equity instruments - current	1,284	1,300	521	908
Current liquidity	**6,541**	**6,791**	**5,257**	**4,891**

Segment Data

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at and for the six months ended June 30, 2026:

	Oil and gas	Mining	Transpor-tation	Communi-cation	Energy	Industrial	Corporate center	Other	Elimination	Total
					(in millions of Tenge)					
Revenues from sales to external customers	6,120,509	1,788,781	1,419,227	313,354	554,772	30,697	21,812	5,006	–	10,254,158
Revenue from contracts with customers	6,118,347	1,788,481	1,403,729	312,546	535,213	30,697	–	3,316	–	10,192,329
Rental income	2,162	300	15,498	808	19,559	–	–	1,299	–	39,626
Interest revenue	–	–	–	–	–	–	21,812	391	–	22,203
Revenues from sales to other segments	168,069	13	17,809	3,196	98,306	9,259	681,304	11,845	(989,801)	–
Total revenue	6,288,578	1,788,794	1,437,036	316,550	653,078	39,956	703,116	16,851	(989,801)	10,254,158
Geographical markets										
Kazakhstan	1,517,856	1,107,155	1,191,574	305,203	601,257	25,877	681,304	15,161	(989,801)	4,455,586
United Arab Emirates	1,676,369	–	11,086	5	–	–	–	–	–	1,687,460
Romania	909,604	–	–	–	–	–	–	–	–	909,604
Switzerland	544,349	16,253	1	–	–	–	–	–	–	560,603
China	251,369	231,279	67,556	1,083	–	–	–	–	–	551,287
Germany	401,085	907	1,559	488						404,039
Netherlands	264,964	7,275	–	5	–	–	–	–	–	272,244
Other countries	720,820	425,625	149,762	8,958	32,262	14,079	–	–	–	1,351,506
Cost of sales	(5,116,082)	(1,498,630)	(1,036,554)	(281,222)	(425,804)	(31,743)	(89,114)	(11,225)	322,531	(8,167,843)
Gross profit	1,172,496	290,164	427,809	41,122	227,274	8,213	614,002	5,626	(667,270)	2,119,436
General and administrative expenses	(124,240)	(25,350)	(79,680)	(20,875)	(22,595)	(2,082)	(13,923)	(3,510)	9,016	(283,239)
Transportation and selling expenses	(440,423)	(14,874)	–	(4,577)	(8,427)	(3,043)	–	(35)	8,639	(462,740)
Finance income	144,982	36,900	22,585	34,941	19,307	6,581	81,164	78,716	(34,622)	390,554
Finance costs	(175,980)	(12,685)	(164,930)	(34,235)	(40,305)	(1,023)	(19,312)	(67,287)	162,385	(353,372)
Share in profits/(loss) of joint ventures and associates	682,105	107,468	(2,345)	(154)	103	193	2,534	–	–	789,904
Foreign exchange (loss)/gain, net	(73,743)	(17,308)	99,715	(9,145)	(1,514)	(860)	(47,603)	(9,585)	1,112	(58,931)
Depreciation, depletion and amortization	(426,133)	(64,579)	(112,500)	(58,298)	(61,169)	(4,259)	(449)	(1,947)	1,826	(727,508)
(Impairment)/reversal of impairment of assets, net	(2,519)	695	(3,315)	(105)	(3,896)	(147)	(4,227)	–	–	(13,514)
Income tax (expenses)/benefit	(228,580)	(57,536)	(108,388)	(4,916)	(40,480)	(226)	(844)	(378)	(5,573)	(446,921)
Net profit/(loss) for the period from continuing operations	923,949	355,616	191,001	(365)	123,888	24,472	627,184	3,809	(519,992)	1,729,562
Net profit for the period from discontinued operations	9,203	–	–	–	–	–	–	–	–	9,203
Total net profit/(loss) for the period	933,152	355,616	191,001	(365)	123,888	24,472	627,184	3,809	(519,992)	1,738,765
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(17,695)	139	(638)	(3,472)	(6,277)	(41)	2,131	187	10,176	(15,490)
Investments in joint ventures and associates	5,910,408	880,278	62,981	4,784	18,445	–	267,666	65	–	7,144,627
Capital expenditures	328,785	104,978	956,721	116,711	484,919	22,524	1,304	2,512	(9,096)	2,009,358
Total assets of the segment	24,225,621	5,427,628	8,748,611	2,012,746	3,918,350	341,783	13,471,894	887,353	(12,368,665)	46,665,321
Total liabilities of the segment	8,387,400	1,427,105	6,150,587	1,247,311	2,227,145	70,136	4,710,775	440,089	(5,804,826)	18,855,722

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at and for the year ended December 31, 2025:

	Oil and gas	Mining	Transportation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
					(in millions of Tenge)					
Revenues from sales to external customers	**10,456,862**	**3,744,553**	**2,754,734**	**644,226**	**1,061,840**	**34,566**	**53,016**	**21,709**	**-**	**18,771,506**
Revenue from contracts with customers	***10,449,302***	***3,744,023***	***2,710,642***	***642,584***	***968,147***	***34,566***	**-**	***17,604***	**-**	***18,566,868***
Rental income	***7,560***	***530***	***44,092***	***1,642***	***93,693***	**-**	**-**	***3,249***	**-**	***150,766***
Interest revenue	**-**	**-**	**-**	**-**	**-**	**-**	***53,016***	***856***	**-**	***53,872***
Revenues from sales to other segments	**270,862**	**25**	**34,014**	**5,949**	**169,785**	**17,467**	**1,006,329**	**17,964**	**(1,522,395)**	**-**
Total revenue	**10,727,724**	**3,744,578**	**2,788,748**	**650,175**	**1,231,625**	**52,033**	**1,059,345**	**39,673**	**(1,522,395)**	**18,771,506**
Geographical markets										
Kazakhstan	**2,652,078**	**2,035,862**	**2,628,216**	**626,083**	**1,087,985**	**52,033**	**1,006,329**	**35,568**	**(1,522,395)**	**8,601,759**
United Arab Emirates	**2,300,178**	**-**	**1,487**	**6**	**-**	**-**	**-**	**-**	**-**	**2,301,671**
Romania	**1,501,531**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,501,531**
Switzerland	**1,454,283**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**1,454,284**
China	**600,441**	**797,296**	**39,801**	**2,556**	**-**	**-**	**-**	**-**	**-**	**1,440,094**
Netherlands	**676,440**	**24,278**	**-**	**26**	**-**	**-**	**-**	**-**	**-**	**700,744**
Other countries	**1,535,213**	**886,612**	**75,152**	**19,861**	**49,947**	**-**	**-**	**-**	**-**	**2,566,785**
Cost of sales	**(8,798,942)**	**(2,868,157)**	**(1,929,419)**	**(581,287)**	**(793,035)**	**(35,135)**	**(190,837)**	**(26,150)**	**639,826**	**(14,583,136)**
Gross profit	**1,928,782**	**876,421**	**903,471**	**88,726**	**438,590**	**16,898**	**868,508**	**13,523**	**(882,569)**	**4,252,350**
General and administrative expenses	**(279,970)**	**(56,811)**	**(146,223)**	**(48,588)**	**(47,457)**	**(3,749)**	**(25,752)**	**(7,593)**	**30,904**	**(585,239)**
Transportation and selling expenses	**(819,041)**	**(34,197)**	**(176)**	**(11,388)**	**(14,300)**	**(5,311)**	**-**	**(53)**	**15,334**	**(869,132)**
Finance income	**322,601**	**77,356**	**90,080**	**99,172**	**38,855**	**8,785**	**122,426**	**103,667**	**(144,070)**	**718,872**
Finance costs	**(408,505)**	**(28,158)**	**(270,463)**	**(55,043)**	**(69,911)**	**(2,350)**	**(22,813)**	**(49,824)**	**245,919**	**(661,148)**
Share in profits/(loss) of joint ventures and associates	**1,088,599**	**316,137**	**1,634**	**(665)**	**13,753**	**410**	**15,849**	**5**	**-**	**1,435,722**
Foreign exchange (loss)/gain, net	**(81,306)**	**(31,717)**	**(19,915)**	**(17,925)**	**1,877**	**(1,100)**	**(24,949)**	**(8,117)**	**(13,700)**	**(196,852)**
Depreciation, depletion and amortization	**(810,211)**	**(149,593)**	**(196,035)**	**(114,311)**	**(106,044)**	**(8,770)**	**(423)**	**(3,928)**	**2,010**	**(1,387,305)**
(Impairment)/reversal of impairment of property, plant and equipment, exploration and evaluation assets and intangible assets	**(87,031)**	**(10,031)**	**2,991**	**(370)**	**(10,743)**	**(1,172)**	**-**	**91**	**(3,756)**	**(110,021)**
(Impairment)/reversal of impairment of other assets, net	**(14,849)**	**2,796**	**(6,871)**	**(408)**	**(15,573)**	**-**	**5,716**	**-**	**(1,036)**	**(30,225)**
Income tax (expenses)/benefit	**(365,992)**	**(191,683)**	**(161,021)**	**(44,117)**	**(76,847)**	**21**	**(1,374)**	**(12,535)**	**5,061**	**(848,487)**
Net profit for the year from continuing operations	**1,295,147**	**925,776**	**387,709**	**147,208**	**214,111**	**12,347**	**904,082**	**39,899**	**(717,653)**	**3,208,626**
Net profit for the year from discontinued operations	**5,085**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,085**
Total net profit for the year	**1,300,232**	**925,776**	**387,709**	**147,208**	**214,111**	**12,347**	**904,082**	**39,899**	**(717,653)**	**3,213,711**
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	**2,323**	**960**	**(3,893)**	**(5,543)**	**(3,428)**	**91**	**1,203**	**(670)**	**8,382**	**(575)**
Investments in joint ventures and associates	**6,008,818**	**868,858**	**68,101**	**1,111**	**3,990**	**9,446**	**283,646**	**66**	**-**	**7,244,036**
Capital expenditures	**948,525**	**275,148**	**1,283,267**	**214,680**	**694,567**	**6,404**	**1,265**	**1,333**	**(16,860)**	**3,408,329**
Total assets of the segment	**23,545,927**	**4,994,137**	**7,598,187**	**1,767,149**	**3,386,188**	**275,193**	**11,893,852**	**1,629,226**	**(10,846,946)**	**44,242,913**
Total liabilities of the segment	**7,817,560**	**916,578**	**5,210,282**	**996,078**	**1,857,412**	**27,824**	**3,412,068**	**1,139,965**	**(4,315,136)**	**17,062,631**

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

	Oil and gas	Mining	Transportation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
					(in millions of Tenge)					
Revenues from sales to external customers	9,476,375	3,076,567	2,172,456	788,383	823,822	26,292	44,818	24,353	-	16,433,066
Revenue from contracts with customers	*9,469,275*	*3,076,102*	*2,103,337*	*788,383*	*807,302*	*26,292*	-	*16,209*	-	*16,286,900*
Rental income	*7,100*	*465*	*69,119*	-	*16,520*	-	-	*4,305*	-	*97,509*
Interest revenue	-	-	-	-	-	-	*44,818*	*3,839*	-	*48,657*
Revenues from sales to other segments	*133,286*	*52*	*27,053*	*4,888*	*149,099*	*13,015*	*1,012,682*	*19,813*	*(1,359,888)*	-
Total revenue	**9,609,661**	**3,076,619**	**2,199,509**	**793,271**	**972,921**	**39,307**	**1,057,500**	**44,166**	**(1,359,888)**	**16,433,066**
Geographical markets										
Kazakhstan	2,108,976	1,596,687	1,995,581	772,533	922,917	39,307	1,012,682	36,022	(1,359,888)	7,124,817
United Arab Emirates	1,850,401	31,944	999	41	-	-	-	-	-	1,883,385
Switzerland	1,852,927	850	50	-	-	-	-	-	-	1,853,827
China	663,749	663,721	28,419	2,507	-	-	-	-	-	1,358,396
Romania	1,198,204	52,335	-	-	-	-	-	-	-	1,250,539
Netherlands*	741,826	-	-	-	-	-	-	-	-	741,826
Other countries*	1,186,478	730,617	105,341	18,190	33,484	-	-	-	-	2,074,110
Cost of sales	(7,660,471)	(2,185,198)	(1,691,343)	(566,438)	(609,436)	(25,766)	(95,112)	(28,023)	367,148	(12,494,639)
Gross profit	**1,949,190**	**891,421**	**551,334**	**241,142**	**363,485**	**13,541**	**962,388**	**16,143**	**(992,740)**	**3,995,904**
General and administrative expenses	(312,881)	(53,118)	(137,691)	(56,974)	(38,071)	(3,508)	(24,907)	(6,667)	66,414	(567,403)
Transportation and selling expenses	(846,094)	(26,303)	(3,316)	(22,533)	(11,950)	(3,488)	-	(31)	12,580	(901,135)
Finance income	350,822	38,107	56,768	50,165	22,421	5,506	119,466	60,647	(98,321)	605,581
Finance costs	(396,380)	(20,227)	(181,290)	(57,590)	(55,974)	(2,253)	(15,028)	(14,481)	168,805	(574,418)
Share in profits/(loss) of joint ventures and associates	902,374	223,676	10,772	(253)	(116)	354	12,037	2	-	1,148,846
Foreign exchange gain/(loss), net	162,272	69,175	(69,725)	3,306	2,563	6,148	83,132	15,123	(31,801)	240,193
Depreciation, depletion and amortization	(717,580)	(122,717)	(183,645)	(117,581)	(79,727)	(7,116)	(648)	(2,677)	(1,225)	(1,232,916)
(Impairment)/reversal of impairment of property, plant and equipment, exploration and evaluation assets and intangible assets	(90,055)	(1,942)	(17,196)	(8,574)	(18,601)	9,866	-	-	-	(126,502)
Reversal of impairment/(impairment) of other assets, net	7,058	(7,093)	(6,635)	(800)	(257)	(640)	(59,484)	-	56,357	(11,494)
Income tax expenses	(366,056)	(238,220)	(50,955)	(79,488)	(63,778)	(1,040)	(101,247)**	(13,077)	(5,581)	(919,442)**
Net profit for the year from continuing operations	1,406,779	1,202,317	159,789	77,929	202,066	23,295	1,090,129**	56,794	(899,963)	3,319,135**
Net loss for the year from discontinued operations	(10,373)	-	-	-	-	-	-	-	-	(10,373)
Total net profit for the year	**1,396,406**	**1,202,317**	**159,789**	**77,929**	**202,066**	**23,295**	**1,090,129**	**56,794**	**(899,963)**	**3,308,762**
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(13,673)	14,094	1,593	(3,977)	1,560	(48)	(4,203)	(992)	(4,234)	(9,880)
Investments in joint ventures and associates	6,469,155**	815,847	50,074	381	82,709	9,036	278,607	60	-	7,705,869**
Capital expenditures	1,195,570***	906,269***	1,173,169	180,830	276,988	3,580	219	9,594	(161)	3,746,058***
Total assets of the segment	**23,533,130**	**4,693,395**	**5,974,653**	**2,046,474**	**2,594,797**	**254,999**	**10,032,994**	**1,225,759**	**(9,243,597)**	**41,112,604**
Total liabilities of the segment	**8,508,636****	**963,554**	**3,998,807**	**1,152,250**	**1,278,132**	**27,390**	**2,314,363**	**866,576**	**(3,299,276)**	**15,810,432****

** Revenue in the Netherlands is presented as a separate line item within "Geographical markets." In the 2024 Financial Statements, such revenue was included within "Other countries". This change in presentation was introduced by the Group with the preparation of the 2025 Financial Statements, and the amounts relating to the Netherlands and "Other countries" for the year ended December 31, 2024 presented above are derived from the comparative information in the 2025 Financial Statements.*

*** These amounts differ from the corresponding amounts as previously reported in the 2024 Financial Statements due to restatements of comparative information introduced by the Group with the preparation of the 2025 Financial Statements. See more information in "Presentation of Financial and Other Information" and Note 2 to the 2025 Financial Statements.*

**** The amounts of Capital expenditures for the Oil and gas segment and the Mining segment for the year ended December 31, 2024 presented in this table differ from the corresponding amounts as previously reported in the 2024 Financial Statements. The change within the Oil and gas segment is attributable to the retrospective restatement of comparative information relating to the acquisition of Phystech II JSC. Conversely, the adjustment within the Mining segment is a reflection of fair value estimates arising from business combination that was introduced by the Group during the preparation of the 2025 Financial Statements to improve presentation, with the Total amount reflecting the combined effect of these changes.*

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

	Oil and gas	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
					(in millions of Tenge)					
Revenues from sales to external customers	9,301,623	2,250,519	2,425,440	719,496	657,259	16,975	41,679	21,014	-	15,434,005
Revenue from contracts with customers	*9,291,454*	*2,250,325*	*2,374,644*	*719,496*	*635,416*	*16,975*	-	*8,733*	-	*15,297,043*
Rental income	*10,169*	*194*	*50,796*	-	*21,843*	-	-	*5,281*	-	*88,283*
Interest revenue	-	-	-	-	-	-	*41,679*	*7,000*	-	*48,679*
Revenues from sales to other segments	162,048	87	21,274	5,367	80,266	13,000	639,490	19,386	(940,918)	-
Total revenue	**9,463,671**	**2,250,606**	**2,446,714**	**724,863**	**737,525**	**29,975**	**681,169**	**40,400**	**(940,918)**	**15,434,005**
Geographical markets										
Kazakhstan	1,866,922	966,159	2,005,457	703,619	683,041	29,776	639,490	28,119	(940,918)	5,981,665
United Arab Emirates	223,586	-	12	28	-	-	-	-	-	223,626
Switzerland	1,677,576	16	-	-	-	-	-	-	-	1,677,592
China	621,279	522,521	23,313	1,982	-	-	-	-	-	1,169,095
Romania	1,334,646	26	-	-	-	-	-	-	-	1,334,672
Other countries	3,729,493	761,690	367,136	19,234	32,641	199	-	-	-	4,910,393
Cost of sales	(7,504,316)	(1,483,131)	(1,935,164)	(522,214)	(511,682)	(26,238)	(88,091)	(23,274)	322,321	(11,771,789)
Gross profit	**1,959,355**	**767,475**	**551,867**	**223,374**	**225,843**	**3,737**	**593,078**	**17,126**	**(618,597)**	**3,723,258**
General and administrative expenses	(234,493)	(58,061)	(135,945)	(50,729)	(27,949)	(3,378)	(20,118)	(6,117)	10,409	(526,381)
Transportation and selling expenses	(804,777)	(28,927)	(13,201)	(23,226)	(13,428)	(1,281)	-	(36)	14,378	(870,498)
Finance income	184,921	47,655	39,237	42,411	18,050	3,188	139,213	46,844	(35,155)	486,364
Finance costs	(439,422)	(10,820)	(236,040)	(42,673)	(51,118)	(5,659)	(19,893)	(24,111)	119,789	(709,947)
Share in profits/(loss) of joint ventures and associates	868,403	47,664	8,145	-	12,075	(14)	8,819	(13)	-	945,079
Foreign exchange gain/(loss), net	61,441	(19,678)	(20,451)	(4,109)	399	(38)	(5,222)	4,531	3,555	20,428
Depreciation, depletion and amortization	(667,497)	(95,830)	(232,802)	(140,928)	(87,335)	(6,343)	(691)	(3,354)	13,219	(1,221,561)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(230,491)	134	(11,670)	(993)	(14,241)	(4,906)	-	-	-	(262,167)
(Impairment)/reversal of other assets, net	(47,686)	(1,259)	3,432	130	(10,536)	(3,931)	(4,241)	451	-	(63,640)
Income tax expenses	(254,806)	(148,904)	(32,911)	(29,835)	(43,546)	(791)	(214,698)	(5,445)	(117)	(731,053)
Total net profit/(loss) for the year	**1,246,699**	**533,727**	**166,216**	**105,990**	**94,057**	**(23,626)**	**476,925**	**25,719**	**(495,407)**	**2,130,300**
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(15,586)	(15,620)	2,627	(10,620)	(180)	(881)	454	(6,260)	7,252	(38,814)
Investments in joint ventures and associates	6,081,988	641,794	40,568	-	82,883	8,682	44,092	-	-	6,900,007
Capital expenditures	1,205,486	88,351	799,097	414,466	209,027	1,943	1,435	1,669	(858)	2,720,616
Total assets of the segment	**20,502,408**	**3,321,395**	**4,987,879**	**1,811,102**	**2,158,606**	**199,417**	**11,096,378**	**838,239**	**(7,990,690)**	**36,924,734**
Total liabilities of the segment	**7,591,245**	**701,773**	**3,222,807**	**967,452**	**966,377**	**67,377**	**3,483,860**	**674,649**	**(2,199,783)**	**15,475,757**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following management's discussion and analysis of the Group's results of operations and financial performance as at and for the six-month periods ended June 30, 2026 and 2025 and as at and for the years ended December 31, 2025, 2024 and 2023, should be read in conjunction with the Consolidated Financial Statements and related notes, included elsewhere in this Base Offering Memorandum.

This management's discussion and analysis contains forward-looking statements, which involve risks and uncertainties. See "Forward-Looking Statements". The actual results of the Group could differ materially from those contained in such forward-looking statements as a result of factors discussed below and elsewhere in this Base Offering Memorandum, including those set forth in "Risk Factors".

Selected consolidated financial information in this section has been derived from the Consolidated Financial Statements, in each case without material adjustments, unless otherwise stated, as well as the Group's management financial reports. Certain of the financial information of the Group as at and for the years ended December 31, 2023 and December 31, 2024 has been subsequently restated in the Group's 2025 Financial Statements and 2024 Financial Statements. Accordingly, certain financial information as at and for the year ended December 31, 2024 in this Base Offering Memorandum is derived from the restated comparative column in the 2025 Financial Statements, and financial information as at and for the year ended December 31, 2023 in this Base Offering Memorandum is derived from the restated comparative column in the 2024 Financial Statements (other than certain items in the consolidated statement of financial position as at December 31, 2023, which were derived from the notes to the 2025 Financial Statements). Further information regarding these restatements, including the basis on which comparative financial information has been derived, can be found in the "Presentation of Financial and Other Information" section of this Base Offering Memorandum, Note 2 to the 2025 Financial Statements and Notes 5 and 16 to the 2024 Financial Statements.

Overview

The Issuer is a joint stock company established in November 2008. The Government is the sole shareholder of the Issuer. The Government's overall objective in establishing the Issuer was to increase management efficiency and to optimize organizational structures in order for the Government to successfully achieve their strategic objectives as set in the respective Government programs. The purpose of the Issuer's activities is to increase the sovereign wealth of Kazakhstan by increasing the long-term value of the entities within the Group, as well as effective management of the Group's assets.

The Group's current mission is to ensure sustainable economic development and create long-term value through effective management of a diversified portfolio of assets and business support in the interests of the people of Kazakhstan. The Group's portfolio companies represent a cross-section of Kazakhstan's most recognized and significant companies in sectors which the Government has deemed to be strategic for the continued development and growth of Kazakhstan, including oil and gas, mining, transportation and logistics, telecommunication, energy and industrial.

As at June 30, 2026 and December 31, 2025, the Group had total assets of KZT 46,665,321 million and KZT 44,242,913 million, respectively, with a total equity value of KZT 27,809,599 million and KZT 27,180,282 million, respectively. The Group generated KZT 10,254,158 million and KZT 1,738,765 million of revenue and net profit, respectively, for the six months ended June 30, 2026, and KZT 18,771,506 million and KZT 3,213,711 million of revenue and net profit, respectively, for the year ended December 31, 2025.

Key Factors Affecting Results of Operations

The Group's results of operations are primarily dependent on the results and contributions of its portfolio companies, which comprise the Group's subsidiaries and its investments in associates and joint ventures. Significant factors that affect the results of operations of the Group's portfolio companies

are most likely to have impact on the Group's results of operations. The Group believes that the following factors significantly affected and will have a significant impact on its results of operations.

The Current Economic Environment in Kazakhstan

The Kazakhstan economy may be influenced by market downturns and economic slowdowns elsewhere in the world. Kazakhstan's economy and finances has demonstrated solid growth following the 2020 contraction of 2.5%. According to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, real GDP growth was 3.2% in 2022, 5.1% in 2023 and 4.8% in 2024. According to the International Monetary Fund ("**IMF**"), Kazakhstan's economy grew by approximately 6.2% in 2025 (6.5% according to preliminary official statistics, the strongest growth since 2011), boosted by rising oil output and robust activity in non-oil sectors. For 2026, the International Monetary Fund projects that Kazakhstan's real GDP growth to moderate to approximately 4.6% in 2026 and to around 3.5% over the medium term.

Inflation, which peaked at about 20% in early 2023 following global supply disruptions and the spillover effects of sanctions on Russia, moderated through 2023 and 2024, with consumer price growth falling into single digits by late 2024, and the National Bank of Kazakhstan (the "NBK") gradually eased monetary policy during that period. In the course of 2025, however, inflation re-accelerated, reflecting strong domestic demand, fiscal stimulus and the resumption of utility tariff adjustments, and, according to the IMF, approached 13% by the end of 2025; in response, the NBK tightened monetary policy, raising its base rate. The IMF expects inflation to remain elevated at around 11% in 2026, reflecting, among other things, increases in VAT and corporate income tax rates and further utility tariff adjustments, before gradually declining towards the NBK's 5.0% target over the medium term, although risks remain due to exchange rate pressures and dependence on import prices.

Kazakhstan remains sensitive to global economic and geopolitical conditions. The national economy continues to rely heavily on commodity exports - particularly oil, gas and uranium - which leaves growth vulnerable to changes in global demand, energy prices, and OPEC+ production agreements. Brent crude has remained volatile since 2022 due to geopolitical tensions, shifts in global energy markets and supply restrictions, and that volatility has recently increased due to conflict in the Middle East. Kazakhstan has continued to experience spillovers from geopolitical tensions in the region and globally. The ongoing conflict in Ukraine, sanctions imposed on Russia, and adjustments in regional logistics routes have affected trade flows, currency stability and cross-border payment systems. While Kazakhstan has benefited from some redirected transit and export flows, uncertainty surrounding future sanctions and regional political relations remains a material risk. See "*Risk Factors—Risk Factors Relating to the Group—Operational Risks—International trade policies of foreign governments, including sanctions, tariffs, export controls or other restrictive measures by the U.S., UK and EU, may have an adverse effect on the Group*" and "*—Sanctions imposed on the Russian Federation may have an adverse effect on the Russian economy and in turn, may have an adverse effect on the Group*".

Beginning in 2026, the escalation of military confrontation involving the United States, Israel and Iran led to renewed volatility in global energy markets. Iran's role as a significant crude oil producer and its strategic position near key maritime shipping corridors, including the Strait of Hormuz, heightened concerns regarding potential supply disruptions. Following the onset of hostilities, international oil prices experienced sharp increases, reflecting market uncertainty. Natural gas markets in Europe and Asia have also seen elevated forward prices due to concerns about security of supply and potential interruptions to LNG trade flows. Fluctuations in commodity prices affect government revenues and can influence public spending levels, which in turn impacts domestic investment activity and freight volumes.

While the Group is unable to estimate reliably the effects on its consolidated financial position and its results of operations from any deterioration in the financial markets or from any continuing or increased volatility in the currency, commodities and equity markets for any periods subsequent to June 30, 2026, the Group expects that its revenue will continue to be correlated with GDP growth and industrial production in Kazakhstan. Accordingly, the Group's business activities may again be affected by

economic conditions resulting from global financial conditions, including fluctuations in exchange rates, regional stability, renewed or further changes in prices of, and demand for, crude oil and other commodities transported by the Group, and the ongoing conflicts involving Iran and Ukraine and related sanctions imposed on Russia, Belarus and various state-owned entities in those countries, and their effects on Kazakhstan and the region.

Taxation and Government Policies

Kazakhstan's taxation system is evolving and is subject to frequent and, at times, ambiguous changes. On December 25, 2017, Kazakhstan enacted a tax code (the "**2018 Tax Code**"). The 2018 Tax Code was replaced by the new Tax Code, which generally came into force on January 1, 2026. The Tax Code has been in force for a short period relative to the tax laws and regulations in more developed market economies and, therefore, risks of tax assessments within its jurisdiction are more probable than in nations with more developed tax systems. The Group's portfolio companies' operations are principally conducted and most of the Group's assets are located in Kazakhstan and, accordingly, developments in the interpretation, administration or enforcement of the Kazakhstan tax regime could affect the Group. See "*Risk Factors—Risk Factors Relating to the Republic of Kazakhstan—Kazakhstan's taxation system is subject to frequent change*".

Government policy continues to focus on economic diversification, infrastructure development, and transport connectivity. Major investment programs remain important drivers of medium-term growth. At the same time, state-owned enterprises can be required to support government social and economic objectives. Past examples include mandated wage indexation and requirements to maintain socially important services. While the Group receives budget subsidies in respect of certain socially important services, such compensation may not fully offset the associated costs, which has increased the Group's operating costs and may continue to do so.

Commodity Prices

The Group derives a substantial portion of its revenue from the sale of various commodities as described below. For the years ended December 31, 2025, 2024 and 2023 revenue from sale of natural resources (crude oil, gas processing products, refined oil products, uranium, gold) amounted to 68.6%, 68.9% and 67.9% of the Group's revenue, respectively. For the six months ended June 30, 2026, revenue from sale of natural resources (crude oil, gas products, refined oil products, uranium, gold) amounted to 69.8% of the Group's revenue. Since portfolio companies in the oil and gas and mining segments generally sell their products by reference to current market prices, the price of commodities is one of the most important factors influencing the Group's revenues. Commodity prices are significantly affected by changes in global economic conditions and are highly related to industry cycles. Commodity product prices, including oil, gas processing products, uranium and gold produced by the Group, can vary significantly in response to fluctuations in worldwide supply and demand, as well as a range of various factors, including general economic trends and trading market speculation.

Changes in Prices of Crude Oil and Refined Oil Product Prices

The Group's largest portfolio company by assets and revenue, KMG, is one of the largest crude oil and condensate producers in Kazakhstan. Accordingly, the prices of crude oil and refined oil products internationally and in Kazakhstan have a significant impact on the Group's results of operations. World prices for crude oil are characterized by significant fluctuations that are determined by the global balance of supply and demand, which is largely outside of the Group's control. The dynamics of refined oil product prices in the international and Kazakhstan markets are determined by a number of factors, the most important being the price of crude oil internationally, supply and demand for refined oil products, competition, distances separating markets from the refineries where the crude oil is refined into useable end or intermediate products and seasonal deficits in the supply of refined oil products, particularly in urban areas, due to agricultural activities and the associated reallocation of refined oil products supplies from cities to agricultural areas. Additionally, a disparity between high crude oil costs

and lower prices of refined oil products may have an adverse impact on the financial results of KMG's refining business.

Crude oil prices have been particularly volatile in recent years and have increased significantly since the outbreak of military action against Iran and the subsequent disruption of shipping lanes in the Strait of Hormuz. Beginning in late February 2026, the global oil markets have experienced a rapid increase in oil prices and significant volatility in response to supply disruptions caused by the conflict in Iran and uncertainty regarding future supply. In response to the conflict, OPEC+ have announced multiple production target increases in an effort to improve global supplies of crude oil; however, the impact of these increases may be limited by shipping and logistics challenges. In addition, effective May 1, 2026, the United Arab Emirates withdrew from OPEC in an effort to avoid the imposition of production targets. Further withdrawals from the OPEC+ coalition may increase volatility in oil prices in the future in addition to developments related to the course of the conflict in Iran, shipping availability, and global demand.

Additionally, the ongoing Russia-Ukraine conflict, including Ukrainian strikes on Russian oil refining capacity and other energy infrastructure, has contributed, and may continue to contribute to uncertainty and volatility in global crude oil and refined products markets.

According to statistics published by the U.S. Energy Information Administration ("**EIA"**), the average monthly spot price of Brent crude oil was U.S.$69.14 per barrel in 2025, ranging from a high monthly average of U.S.$79.89 per barrel in January 2025 to a low monthly average of U.S.$62.54 per barrel in December 2025. During the first six months of 2026, OPEC+ countries increased the production quotas several times, but oil prices have remained volatile reaching a peak of U.S.$117.29 in April 2026. As at June 30, 2026, the spot price for Brent crude oil was U.S.$85.40 per barrel, according to EIA data. As a result of steady crude oil prices in 2025, the Group's revenue from sales of crude oil was up 1.3%, to KZT 4,730,239 million for the year ended December 31, 2025 from KZT 4,670,749 million for the year ended December 31, 2024. The Group's revenue from sales of crude oil was up 25.5%, to KZT 2,965,763 million for the six months ended June 30, 2026 from KZT 2,363,241 million for the six months ended June 30, 2025. The Group's revenue from sales of oil refined products increased by 29.7%, to KZT 3,360,931 million for the year ended December 31, 2025 from KZT 2,591,958 million for the year ended December 31, 2024. The Group's revenue from sales of oil refined products increased by 20.2%, to KZT 1,855,823 million for the six months ended June 30, 2026 from KZT 1,543,555 million for the six months ended June 30, 2025.

The mix of export and domestic sales of crude oil has also affected, and is expected to continue to affect, the Group's results of operations from the oil and gas segment. Historically, sales prices for exported crude oil have been significantly higher than domestic sales prices, primarily as a result of recommendations and mandates of the Government to sell domestic oil at below market rates. The Group expects export sales prices to continue to remain at a higher level compared to domestic sales prices, and thus seeks to maximize the percentage of its total crude oil sales that are export sales, although it is not unilaterally able to do so. Should the percentage of export sales increase, this may have a positive effect on the results of operations of the Group, whilst, correspondingly, if the percentage of mandated domestic sales increases, the Group's results of operations could be adversely affected.

Changes in Natural Gas Prices

Natural gas prices internationally and in Kazakhstan have a significant impact on the Group's results of operations. International natural gas prices have, in the past, been typically linked to global prices for oil products, which have fluctuated significantly over the past few years. See "*—Changes in Prices of Crude Oil and Refined Oil Product Prices*". Gas prices are also affected by prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies, and weather conditions. Natural gas prices for the domestic market are regulated by the Government and historically are lower than export prices; as a result, domestic sales may be less profitable for the Group than exports. The average gas price in the domestic market was KZT 27,358, KZT 21,244 and

KZT 18,479 in the years ended 31 December 2025, 2024 and 2023, respectively. The Group is required by the Government to supply natural gas to the domestic market and may incur further losses and has incurred losses in the past in connection with such domestic supply obligations. According to statistics published by the EIA, the average monthly spot price of U.S. natural gas exports was U.S.$6.03 per thousand cubic feet in 2025, ranging from a high monthly average of U.S.$6.89 per thousand cubic feet in January 2025 to a low monthly average of U.S.$5.21 per thousand cubic feet in September 2025. During the first six months of 2026, natural gas price have remained volatile reaching a peak of U.S.$8.64 per thousand cubic feet in February 2026. In June 2026, the spot price for export natural gas was U.S.$5.85 per thousand cubic feet, according to EIA data.

To accommodate the growth of domestic natural gas consumption, which requires large investments in the gas industry, the Government launched a major gas market reform in December 2022 aimed at improving the profitability of the Group's domestic operations. After a number of initiatives throughout 2024, including a series of tariff adjustments, in 2025, the Ministry of Energy approved an annual 33% increase in the average wholesale gas price on the domestic market over three years starting July 2025, including an accelerated pace of increases for large industrial gas consumers, which is expected to have a positive effect on the sales profitability of the Group.

Changes in Natural Uranium Prices

Spot market prices for U_3O_8, or uranium oxide, which is the main marketable product of one of the Group's largest portfolio companies by assets and revenue, Kazatomprom, have a significant effect on the Group's revenue from sales of uranium products. The majority of the Group's revenue from sales of uranium products is derived from contracts with price formulas containing a spot price component, as well as from sales in the spot market. In addition to spot prices, the Group's effective realized price for any particular period is further dependent on the share of contracts with a fixed price component, and the prominence of such component, in the Group's uranium sales contract portfolio for such period. Accordingly, the average realized price for each particular period deviates from the spot market price.

Each of the average weekly and month-end spot price of U_3O_8 in 2025 declined as compared to the respective average spot price in 2024, reflecting a market correction in uranium spot prices. Global nuclear power production in 2025 increased by approximately 1.2% and is expected to slightly increase in 2026, according to the International Energy Agency's Power Reactor Information System. In June 2026, the average month-end spot price for U_3O_8 was U.S.$86.83 per pound, according to data published by UxC/TradeTech. The Group's revenue from sales of uranium products decreased by 1.4% to KZT 1,691,833 million for the year ended December 31, 2025, from KZT 1,715,172 million for the year ended December 31, 2024. The Group's revenue from sales of uranium products increased by 9.6%, to KZT 651,069 million for the six months ended June 30, 2026, from KZT 594,198 million for the six months ended June 30, 2025.

Changes in Gold Prices

The Group's portfolio company, Tau-Ken Samruk is one of the largest producers of refined gold in Kazakhstan. The price at which the Group is able to sell its gold is, and is expected to continue to be, one of the significant factors determining its financial performance. The Group's realized gold price is heavily dependent on the market price of gold and substantially tracked the prevailing market price in each of the years ended December 31, 2025, 2024 and 2023. Although the Group monitors gold price trends and regulates its revenue accordingly, the Group does not have any gold price hedge in place and does not use derivatives to mitigate its exposure to the volatility in the price of gold.

The market price of gold can fluctuate significantly and is affected primarily by the demand for gold as a commodity or investment. The global gold price has increased significantly since 2023, and has been subject to volatile movements over short periods of time. In 2025, 2024, and 2023, the average London Bullion Market Association ("**LBMA**") price of gold was U.S.$3,431.54, U.S.$2,386.20, and U.S.$1,940.54 per troy ounce, respectively. The Group's revenue from sales of refined gold increased by 53.7% to KZT 1,936,306 million for the year ended December 31, 2025 from KZT 1,260,191 million

for the year ended December 31, 2024. The Group's revenue from sales of refined gold increased by 69.2% to KZT 1,070,244 million for the six months ended June 30, 2026 from KZT 632,625 million for the six months ended June 30, 2025.

Production of Natural Resources

The Group's ability to generate revenue depends on its production of crude oil, gas, refined oil products, uranium and gold. The production levels at the relevant portfolio companies are affected by the production and development phase of each of their respective projects, as well as demand for a particular resource. In addition, their production levels depend upon the satisfactory operation of the respective production facilities and the ability of these portfolio companies to invest in exploration and development and improvement of existing and new facilities and mines.

Production of Crude Oil, Gas and Refined Oil Products

The Group's oil and condensate output includes production from mega projects and operated assets. In 2025, the Group's consolidated production of crude oil and gas condensate increased to 26.2 million tonnes as compared to 23.8 million tonnes for 2024, primarily as a result of the commencement of crude oil production at the Third Generation Plant at the Tengiz field under Tengizchevroil's Future Growth Project. For the six months ended June 30, 2026, the Group's consolidated production of crude oil and gas condensate decreased to 12.4 million tonnes as compared to 13.0 million tonnes for the six months ended June 30, 2025. This decrease was mainly the result of lower output at megaprojects, in particular at the Tengiz field following restrictions on oil intake by the CPC and a transformer fire at the Future Growth Project facilities in January 2026, and at the Karachaganak field due to unstable oil intake into the CPC system.

The Group's gas production values are the actual volume of gas produced, including gas reinjected for own needs. Gas reinjection is used to maintain reservoir pressure, which is essential for sustaining high oil production rates. For the year ended December 31, 2025, the Group's consolidated production of natural and associated gas, calculated on the basis of KMG's ownership interests in its joint ventures and associates, increased by 19.8% to 11.4 billion cubic meters from 9.6 billion cubic meters for the year ended December 31, 2024, primarily as a result of higher associated gas output at the Tengiz field following the commissioning of the third generation plant under the Future Growth Project, in line with the growth in crude oil production at that field. For the six months ended June 30, 2026, the Group's consolidated production of natural and associated gas decreased to 5.5 billion cubic meters from 5.7 billion cubic meters for the six months ended June 30, 2025 due to the same reasons related to lower output at megaprojects as described above in connection with the decrease of crude oil and gas condensate output.

The Group's consolidated production of refined oil products includes production at the KMG's refineries in Kazakhstan and Romania. For the year ended December 31, 2025, the Group production of refined oil products increased to 19.7 million tonnes from 17.9 million tonnes for the year ended December 31, 2024. For the six months ended June 30, 2026, the Group's production of refined oil products decreased to 9.6 million tonnes compared to 9.7 million tonnes for the six months ended June 30, 2025.

Production of Uranium

The Group's production and sales volumes are driven by the evolving demand-supply dynamics in the uranium industry. In 2025, uranium production increased by 10.7% to 25.8 thousand tonnes from 23.3 thousand tonnes in 2024. In the first half of 2026, uranium production increased by 9% compared to the first half of 2025 in line with the increased 2026 production plan, consistent with the Issuer's guidance and its obligations under subsoil use contracts for 2026.

Production of Gold

The Group's financial performance is also affected by the amount of gold it produces which, in turn, largely determines the amount of gold it is able to sell. The Group's gold production is impacted by a number of factors, including operational disruptions and prevailing geological conditions at the Group's operating assets which affect its ability to access ore bodies, ore grade and recovery rates. Over the past few years, the Group's gold production gradually increased. In 2025, the volume of gold production was 57.0 tonnes of gold as compared to 54.6 tonnes for the year ended December 31, 2024. For the six months ended June 30, 2026, the volume of gold was 14.6 tonnes as compared to 12.5 tonnes for the six months ended June 30, 2025.

Demand for Transportation Services and Transportation Tariffs

Certain of the Group's portfolio companies operate in the transportation segment, which includes operations related to railway and air transportation of cargo and passengers. The main factors that affect the Group's performance in the transportation segment relate to demand for transportation services and transportation tariffs.

Demand for transportation services

For the years ended December 31, 2025, 2024 and 2023, and for the six months ended June 30, 2026 railway cargo transportation represented the Group's third largest revenue source. The Group's railway cargo transportation is conducted by KTZ and its subsidiaries, which together form the national railway company, and mainly comprise delivery, both domestically and for export, of oil and oil products and coal. In 2025, the Group's freight turnover amounted to 288.8 billion t-km compared to 261.7 billion t-km in 2024. The Group's revenue from railway cargo transportation increased by 17.0% to KZT 1,317,238 million for the six months ended June 30, 2026, from KZT 1,125,712 million for the six months ended June 30, 2025. For the year ended December 31, 2025, the Group's revenue from railway cargo transportation increased by 31.3% to KZT 2,455,553 million, as compared to KZT 1,869,783 million for the year ended December 31, 2024.

KTZ faces its greatest competition in the transportation of oil and oil products from the development of pipelines in Kazakhstan and countries that border Kazakhstan, as pipeline transportation is more cost efficient than rail transportation in transporting crude oil. Rail transportation accounted for 61.8% of freight transportation in 2025, while pipeline transportation represented 29.7% of freight transportation in the same year. Pipelines are the predominant mode of transportation for exports of crude oil. In certain locations where oil producers do not have direct access to pipelines or oil loading seaports, transportation by rail acts as a complementary mode of transportation, facilitating delivery of crude oil from the fields to pipeline hubs and the Aktau seaport. Although the railways currently have wider geographical coverage than pipelines in Kazakhstan, demand for shipments by rail is not consistent, due to seasonal differences in the demand for crude oil, such as in winter when demand for crude oil can decrease as a result of seasonal closures of operating facilities that use crude oil and transportation by railway becomes more difficult due to harsh weather conditions, as well as periods of refinery closures for repairs and other things. With the development and extension of Kazakhstan's pipeline network connecting oil fields, refineries and oil purchasers' storage facilities, demand for transportation by rail is expected to remain constant in the short term, although it may increase slightly in the medium-term, in particular, if oil production continues to increase and as volumes of oil to be transported exceed the capacity of the pipeline system.

The Group also generates revenue from domestic transportation of coal, which is directed to the industrial sector and to public utility companies for purposes of generating heating and electric energy. Needs of the industrial sector are generally stable, being dependent on the overall industrial growth of the country, while requests of public utility companies for coal are mostly driven by seasonal demand.

In addition to railway cargo transportation, the Group's other transportation activities include railway and air services for passengers. The Group's railway passenger turnover in 2025 decreased by 2.6%

compared to 2024 and amounted to 11,408 million passenger-kilometer, primarily as a result of ongoing track maintenance works and increased competition from other modes of transport. Notwithstanding this decrease, the Group's revenue derived from railway passenger transportation increased by 17.0% from KZT 114,989 million for the year ended December 31, 2024 million to KZT 134,590 million for the year ended December 31, 2025, primarily driven by tariff adjustments. Kazakhstan's air passenger turnover in 2025 increased by 6% compared to 2024. The revenue from air transportation decreased by 92.9% from KZT 78,011 million in 2024 to KZT 5,566 million in 2025, which is attributable to the Issuer's disposal of certain equity interests in Air Astana and Qazaq Air.

Transportation tariffs

Railway freight and passenger transportation is subject to regulated tariffs. Except with respect to transit tariffs for freight that passes through Kazakhstan to destinations outside of Kazakhstan, the tariffs that are applicable to the Group's rail transportation operations are based on detailed price lists approved by the Committee for Regulation of Natural Monopolies under the Ministry of the National Economy of the Republic of Kazakhstan (the "**Natural Monopoly Committee**"), which specify prices for freight and passenger transportation based on weight, freight class or class of travel, direction, distance and destination and which are subject to an annual adjustment based on the reasonable needs of the Group and approval by the Natural Monopoly Committee's supplemental indexation process. Pursuant to the order of the State Commission for Modernization of the Economy of the Republic of Kazakhstan dated November 18, 2024, measures were implemented to increase the mainline railway network services tariff and the locomotive traction services tariff by 24% per year for freight transportation for 2024 through 2026. As a result, such regulated tariffs increased by 24% in 2024, increased by 28% in 2025 and, as of April 2026, the Natural Monopoly Committee was still considering KTZ's application for the 2026 increase, with the overall 2026 increase estimated at 24%.

In addition to tariffs that apply to the railway freight and passenger transportation, the Group's oil and gas transportation revenue is generated from tariffs charged to its customers. International gas transportation tariffs are set forth in gas transportation contracts with customers, allowing the Group to freely negotiate international transportation tariffs with its international transit contractor counterparties. Most of the tariff rates for international gas and oil transportation, accordingly, are determined by contract and, as such, may be renegotiated as provided in the applicable contract. However, domestic transportation tariffs are regulated by the Natural Monopoly Committee. Domestic transportation tariffs are significantly impacted by social and political considerations and have historically been kept at below market prices. The tariffs for domestic transportation generally cover the costs of financing, operating and maintaining the pipeline, increased by a separate profit element.

Gas transportation revenue is generated principally under contracts for the transportation of natural gas through the pipeline system that the Group's companies operate, mainly KTG. In year ended December 31, 2025, approximately 61% of gas transportation was for transit through Kazakhstan, approximately 11% was for export, and approximately 28% was domestic transport.

Any increases in the tariffs charged by the Group have had, and any future increases are expected to continue to have, a positive increase on the oil transportation fees received by the Group, as well as its profitability.

Acquisitions and Disposals

The Group has made several acquisitions and disposals since January 1, 2023, which have had an impact on the Group's results of operations. Any future acquisition or disposals are also expected to have an impact on the Group's results of operations.

In particular, the Group made, or entered into arrangements for, the following acquisitions during the periods under discussion:

- In April 2026, the Issuer acquired an additional 10.43% of the outstanding common shares of Kazakhtelecom JSC on the KASE, increasing its interest from 80.85% to 91.28%.

- On January 28, 2026, the Issuer agreed to acquire a 75% equity interest in the charter capital of Butadien LLP ("**Butadien**"). State re-registration was completed on January 30, 2026, at which time Butadien became a subsidiary of the Issuer.

- On January 9, 2025, the Issuer issued shares valued at KZT 8,117 million to the Government in exchange for 100% of the shares of Phystech II. The acquisition of Phystech II was accounted for as the acquisition under common control. Accordingly, the 2025 Financial Statements were presented as if the shares of Phystech II were transferred at January 1, 2024, which was the beginning of the earliest presented period in these financial statements. The business of Phystech II is presented in the Group's oil and gas segment in the Interim Consolidated Financial Statements.

- On January 1, 2024, the Issuer obtained control over JV Budenovskoe LLP ("**Budenovskoe**") as a result of changes to the charter of Budenovskoe and the relevant production sharing agreement. The changes resulted in decisions over Budenovskoe being made by a simple majority. As a result of the Group owning 51% of Budenovskoe, the changes to the charter and production sharing agreement resulted in the Group having control over Budenovskoe. The changes to the agreement did not affect the number of shares owned by the Group and the Group did not make any cash payments to gain control.

- On January 24, 2024, the Issuer issued 100 shares at a value of KZT 387,371 million, in exchange for all of the authorized capital of GPC Investment LLP ("**GPCI**") (See Note 18.1 to the 2024 Financial Statements). Subsequent to this acquisition, the Group agreed with the State of Qatar to sell a portion of the Issuer's stake in GPCI to the State of Qatar (see below for a more detailed discussion on the proposed disposition).

- On September 27, 2024, the Issuer issued 100 shares at a value of KZT 9,294 million, in exchange for all of the authorized capital of AsiaGas Chundzha LLP ("**AsiaGas Chundzha**") in accordance with the Resolution of the Government of Kazakhstan. Subsequent to that transaction, the Issuer contributed all of interest in AsiaGas Chundzha to its subsidiary, QazaqGaz.

- On October 9, 2023 the subsidiary of the Issuer, National Company "KazMunayGas" JSC ("**NC KMG**"), signed a purchase agreement with TOTALENERGIES EP DENMARK A/S for the acquisition of a 100% of the shares of Total E&P Dunga GmbH (renamed to Dunga Operating GmbH in December 2023) ("**Dunga**"), engaged in the exploration and production of crude oil and natural gas at the Dunga field. The base consideration for the acquisition was US$358.5 million (KZT 165,913 million). Upon the closing on November 20, 2023, the Issuer obtained control over Dunga, increasing the Group's share in the hydrocarbon resource base and production of the crude oil and natural gas on the market of Kazakhstan.

- In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 1033 dated December 20, 2022, on April 19, 2023, state-owned shares of "AES Shulbinskaya GES" LLP and "AES Ust-Kamenogorskaya GES" LLP were transferred to the Issuer. Also, in accordance with the Resolution of the Government of the Republic of Kazakhstan No. 971 dated December 30, 2021, on September 12, 2023, state-owned shares of National Geological Exploration Company "Kazgeology" were transferred to the Issuer.

The Group made, or entered into arrangements for, the following disposals during the periods under discussion:

- On May 4, 2026, the Group completed the sale of its 70% interest in Severnyi Katpar LLP (accounted for as an associate after the sale transaction) in favor of Cove Kaz Capital Group LLC and commenced the joint implementation of the project.

- Under the strategic investment projects agreement between the Republic of Kazakhstan and the State of Qatar, the Group plans to sell a 75% interest in GPC Investment LLP ("**GPCI**") and retain a 25% interest. GPCI has been classified as a disposal group held for sale under IFRS 5. The disposal was not completed within 12 months of initial classification due to the intergovernmental nature of the transaction and ongoing negotiations with the buyer on certain commercial and contractual matters. As at June 30, 2026, negotiations were ongoing and both parties remained committed to completing the transaction by the end of 2026.

- On December 31, 2025, the Group signed a sale and purchase agreement for the disposal of its 100% interest in JV Alaygyr LLP ("**Alaygyr**"). Management expects completion within 12 months after the reporting date, and the net assets of Alaygyr of KZT 19,020 million were classified as held for sale as at December 31, 2025. As at June 30, 2026, Alaygyr remained classified as held for sale.

- On December 30, 2025, the Group signed an agreement for the sale of its 35% interest in Forum Muider Limited ("**Forum Muider**"). Completion is subject to conditions precedent, including execution of a Deed of Undertaking governing the declaration and payment of dividends under the Shareholders' Agreement dated September 24, 2025. Management expects the disposal to be completed in 2026. As at December 31, 2025, the investment, with a carrying amount of KZT 77,097 million, was classified as held for sale; during 2025, the Group recognized an impairment and deemed disposal loss of KZT 15,734 million on the investment.

- On May 6, 2025, the Issuer completed the sale of a 49% share in Qazaq Air JSC to a strategic investor and 2% to its local partner, which reduced the Issuer's ownership to a non-controlling position.

- On March 17, 2025, the Group and Sibur Holding PJSC signed a purchase and sale agreement for the sale of a 60% share of Polimer Production LLP ("**Polimer**"), subsidiary of the Group, for KZT 1,188 million. As a result, while the Group retained 40% ownership in Polimer, it no longer controls the subsidiary.

- On January 14, 2025, the Group completed the sale of 100% interest in Mobile Telecom Service LLP ("**MTS**") in favor of PIH Communication LLC by signing the corresponding document for consideration of US$1,100 million, including contingent consideration of US$400 million payable in three years, and as a result, no longer controls the subsidiary.

- On May 31, 2024, the Issuer, represented by its subsidiary National Mining Company Tau-Ken Samruk JSC ("**TKS**"), entered into an agreement with a consortium consisting of METALEEN INVESTMENTS HOLDINGS LLC and TSP ALÜMİNYUM ANONİM ŞİRKETİ to sell to the consortium a 55% share in TKS's subsidiaries Tau-Ken Temir LLP and Silicon Mining LLP. The sale was completed on August 27, 2024, upon receipt of full payment in the amount of KZT 4,907 million.

- On February 27, 2024, the Issuer completed the sale of its 40% share in Kazakhstan Petrochemical Industries Inc. LLP ("**KPI**") to SIBUR Holding PJSC for a price of US$ 180 million (KZT 80,993 million). The price under the sales agreement is payable in instalments according to a payment schedule until November 30, 2026. As a result, the Issuer lost control over the subsidiary and recognized its remaining 59% ownership in KPI as an investment in joint venture at fair value.

- On February 21, 2024, the Issuer, represented by its subsidiary National Company "KazMunayGas" JSC ("**KMG**"), and Tatneft PJSC signed a purchase and sale agreement to sell to Tatneft PJSC a 50% share of Karaton, a subsidiary of the KMG. The shares were sold for an aggregate price of US$18.2 million (KZT 8,255 million). As a result, the Group lost control over Karaton and KMG and Tatneft PJSC share joint control over Karaton.

- On February 14, 2024, the Issuer disposed of 9,884,209 common shares of Air Astana JSC ("**Air Astana**") at a value of KZT 10,614 million via secondary sale on the Astana International Exchange and KASE in connection with the IPO of Air Astana. As a result, the Issuer's share in Air Astana decreased from 51% to 41% and it lost control over Air Astana although still accounts for it as an associate and still retains significant influence.

- On January 31, 2024, the Issuer completed the sale of its 100% interest in Besshoky Ltd. The consideration for the sale was KZT 4,214 million.

- On February 9, 2023, the Issuer, represented by its subsidiary the National Company "KazMunayGas" JSC, and Lukoil PJSC signed a purchase and sale agreement to sell to Lukoil PJSC its 50% share of Kalamkas-Khazar Operating LLP ("**KKO**"), a subsidiary of the Group. The sale price was US$200 million (KZT 93,258 million), subject to additional consideration if certain conditions are met. The transaction closed on September 11, 2023.

One of the Group's strategic objectives is to improve the efficiency of the economy of Kazakhstan by reducing the share of the quasi-public sector in the economy of Kazakhstan. The Group has been and will continue to transfer assets to improve the competitive environment in Kazakhstan and to exit from non-strategic assets. There can be no assurance that any such disposals will be completed successfully or at all, and any such disposals could have a material effect on the Group's business and financial prospects.

Pursuant to Article 56(5) and 58(2)(5) of the Budget Code of Kazakhstan dated March 15, 2025, proceeds from the transfer to the competitive environment of assets of the Issuer and the Group are required to be credited to the National Fund of Kazakhstan in full in nominal terms. See "*Business of the Group—Privatization and Asset Optimization Plans*" for details.

Impact of Changes in Exchange Rates

The KZT/U.S.$ exchange rate and inflation trends in Kazakhstan affect the Group's results of operations, principally because (i) a majority of the Group's consolidated revenue from sales of crude oil and refined oil products, sale of gas products, refined gold, as well as uranium products, are denominated in U.S. dollars, whilst a substantial portion of the Group's expenses and in particular all of its operating expenses and more than two-thirds of its capital expenditures are denominated in Tenge, and (ii) a significant portion of the Group's borrowings and accounts payable are denominated in U.S. dollars. As a result, a depreciation of the Tenge against the U.S. dollar will result in higher revenue for the Group when expressed in Tenge and will have a positive effect on operating margins and the Group's overall financial performance.

However, because the Group has significant outstanding U.S. dollar-denominated liabilities, the positive effect of appreciation of the U.S. dollar may be offset by foreign currency translation losses that are recognized in the Group's consolidated statement of comprehensive income. As at December 31, 2025, the official KZT/U.S.$ exchange rate reported by KASE was KZT 505.53 per U.S.$1.00, as compared to KZT 525.11 per U.S.$1.00 as at December 31, 2024.

The Group is also subject to exchange rate fluctuations in the KZT/CHF exchange rate as a result of borrowings denominated in Swiss Francs.

In addition, a significant portion of the Group's forecasted revenue from international transit is denominated in Swiss Francs based on the CIS Tariff Agreement, which set tariffs for freight

transportation in Swiss Francs. As at December 31, 2025, the official KZT/Swiss Franc exchange rate reported by the NBK was KZT 637.78 per CHF 1.00, an increase of 9.9% as compared to KZT 580.49 per CHF 1.00 as at December 31, 2024.

Certain of the Group's borrowings denominated in foreign currencies were designated as hedge instruments. As at December 31, 2025 and June 30, 2026, unrealized foreign currency gain of KZT 93,515 million and KZT 118,131 million, respectively, resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

In 2025, the Group's net foreign exchange loss amounted to KZT 196,852 million reflecting the appreciation of the U.S. dollar against the Tenge during that year as a result of various global and local factors. In the first half of 2026, the exchange rate remained relatively stable and the Group recorded a net foreign exchange loss of KZT 58,931 million.

Impact of Impairment Assessment

The Group performs an impairment indicators analysis of assets including property, plant and equipment, exploration and evaluation assets and intangible assets, among others. As a result of this impairment analysis, the Group recognized impairment loss for the years ended December 31, 2025, 2024 and 2023, in the amount of KZT 140,246 million, KZT 137,996 million and KZT 325,807 million, respectively. As at June 30, 2026, based on the analysis of the impairment indicators, the Group recognized an impairment loss of KZT 13,514 million.

Impairment testing assumptions

The price assumptions used in value-in-use impairment testing were reviewed as a result of the significant changes in market prices during the year ended December 31, 2025. The Group's long-term assumptions for Brent oil prices, KZT/U.S.$ exchange rate and inflation projections have been revised and are based on externally sourced forecasts and rates of the independent research organizations considering long-tern market expectations. Production volumes are based on proved developed and undeveloped reserves for subsidiaries, and on proved and probable reserves for significant investments in joint ventures and associates. Production period is either based on subsoil use contracts' expiration date or on extended license period where the Group has intention to extend the license. Estimated production volumes are based on the Group's production plans that are mostly used for the purpose of application filing for extension of subsoil use contracts.

The discount rates used in value-in-use impairment testing were also reviewed in preparing the 2025 Financial Statements. Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 10.90% to 16.80% depending on the functional currency, production period, size, equity risk premium, beta and gearing ratio of the relevant cash-generating unit.

The Issuer did not report any impairment test results as at June 30, 2026.

A change in price or other assumptions within the next financial year may result in a recoverable amount of one or more of oil and gas assets above or below the current carrying amount.

Segment Overview

For management purposes, the activities of the Group are divided into eight reportable operating segments: oil and gas, transportation, communication, energy, mining, industrial, corporate center and other segments. These operating segments of the Group comprise the following activities:

Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil, gas and refined products, and production of oil and gas products.

Mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration.

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.

Industrial segment includes industry enterprises and projects of chemical industry.

Corporate center segment covers the Group's investing and financing activities, including provision of loans to related and third parties.

Other segment includes activities supporting Government initiatives to enhance housing availability for the general public through investments in residential construction, together with other operations.

Recent Developments

In August 2026, in accordance with a resolution of the Government of the Republic of Kazakhstan, the Issuer issued 31 shares with a nominal value of KZT 22,507.389 million per share, which were paid by the sole Shareholder by the transfer of a 40% ownership interest in Eurasian Resources Group S.a.r.l. ("ERG"), with a value of KZT 697,729 million. Based on the current contractual arrangements, the Group obtained joint control over the company. Accordingly, the investment is planned to be accounted for as a joint venture using the equity method. As at the date of preparation of the Interim Consolidated Financial Statements, the Group has not completed the fair value assessment of the identifiable assets and liabilities of the joint venture. The fair value assessment will be completed within twelve months from the date on which the Group obtained joint control.

As the acquisition occurred after June 30, 2026, it has not been recognized in the Interim Consolidated Financial Statements and did not affect the Group's financial position as at June 30, 2026, or its financial results and cash flows for the six months ended June 30, 2026.

Results of Operations for the Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

	Six months ended June 30,	
	2026	**2025 (restated)**
	(*in millions of Tenge*)	
Revenue	**10,254,158**	**8,479,688**
Government grants	33,121	31,877
Cost of sales	(8,167,843)	(6,619,639)
Gross profit	**2,119,436**	**1,891,926**
General and administrative expenses	(283,239)	(262,152)
Transportation and selling expenses	(462,740)	(412,104)
Expected credit losses on financial assets, net	(15,490)	(10,134)
Impairment loss, net	(13,514)	(70,825)
Gain on bargain purchase	16,870	–
Gain on disposal of subsidiaries	55,259	140,737
Other operating income	5,808	14,944
Other operating loss	(17,540)	(12,426)
Operating profit	**1,404,850**	**1,279,966**
Finance costs	(353,372)	(334,779)
Finance income	390,554	334,992
Other non-operating loss	(31,178)	(34,932)
Other non-operating income	34,656	30,106
Share in profit of joint ventures and associates, net	789,904	637,933
Net foreign exchange loss, net	(58,931)	(122,592)
Profit before income tax from continuing operations	**2,176,483**	**1,790,694**
Income tax expenses	(446,921)	(363,625)
Profit from discontinued operations, net of income tax	9,203	520
Net profit for the period	**1,738,765**	**1,427,589**

Revenue

The Group's revenue increased by KZT 1,774,470 million, or 20.9%, to KZT 10,254,158 million for the six months ended June 30, 2026, from KZT 8,479,688 million for the six months ended June 30, 2025, primarily due to an increase in revenue from sales of refined gold of KZT 437,619 million, or 69.2%, an increase in revenue from sales of crude oil of KZT 602,522 million, or 25.5%, an increase in revenue from sales of oil refined products of KZT 312,268 million, or 20.2%, an increase in revenue from railway cargo transportation or KZT 191,526 million, or 17.0%, as well as increase in other revenue components, such as revenue from sales of gas products, energy, electricity transmission services and others.

The table below shows a breakdown of the Group's revenues by operating segments for the periods indicated.

	Six months ended June 30,	
	2026	**2025**
Revenue	*(in millions of Tenge)*	
Oil and gas	6,288,578	5,141,512
Mining	1,788,794	1,294,106
Transportation	1,437,036	1,285,964
Communication	316,550	312,393
Energy	653,078	613,734
Industrial	39,956	25,321
Corporate center	703,116	829,870
Other	16,851	16,977
Elimination	(989,801)	(1,040,189)
Total	**10,254,158**	**8,479,688**

The table below shows a breakdown of the Group's revenues by product for the periods indicated.

	Six months ended June 30,	
	2026	**2025**
Revenue	*(in millions of Tenge)*	
Sales of crude oil	2,965,763	2,363,241
Sales of oil refined products	1,855,823	1,543,555
Railway cargo transportation	1,317,238	1,125,712
Sales of refined gold	1,070,244	632,625
Sales of uranium products	651,069	594,198
Sales of gas products	614,978	544,638
Sales of electric and thermal energy	324,013	294,531
Oil and gas transportation fee	287,285	195,734
Telecommunication services	261,799	259,904
Electricity transmission services	182,702	136,397
Oil processing on a tolling basis	135,479	124,395
Railway passenger transportation	69,509	62,692
Services for maintaining electric capacity availability	39,175	39,159
Sales of telecommunications equipment and mobile devices	25,424	19,118
Sales of beryllium and tantalum products	24,933	24,477
Postal services	18,487	19,547
Income from financial services and commissions	8,865	12,275
Air transportation	–	5,566
Other revenue	339,543	360,761
Rental income	39,626	102,189
Interest income	22,203	18,974
Total	**10,254,158**	**8,479,688**

Revenue from sales of crude oil

The Group's revenue from sales of crude oil increased by KZT 602,522 million, or 25.5%, to KZT 2,965,763 million for the six months ended June 30, 2026, from KZT 2,363,241 million for the six months ended June 30, 2025. The increase was primarily driven by higher average crude oil prices in the first half of 2026, reflecting supply disruptions in the Middle East from late February 2026, partially offset by the appreciation of the Tenge against the U.S. dollar.

Revenue from sales of oil refined products

The Group's revenue from sales of oil refined products increased by KZT 312,268 million, or 20.2%, to KZT 1,855,823 million for the six months ended June 30, 2026, from KZT 1,543,555 million for the six months ended June 30, 2025, primarily as a result of higher prices for refined products, following the increase in crude oil prices in the first half of 2026, partially offset by the appreciation of the Tenge against the U.S. dollar.

Revenue from railway cargo transportation

The Group's revenue from railway cargo transportation increased by KZT 191,526 million, or 17.0%, to KZT 1,317,238 million for the six months ended June 30, 2026, from KZT 1,125,712 million for the six months ended June 30, 2025, primarily due to the growth in freight turnover, including transit traffic, and higher freight tariffs.

Revenue from sales of refined gold

The Group's revenue from sales of refined gold increased by KZT 437,619 million, or 69.2%, to KZT 1,070,244 million for the six months ended June 30, 2026, from KZT 632,625 million for the six months ended June 30, 2025, primarily as a result of higher gold prices and, to a lesser extent, an increase in the volume of refined gold sold, partially offset by the appreciation of the Tenge against the U.S. dollar.

Revenue from sales of gas products

The Group's revenue from sales of gas products increased by KZT 70,340 million, or 12.9%, to KZT 614,978 million for the six months ended June 30, 2026, from KZT 544,638 million for the six months ended June 30, 2025, primarily as a result of the increase in regulated wholesale prices for commercial gas on the domestic market and higher domestic sales volumes.

Revenue from sales of electric and thermal energy

The Group's revenue from sales of electric and thermal energy increased by KZT 29,482 million, or 10.0%, to KZT 324,013 million for the six months ended June 30, 2026, from KZT 294,531 million for the six months ended June 30, 2025, primarily as a result of higher volumes of electricity generated and sold by the Group's power plants, together with an increase in the regulated ceiling tariffs for electricity.

Revenue from sales of uranium products

The Group's revenue from sales of uranium products increased by KZT 56,871 million, or 9.6%, to KZT 651,069 million for the six months ended June 30, 2026, from KZT 594,198 million for the six months ended June 30, 2025, primarily as a result of higher average realized uranium prices, following the increase in uranium spot prices, and the appreciation of the Tenge against the U.S. dollar.

Revenue from oil and gas transportation fee

The Group's revenue from oil and gas transportation fee increased by KZT 91,551 million, or 46.8%, to KZT 287,285 million for the six months ended June 30, 2026, from KZT 195,734 million for the six months ended June 30, 2025. This increase primarily reflects the separate presentation of oil transportation services provided by KMG International, which were previously included within revenue from sale of crude oil and gas.

Revenue from sales of telecommunication services

The Group's revenue from sales of telecommunication services increased by KZT 1,895 million, or 0.7%, to KZT 261,799 million for the six months ended June 30, 2026, from KZT 259,904 million for the six months ended June 30, 2025, primarily due to growth in the mobile subscriber base.

Revenue from electricity transmission services

The Group's revenue from electricity transmission services increased by KZT 46,305 million or 33.9%, to KZT 182,702 million for the six months ended June 30, 2026, from KZT 136,397 million for the six months ended June 30, 2025, primarily as a result of increases in the regulated tariffs for electricity transmission and use of the national electricity grid.

Revenue from oil processing on a tolling basis

The Group's revenue from oil processing fees increased by KZT 11,084 million, or 8.9%, to KZT 135,479 million for the six months ended June 30, 2026, from KZT 124,395 million for the six months ended June 30, 2025, primarily as a result of higher processing volumes at Pavlodar Oil Chemistry Refinery LLP, partially offset by lower processing volumes at Atyrau Oil Refinery LLP due to scheduled maintenance.

Revenue from railway passenger transportation

The Group's revenue from railway passenger transportation increased by KZT 6,817 million, or 10.9%, to KZT 69,509 million for the six months ended June 30, 2026, from KZT 62,692 million for the six months ended June 30, 2025, primarily as a result of higher average passenger tariffs, together with a modest increase in passenger turnover.

Revenue from services for maintaining electric capacity availability

The Group's revenue from maintaining electric capacity availability remained nearly unchanged to KZT 39,175 million for the six months ended June 30, 2026, from KZT 39,159 million for the six months ended June 30, 2025.

Revenue from sales of telecommunications equipment and mobile devices

The Group's revenue from sales of telecommunications equipment increased by KZT 6,306 million, or 33.0%, to KZT 25,424 million for the six months ended June 30, 2026, from KZT 19,118 million for the six months ended June 30, 2025, primarily as a result of higher sales of mobile devices by Kcell, reflecting growth in its subscriber base and the continued migration of subscribers to 5G-enabled devices under bundled smartphone-and-tariff offers.

Revenue from sales of beryllium and tantalum products

The Group's revenue from sales of beryllium and tantalum products increased by KZT 456 million, or 1.9%, to KZT 24,933 million for the six months ended June 30, 2026, from KZT 24,477 million for the six months ended June 30, 2025, primarily as a result of higher sales volumes of tantalum products, largely offset by lower average sales prices of beryllium and tantalum products, reflecting a shift in the product mix towards lower value-added refined products.

Revenue from postal services

The Group's revenue from postal services decreased by KZT 1,060 million, or 5.4%, to KZT 18,487 million for the six months ended June 30, 2026, from KZT 19,547 million for the six months ended June 30, 2025, primarily as a result of a decrease in revenue from international postal services, reflecting both a lower number of international items handled and a lower average revenue per item, as well as lower revenue from Express Mail Service and customs brokerage services, which was partially offset by an increase in revenue from parcels driven by higher parcel volumes.

Revenue from financial services and commissions

The Group's revenue from financial services and commissions decreased by KZT 3,410 million, or 27.8%, to KZT 8,865 million for the six months ended June 30, 2026, from KZT 12,275 million for the six months ended June 30, 2025, primarily as a result of a decrease in commission income from the card

business and lower income from foreign currency transfers and non-cash currency conversion operations, as well as lower commission income from payment and cash settlement services, which was partially offset by an increase in brokerage commission income.

Revenue from air transportation

The Group did not record any revenue from air transportation for the six months ended June 30, 2026, compared to KZT 5,566 million for the six months ended June 30, 2025, as a result of the deconsolidation of Qazaq Air following the sale of a 51% interest. Revenue for the six months ended June 30, 2025 reflects the results of Qazaq Air for the period prior to its disposal.

Other revenue

Other revenue in the six months ended June 30, 2026 primarily consisted of well drilling revenues, revenue from port services, revenue from repair and maintenance of railway assets, revenue from sale of water and other products and services related to the main activities of the Group.

Other revenue decreased by KZT 21,218 million, or 5.9%, to KZT 339,543 million for the six months ended June 30, 2026, from KZT 360,761 million for the six months ended June 30, 2025, primarily due to decline of revenue from provision of other services related to the main activities of the Group.

Cost of sales

The Group's cost of sales increased by KZT 1,548,204 million, or 23.4%, to KZT 8,167,843 million for the six months ended June 30, 2026, from KZT 6,619,639 million for the six months ended June 30, 2025, primarily due to an increase in materials and supplies, as well as higher personnel costs, including social tax and contributions, depreciation, depletion and amortization, and mineral extraction tax, partially offset by a decrease in other expenses.

The table below shows a breakdown of the Group's cost of sales for the periods indicated:

	Six months ended June 30,	
	2026	**2025**
	(in millions of Tenge)	
Materials and supplies	4,919,643	3,752,050
Personnel costs, including social tax and contributions	1,130,219	1,030,255
Depreciation, depletion and amortization	703,333	626,077
Fuel and energy	323,948	283,388
Production services rendered	165,954	182,479
Repair and maintenance	158,555	161,966
Taxes other than social tax and contributions	155,935	124,330
Mineral extraction tax	149,229	83,550
Short-term leases	101,714	49,896
Transportation expenses	87,161	69,370
Interest expense	73,474	30,271
Realized loss from derivatives on petroleum products	61,046	3,244
Communication services	23,365	19,930
Security services	21,289	20,657
Other	92,978	182,176
Total	**8,167,843**	**6,619,639**

Materials and supplies

The Group's materials and supplies expenses increased by KZT 1,167,593 million, or 31.1%, to KZT 4,919,643 million for the six months ended June 30, 2026, from KZT 3,752,050 million for the six months ended June 30, 2025, primarily as a result of higher costs of crude oil purchased for resale

and refining, reflecting the increase in crude oil prices, an increase in the cost of gold-bearing raw materials purchased for refining, reflecting higher volumes processed and higher gold prices, and higher costs of gas purchased for resale, reflecting an increase in purchase prices and volumes.

Personnel costs, including social tax and contributions

The Group's personnel costs, including social tax and contributions increased by KZT 99,964 million, or 9.7%, to KZT 1,130,219 million for the six months ended June 30, 2026, from KZT 1,030,255 million for the six months ended June 30, 2025, primarily as a result of salary indexation and an increase in the number of production personnel.

Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization expenses increased by KZT 77,256 million, or 12.3%, to KZT 703,333 million for the six months ended June 30, 2026, from KZT 626,077 million for the six months ended June 30, 2025, primarily as a result of higher depreciation of oil and gas assets at KMG; the commissioning of new property, plant and equipment at KTZ, in particular rolling stock and railway infrastructure; higher depreciation charges at Kazatomprom's mining subsidiaries in line with increased uranium production; and the revision of useful lives of certain assets at Samruk-Energy following the revaluation of Ekibastuz GRES-1.

Fuel and energy

The Group's fuel and energy expenses increased by KZT 40,560 million, or 14.3%, to KZT 323,948 million for the six months ended June 30, 2026, from KZT 283,388 million for the six months ended June 30, 2025, primarily as a result of higher prices for diesel fuel and electricity consumed in railway operations at KTZ, together with growth in freight turnover, as well as higher coal and gas costs at Samruk-Energy's power plants, reflecting increased generation volumes and higher fuel prices.

Production services rendered

The Group's production services rendered expenses decreased by KZT 16,525 million, or 9.1%, to KZT 165,954 million for the six months ended June 30, 2026, from KZT 182,479 million for the six months ended June 30, 2025, primarily due to lower volumes of production services procured from third parties and a decrease in the costs of maintenance.

Repair and maintenance

The Group's repair and maintenance expenses remained broadly stable at KZT 158,555 million for the six months ended June 30, 2026, compared to KZT 161,966 million for the six months ended June 30, 2025.

Taxes other than social tax and contributions

The Group's expenses relating to taxes other than social tax and contributions increased by KZT 31,605 million, or 25.4%, to KZT 155,935 million for the six months ended June 30, 2026, from KZT 124,330 million for the six months ended June 30, 2025, primarily as a result of higher rent tax on crude oil exports at KMG, reflecting the increase in crude oil prices, and higher excise taxes on petroleum products, reflecting increased sales of light petroleum products on the domestic market.

Mineral extraction tax

The Group's mineral extraction tax expense increased by KZT 65,679 million, or 78.6%, to KZT 149,229 million for the six months ended June 30, 2026, from KZT 83,550 million for the six months ended June 30, 2025, primarily due to the introduction from January 1, 2026, of a differentiated mineral extraction tax rate for uranium, which increased the average rate applicable to Kazatomprom's mining subsidiaries to 12.4% from a flat rate of 9.0% in 2025, together with the increase in uranium spot prices, which form the tax base, and higher uranium production volumes.

Short-term rent expense

The Group's short-term rent expenses increased by KZT 51,818 million, or 103.9%, to KZT 101,714 million for the six months ended June 30, 2026, from KZT 49,896 million for the six months ended June 30, 2025, primarily as a result of higher charter costs at KMG's shipping subsidiary, Kazmortransflot, reflecting the chartering of additional tankers, including Suezmax vessels, to service increased crude oil transportation volumes in the Black Sea and Mediterranean Sea.

Transportation expense

The Group's transportation expenses increased by KZT 17,791 million, or 25.6%, to KZT 87,161 million for the six months ended June 30, 2026, from KZT 69,370 million for the six months ended June 30, 2025, primarily as a result of higher transportation costs at KMG International, reflecting increased logistics tariffs for petroleum products in Romania.

Interest expense

The Group's interest expense increased by KZT 43,203 million, or 142.7%, to KZT 73,474 million for the six months ended June 30, 2026, from KZT 30,271 million for the six months ended June 30, 2025, primarily due to interest on new borrowings raised by the Issuer in 2025 and the first half of 2026 to finance its lending to portfolio companies.

Realized loss from derivatives on petroleum products

The Group recorded a realized loss from derivatives on petroleum products of KZT 61,046 million for the six months ended June 30, 2026, compared to KZT 3,244 million for the six months ended June 30, 2025, reflecting settlement losses on commodity derivative contracts entered into by KMG International in respect of petroleum products, as market prices for crude oil and petroleum products rose sharply in the first half of 2026 following supply disruptions in the Middle East.

Communication services expense

The Group's communication services expense increased by KZT 3,435 million, or 17.2%, to KZT 23,365 million for the six months ended June 30, 2026, from KZT 19,930 million for the six months ended June 30, 2025, primarily due to higher volumes of communication services used in the Group's operations and higher interconnection and other payments to third-party operators at Kazakhtelecom and Kcell, reflecting growth in subscriber numbers and mobile data traffic.

Security services expense

The Group's security services expense remained broadly stable at KZT 21,289 million for the six months ended June 30, 2026, compared to KZT 20,657 million for the six months ended June 30, 2025.

Other expenses

The Group's other expenses decreased by KZT 89,198 million, or 49.0%, to KZT 92,978 million for the six months ended June 30, 2026, from KZT 182,176 million for the six months ended June 30, 2025, primarily due to an increase in inventories, resulting in a greater portion of other production costs being capitalized in inventories rather than recognized in cost of goods sold for the reporting period.

General and administrative expenses

The Group's general and administrative expenses increased by KZT 21,087 million, or 8.0%, to KZT 283,239 million for the six months ended June 30, 2026, from KZT 262,152 million for the six months ended June 30, 2025, primarily due to an increase in personnel costs, taxes other than social tax and contributions, and audit and consulting services expenses.

The table below shows a breakdown of the Group's general and administrative expenses for the periods indicated:

	Six months ended June 30,	
	2026	2025
	(*in millions of Tenge*)	
Personnel costs, including social tax and contributions	159,038	146,200
Taxes other than social tax and contributions	21,264	17,088
Audit and consulting services	17,744	14,860
Other services by third parties	15,759	15,435
Depreciation and amortization	11,817	11,929
Sponsorship and charity	5,647	3,719
Repair and maintenance	5,161	5,287
Business trips	4,580	4,524
Utilities expenses and maintenance of buildings	3,926	3,052
Short-term leases	3,563	3,126
Insurance	2,277	2,228
Professional education and advanced trainings	1,669	1,420
Transportation services	1,369	1,450
Communication services	1,092	1,155
Bank services	983	941
Other	27,350	29,738
Total	**283,239**	**262,152**

Transportation and selling expenses

The Group's transportation and selling expenses increased by KZT 50,636 million, or 12.3%, to KZT 462,740 million for the six months ended June 30, 2026, from KZT 412,104 million for the six months ended June 30, 2025, primarily due to an increase in rent tax, reflecting higher crude oil prices, and higher transportation expenses, reflecting higher sales volumes.

The table below shows a breakdown of the Group's transportation and selling expenses for the periods indicated:

	Six months ended June 30,	
	2026	2025
	(*in millions of Tenge*)	
Transportation	260,014	240,334
Rent tax	83,270	55,657
Custom duties	53,635	55,275
Personnel costs, including social tax and contributions	15,569	14,065
Depreciation and amortization	10,269	10,392
Rent expenses	6,443	5,727
Commission fees to agents and advertising	4,282	4,779
Other	29,258	25,875
Total	**462,740**	**412,104**

Operating profit

The Group's operating profit increased by KZT 124,884 million, or 9.8%, to KZT 1,404,850 million for the six months ended June 30, 2026, from KZT 1,279,966 million for the six months ended June 30, 2025, primarily due to an increase in the Group's gross profit, net decrease in the Group's impairment loss from a loss of KZT 70,825 million to a loss of KZT 13,514 million, and a gain on bargain purchase of KZT 16,870 million.

Finance costs

The Group's finance costs increased by KZT 18,593 million, or 5.6%, to KZT 353,372 million for the six months ended June 30, 2026, from KZT 334,779 million for the six months ended June 30, 2025, primarily due to higher interest on loans and debt securities issued, reflecting the increase in the Group's borrowings, as well as higher interest on lease liabilities and other finance costs, partially offset by lower losses on revaluation of financial instruments at fair value through profit or loss.

The table below shows a breakdown of the Group's finance costs for the periods indicated:

	Six months ended June 30,	
	2026	**2025**
	(in millions of Tenge)	
Interest on loans and debt securities issued	223,805	202,904
Revaluation gain on financial instruments at fair value through profit/loss	40,075	65,340
Interest on lease liabilities	38,432	29,149
Unwinding of discount on provisions and other payables	24,114	22,108
Other	26,946	15,278
Total	**353,372**	**334,779**

Finance income

The Group's finance income increased by KZT 55,562 million, or 16.6%, to KZT 390,554 million for the six months ended June 30, 2026, from KZT 334,992 million for the six months ended June 30, 2025, primarily driven by higher interest income on amounts due from credit institutions and cash and cash equivalents and on loans and financial assets, higher income from financial guarantees issued and a higher discount recognized on liabilities at below-market interest rates, partially offset by the absence of the KZT 24,441 million gain on derecognition of a loan recognized in the six months ended June 30, 2025.

The table below shows a breakdown of the Group's finance costs for the periods indicated:

	Six months ended June 30,	
	2026	**2025**
	(in millions of Tenge)	
Interest income on amounts due from credit institutions and cash and cash equivalents	225,321	195,636
Interest income from loans and financial assets	90,862	70,258
Revaluation gain on financial assets at fair value through profit/loss	35,743	27,940
Income from financial guarantees	14,907	5,488
Discount on liabilities at below-market interest rates	14,893	502
Derecognition of loan	–	24,441
Other	8,828	10,727
Total	**390,554**	**334,992**

Share in Profit of Joint Ventures and Associates, Net

For the six months ended June 30, 2026, the net share in profit of joint ventures and associates increased by KZT 151,971 million, or 23.8%, to KZT 789,904 million from KZT 637,933 million for the six months ended June 30, 2025. The increase was primarily attributable to a higher share of profit of Tengizchevroil LLP, due to higher crude oil prices partially offset by a lower share of profit of Caspian Pipeline Consortium JSC and Asia Gas Pipeline LLP.

The following table sets forth certain information regarding the Group's share in profit/(loss) of joint ventures and associates for the periods indicated:

	Six months ended June 30,	
	2026	**2025**
	(*in millions of Tenge*)	
Joint Ventures		
Tengizchevroil LLP	369,250	160,192
Asia Gas Pipeline LLP	131,117	144,810
Mangistau Investments B.V. Group	40,684	35,220
KC Energy Group LLP	28,312	35,002
Beineu Shymkent Gas Pipeline LLP	13,958	15,774
KazGerMunay LLP	11,267	10,271
Kazakhstan – China Pipeline LLP	7,929	9,193
Ural Group Limited BVI	7,722	3,083
Ulba-FA LLP	7,089	–
Kazakhoil-Aktobe LLP	4,144	426
Kalamkas-Khazar Operating LLP	(1,350)	(2,891)
Other	11,186	31,400
Associates		
Caspian Pipeline Consortium JSC	50,662	78,600
Kazzinc LLP	45,738	46,988
JV KATCO LLP	41,982	41,541
PetroKazakhstan Inc.	8,544	5,463
Air Astana	(4,270)	2,213
Other	15,940	20,648
Total	**789,904**	**637,933**

Profit before income tax from continuing operations

As a result of the foregoing, the Group's profit before income tax from continuing operations increased by KZT 385,789 million, or 21.5%, to KZT 2,176,483 million for the six months ended June 30, 2026, from KZT 1,790,694 million for the six months ended June 30, 2025.

Income tax expense

The Group's income tax expense increased by KZT 83,296 million, or 22.9%, to KZT 446,921 million for the six months ended June 30, 2026, from KZT 363,625 million for the six months ended June 30, 2025, primarily as a result of higher withholding tax on dividends and interest and higher current corporate income tax in line with the growth in profit before tax.

Net profit for the period from continuing operations

As a result of the foregoing, the Group's net profit for the period from continuing operations increased by KZT 302,493 million, or 21.2%, to KZT 1,729,562 million for the six months ended June 30, 2026, from KZT 1,427,069 million for the six months ended June 30, 2025.

Net profit for the period

After accounting for the Group's income/(loss) from discontinued operations, net of income tax of KZT 9,203 million and KZT 520 million for the six months ended June 30, 2026 and 2025, respectively, the Group's net profit for the period increased by KZT 311,176 million, or 21.8%, to KZT 1,738,765 million for the six months ended June 30, 2026, from KZT 1,427,589 million for the six months ended June 30, 2025.

Results of Operations for the Years Ended December 31, 2025, 2024 and 2023

	Year ended December 31,		
	2025	**2024 (restated)**	**2023 (restated)**
	(*in millions of Tenge*)		
Continuing operations			
Revenue	18,771,506	16,433,066	15,434,005
Government grants	63,980	57,477	61,042
	18,835,486	**16,490,543**	**15,495,047**
Cost of sales	(14,583,136)	(12,494,639)	(11,771,789)
Gross profit	**4,252,350**	**3,995,904**	**3,723,258**
General and administrative expenses	(585,239)	(567,403)	(526,381)
Transportation and selling expenses	(869,132)	(901,135)	(870,498)
Expected Credit losses on financial assets, net	(575)	(9,880)	(38,814)
Impairment loss, net	(140,246)	(137,996)	(325,807)
Gain from remeasurement of the previously existing interest in joint venture	-	295,719	-
Gain from disposal of subsidiaries	140,827	141,792	193,585
Other operating income	22,856	26,424	32,182
Other operating loss	(60,050)	(16,646)	(55,700)
Operating profit	**2,760,791**	**2,826,779**	**2,131,825**
Finance costs	(661,148)	(574,418)	(709,947)
Finance income	718,872	605,581	486,364
Other non-operating loss	(77,992)	(64,922)	(57,852)
Other non-operating income	77,720	56,518	45,456
Share in profit of joint ventures and associates, net	1,435,722	1,148,846	945,079
Net foreign exchange (loss)/gain	(196,852)	240,193	20,428
Profit before income tax from continuing operations	**4,057,113**	**4,238,577**	**2,861,353**
Income tax expenses	(848,487)	(919,442)	(731,053)
Net profit for the year from continuing operations	**3,208,626**	**3,319,135**	**2,130,300**
Discontinued operations			
Gain/(loss) from discontinued operations, net of income tax	5,085	(10,373)	-
Net profit for the year	**3,213,711**	**3,308,762**	**2,130,300**

Revenue

The Group's revenue increased by KZT 2,338,440 million, or 14.2%, to 18,771,506 million for the year ended December 31, 2025 from KZT 16,433,066 million for the year ended December 31, 2024 primarily due to an increase in revenue from sales of oil refined products of KZT 768,973 million, or 29.7%, an increase in revenue from sales of railway cargo transportation by KZT 585,770 million, or 31.3%, an increase in revenue from sales of refined gold by KZT 676,115 million, or 53.7%, and increases in sales of gas processing products, electric and thermal energy and various other lines of business which were partially offset primarily by a decrease in revenue from sales of telecommunications services by KZT 159,081 million, or 22.9%, and a decrease in revenue from air transportation of KZT 72,445 million, or 92.9%.

The Group's revenue increased by KZT 999,061 million, or 6.5%, to KZT 16,433,066 million for the year ended December 31, 2024 from KZT 15,434,005 million for the year ended December 31, 2023 primarily due to an increase in revenue from railway cargo transportation by KZT 192,124 million, or 11.5%, an increase in revenue from sales of uranium products by KZT 323,734 million, or 23.3%, and an increase in revenue from sales of refined gold by KZT 447,664 million, or 55.1%, and increases in sales of crude oil, gas processing products, telecommunications services, electric and thermal energy, and various other lines of business and was partially offset primarily by a decrease in revenue from air transportation by KZT 470,793 million, or 85.8%, and a decrease in revenue from sales of oil refined products of KZT 87,843 million, or 3.3%.

The table below shows a breakdown of the Group's revenues by operating segments for the periods indicated.

	Year ended December 31,		
	2025	**2024 (restated)**	**2023 (restated)**
	(in millions of Tenge)		
Revenue			
Oil and gas	10,727,724	9,609,661	9,463,671
Mining	3,744,578	3,076,619	2,250,606
Transportation	2,788,748	2,199,509	2,446,714
Communication	650,175	793,271	724,863
Energy	1,231,625	972,921	737,525
Industrial	52,033	39,307	29,975
Corporate center	1,059,345	1,057,500	681,169
Other	39,673	44,166	40,400
Elimination	(1,522,395)	(1,359,888)	(940,918)
Total	**18,771,506**	**16,433,066**	**15,434,005**

The table below shows a breakdown of the Group's revenues by product for the periods indicated.

	Year ended December 31,		
	2025	2024 (restated)	2023 (restated)
	(in millions of Tenge)		
Revenue			
Sales of crude oil	4,730,239	4,670,749	4,614,945
Sales of oil refined products	3,360,931	2,591,958	2,679,801
Railway cargo transportation	2,455,553	1,869,783	1,677,659
Sales of refined gold	1,936,306	1,260,191	812,527
Sales of uranium products	1,691,833	1,715,172	1,391,438
Sales of gas processing products	1,153,456	1,090,795	987,297
Sales of electric and thermal energy	617,901	516,847*	405,830*
Telecommunication services	536,462	695,543*	635,406*
Oil and gas transportation fee	419,530	384,657	319,978
Electricity transmission services	293,731	237,308	197,436
Oil processing on a tolling basis	246,942	258,530	248,058
Railway passenger transportation	134,590	114,989	105,570
Services for maintaining electric capacity availability	80,585	72,000*	40,631*
Sales of telecommunications equipment and mobile devices	42,234	36,564*	33,124*
Postal services	38,732	34,762	31,724
Income from financial services and commissions	26,780	21,325	19,323
Air transportation	5,566	78,011	548,804
Other revenue	795,497	637,716*	547,492*
Rental income	150,766	97,509	88,283
Interest income	53,872	48,657	48,679
Total	**18,771,506**	**16,433,066**	**15,434,005**

** Figures for the year ended December 31, 2024 have been derived from the comparative financial information presented in the 2025 Financial Statements to conform with the changes in presentation and classification adopted in 2025 Financial Statements. Figures for the year ended December 31, 2023 have not been derived from the Consolidated Annual Financial Statements but have been presented on a basis consistent with the presentation and classification adopted in the 2025 Financial Statements for comparative purposes.*

Revenue from sales of crude oil

The Group's revenue from sales of crude oil increased by KZT 59,490 million, or 1.3%, to KZT 4,730,239 million for the year ended December 31, 2025, from KZT 4,670,749 million for the year ended December 31, 2024, primarily as a result of an increase in volume of sales of crude oil which was partially offset by a decline in market prices of Brent crude oil from an average of U.S. $80.52 in 2024 to U.S.$69.14 in 2025.

The Group's revenue from sales of crude oil increased by KZT 55,804 million, or 1.2%, to KZT 4,670,749 million for the year ended December 31, 2024, from KZT 4,614,945 million for the year ended December 31, 2023, primarily as a result of slightly higher sales volume which was partially offset by a decline in market prices of Brent crude oil from an average of U.S.$82.49 in 2023 to U.S.$80.52 in 2024.

Revenue from sales of oil refined products

The Group's revenue from sales of oil refined products increased by KZT 768,973 million, or 29.7%, to KZT 3,360,931 million for the year ended December 31, 2025, from KZT 2,591,958 million for the year ended December 31, 2024, primarily as a result of the depreciation of the Tenge against the U.S. dollar and higher revenues from sales of petroleum products by KMG International, which more than offset a decline in average market prices of Brent crude oil from 2024 to 2025.

The Group's revenue from sales of oil refined products declined by KZT 87,843 million, or 3.3%, to KZT 2,591,958 million for the year ended December 31, 2024, from KZT 2,679,801 million for the year ended December 31, 2023, primarily as a result of lower refining volumes of 19.2 million tonnes in 2024 as compared to 19.6 million tonnes in 2023, including an 8.8% decline in refining volumes at KMG International's refineries in Romania, as well as a decline in average market prices of Brent crude oil from 2023 to 2024.

Revenue from railway cargo transportation

The Group's revenue from railway cargo transportation increased by KZT 585,770 million, or 31.3% to KZT 2,455,553 million for the year ended December 31, 2025, from KZT 1,869,783 million for the year ended December 31, 2024, primarily as a result of higher transportation tariffs and positive changes in the Swiss Franc exchange rate, in which the Group generates revenue from its freight transit.

The Group's revenue from railway cargo transportation increased by KZT 192,124 million, or 11.5% to KZT 1,869,783 million for the year ended December 31, 2024, from KZT 1,677,659 million for the year ended December 31, 2023, primarily as a result of higher transportation tariffs and the depreciation of the Tenge against the Swiss Franc, in which the Group generates a portion of its freight transit revenue.

Revenue from sales of refined gold

The Group's revenue from sales of refined gold increased by KZT 676,115 million, or 53.7%, to KZT 1,936,306 million for the year ended December 31, 2025, from KZT 1,260,191 million for the year ended December 31, 2024, as a result of an increase in the average LBMA gold price from U.S.$2,386.20 per troy ounce in 2024 to U.S.$3,431.54 per troy ounce in 2025, in line with the market trend, as well as growth of the volume of sales of refined gold.

The Group's revenue from sales of refined gold increased by KZT 447,664 million, or 55.1%, to KZT 1,260,191 million for the year ended December 31, 2024 from KZT 812,527 million for the year ended December 31, 2023, as a result of an increase in the average LBMA gold price from U.S.$1,940.54 per troy ounce in 2023 to U.S.$2,386.20 per troy ounce in 2024, as well as an increase in the sales of refined gold, reflecting a rise in the supply of gold-containing raw materials.

Revenue from sales of uranium products

The Group's revenue from sales of uranium products decreased by KZT 23,339 million, or 1.4%, to KZT 1,691,833 million for the year ended December 31, 2025, from KZT 1,715,172 million for the year ended December 31, 2024, as a result of no sales of enriched uranium product in 2025 as compared to sales of KZT 252,369 million in 2024, which was partially offset by an 11% increase in sales volumes to 18.5 thousand tonnes.

The Group's revenue from sales of uranium products increased by KZT 323,734 million, or 23.3%, to KZT 1,715,172 million for the year ended December 31, 2024, from KZT 1,391,438 million for the year ended December 31, 2023, as a result of a 30% increase in the average realized price of uranium products to U.S.$69.48 per pound of U3O8, reflecting the significant increase in the uranium spot price, as well as a 16.5% increase in sales volumes to 16,670 tonnes, driven by additional customer requests for increased annual deliveries under existing contracts as well as new long-term supply contracts.

Revenue from sales of gas processing products

The Group's revenue from sales of gas products increased by KZT 62,661 million, or 5.7%, to KZT 1,153,456 million for the year ended December 31, 2025, from KZT 1,090,795 million for the year ended December 31, 2024, primarily as a result of an increase in average prices for gas sold in the domestic market, including a 33% tariff increase effective from July 1, 2025, as well as a 2% increase in sales volumes.

The Group's revenue from sales of gas products increased by KZT 103,498 million, or 10.5%, to KZT 1,090,795 million for the year ended December 31, 2024, from KZT 987,297 million for the year ended December 31, 2023, mainly resulted from higher revenues from exports to China, reflecting increased volumes, and from Kazakhstan's domestic market, due to higher sales and the introduction of a new price category for large enterprises from mid-2023. In addition, the increase was supported by an average 14.6% increase in wholesale gas prices from the second half of 2024.

Revenue from sales of electric and thermal energy

The Group's revenue from sales of electric and thermal energy increased by KZT 101,054 million, or 19.6%, to KZT 617,901 million for the year ended December 31, 2025, from KZT 516,847 million for the year ended December 31, 2024, primarily as a result of increases in electricity tariffs implemented in February 2025, as well as a 1.7% increase in electricity generation volumes to 40,436 million kWh.

The Group's revenue from sales of electric and thermal energy increased by KZT 111,017 million, or 27.4%, to KZT 516,847 million for the year ended December 31, 2024, from KZT 405,830 million for the year ended December 31, 2023, primarily as a result of increases in electricity tariffs implemented from January 2024, as well as a 12.6% increase in electricity generation volumes to 39,772 million kWh.

Revenue from sales of telecommunication services

The Group's revenue from sales of telecommunication services declined by KZT 159,081 million, or 22.9%, to KZT 536,462 million for the year ended December 31, 2025, from KZT 695,543 million for the year ended December 31, 2024, primarily as a result of the disposal of the Group's 100% interest in Mobile Telecom-Service LLP, which was completed on January 14, 2025 and following which Mobile Telecom-Service LLP ceased to be consolidated by the Group.

The Group's revenue from sales of telecommunication services increased by KZT 60,137 million, or 9.5%, to KZT 695,543 million for the year ended December 31, 2024 from KZT 635,406 million for the year ended December 31, 2023, as a result of significant growth in mobile services and growth of income from fiber broadband Internet access services and fixed wireless broadband access services in 2024.

Revenue from oil and gas transportation fee

The Group's revenue from oil and gas transportation fee increased by KZT 34,873 million, or 9.1%, to KZT 419,530 million for the year ended December 31, 2025, from KZT 384,657 million for the year ended December 31, 2024, primarily attributable to increased throughput across the Group's pipeline and maritime transportation routes, in particular increased sea transportation of crude oil, as well as tariff adjustments.

The Group's revenue from oil and gas transportation fee increased by KZT 64,679 million, or 20.2%, to KZT 384,657 million for the year ended December 31, 2024, from KZT 319,978 million for the year ended December 31, 2023, primarily attributable to an increase in oil supply from oil companies operating in Kazakhstan, as well as increased sea transportation.

Revenue from electricity transmission services

The Group's revenue from electricity transmission services increased by KZT 56,423 million, or 23.8%, to KZT 293,731 million for the year ended December 31, 2025, from KZT 237,308 million for the year ended December 31, 2024, primarily as a result of an increase in sales of electricity purchased from renewable energy producers in KEGOC's capacity as the single buyer, as well as tariff increases, including in connection with the introduction of the new service for the use of the National Electric Grid, which more than offset a decrease in the volume of electricity transmission services to 18.39 billion kWh from 18.96 billion kWh.

The Group's revenue from electricity transmission services increased by KZT 39,872 million, or 20.2%, to KZT 237,308 million for the year ended December 31, 2024, from KZT 197,436 million for the year ended December 31, 2023, primarily as a result of the full-year effect of the introduction of the single buyer mechanism and the new service for the use of the National Electric Grid with effect from July 1, 2023, as well as tariff increases.

Revenue from oil processing on a tolling basis

The Group's revenue from oil processing fees slightly decreased by KZT 11,588 million, or 4.5%, to KZT 246,942 million for the year ended December 31, 2025, from KZT 258,530 million for the year ended December 31, 2024, primarily as a result of a decrease in the weighted average tariff for the processing of tolling crude oil at Atyrau Refinery LLP, together with a decrease in processing volumes at that refinery.

The Group's revenue from oil processing fees increased by KZT 10,472 million, or 4.2%, to KZT 258,530 million for the year ended December 31, 2024, from KZT 248,058 million for the year ended December 31, 2023, primarily as a result of an increase in the tariff for the processing of tolling crude oil, as processing volumes had remained broadly unchanged.

Revenue from railway passenger transportation

The Group's revenue from railway passenger transportation increased by KZT 19,601 million, or 17.0%, to KZT 134,590 million for the year ended December 31, 2025, from KZT 114,989 million for the year ended December 31, 2024, primarily as a result of increased tariffs for railway passenger transportation, which more than offset a 2.6% decline in passenger turnover.

The Group's revenue from railway passenger transportation increased by KZT 9,419 million, or 8.9%, to KZT 114,989 million for the year ended December 31, 2024, from KZT 105,570 million for the year ended December 31, 2023, primarily as a result of increased tariffs for railway passenger transportation, with passenger turnover remaining broadly unchanged year-on-year.

Revenue from services for maintaining electric capacity availability

The Group's revenue from services for maintaining electric capacity availability increased by KZT 8,585 million, or 11.9%, to KZT 80,585 million for the year ended December 31, 2025, from KZT 72,000 million for the year ended December 31, 2024, primarily as a result of increases in tariffs for services for maintaining electric capacity availability.

The Group's revenue from services for maintaining electric capacity availability increased by KZT 31,369 million, or 77.2%, to KZT 72,000 million for the year ended December 31, 2024, from KZT 40,631 million for the year ended December 31, 2023, primarily as a result of the full-year effect of the amended electricity market model, including the introduction of the single buyer mechanism with effect from July 1, 2023, and increases in tariffs for services for maintaining electric capacity availability.

Revenue from sales of telecommunications equipment and mobile devices

The Group's revenue from sales of telecommunications equipment and mobile devices increased by KZT 5,670 million, or 15.5%, to KZT 42,234 million for the year ended December 31, 2025, from KZT 36,564 million for the year ended December 31, 2024, primarily as a result of continued increased demand for mobile devices and related increased device sales volume.

The Group's revenue from sales of telecommunications equipment and mobile devices increased by KZT 3,440 million, or 10.4%, to KZT 36,564 million for the year ended December 31, 2024, from KZT 33,124 million for the year ended December 31, 2023, primarily as a result of increased demand for mobile devices and related increased device sales volume.

Revenue from postal services

The Group's revenue from postal services increased by KZT 3,970 million, or 11.4%, to KZT 38,732 million for the year ended December 31, 2025, from KZT 34,762 million for the year ended December 31, 2024, primarily as a result of an increase in parcel volumes, with 8.1 million parcels processed in 2025, as well as additional contributions from freight transportation and customs brokerage services.

The Group's revenue from postal services increased by KZT 3,038 million, or 9.6%, to KZT 34,762 million for the year ended December 31, 2024, from KZT 31,724 million for the year ended December 31, 2023, primarily as a result of an increase in parcel volumes, with additional contributions from freight transportation and customs representation services.

Revenue from financial services and commissions

The Group's revenue from financial services and commissions increased by KZT 5,455 million, or 25.6%, to KZT 26,780 million for the year ended December 31, 2025, from KZT 21,325 million for the year ended December 31, 2024, primarily as a result of the recognition of compensation from the NBK for the delivery of cash to rural settlements introduced in 2025 (KZT 3,101 million), an increase in net foreign currency dealing income and higher internet-acquiring commissions, partially offset by lower commissions on pension and salary transfers and utility payments processing.

The Group's revenue from financial services and commissions increased by KZT 2,002 million, or 10.4%, to KZT 21,325 million for the year ended December 31, 2024 from KZT 19,323 million for the year ended December 31, 2023, primarily as a result of a KZT 2,397 million increase in internet acquiring commissions driven by higher volumes of online payments processed, partially offset by lower commissions for the transfer of pensions, salaries and other payments and for the processing of utility and other payments.

Revenue from air transportation

The Group's revenue from air transportation decreased by KZT 72,445 million, or 92.9%, to KZT 5,566 million for the year ended December 31, 2025, from KZT 78,011 million for the year ended December 31, 2024, primarily as a result of the continuing impact of the Issuer's loss of control over Air Astana and Qazaq Air JSC following the disposition of certain of its shareholdings in these companies.

The Group's revenue from air transportation declined by KZT 470,793 million, or 85.8%, to KZT 78,011 million for the year ended December 31, 2024, from KZT 548,804 million for the year ended December 31, 2023, primarily due to the sale of an equity stake in Air Astana, which resulted in the loss of control over the company and, consequently, a reduction in the Group's revenue derived from Air Astana.

Rental income

The Group's rental income increased by KZT 53,257 million, or 54.6%, to KZT 150,766 million for the year ended December 31, 2025, from KZT 97,509 million for the year ended December 31, 2024, primarily as a result of an increase in rental income under the operating lease of the Bukhtarma hydroelectric power plant following a revision of the lease terms, partially offset by a decrease in rental income in the Transportation segment.

The Group's rental income increased by KZT 9,226 million, or 10.5%, to KZT 97,509 million for the year ended December 31, 2024, from KZT 88,283 million for the year ended December 31, 2023, primarily as a result of increased income from the operation and leasing of the Group's freight railcar fleet.

Interest income

The Group's interest income increased by KZT 5,215 million, or 10.7%, to KZT 53,872 million for the year ended December 31, 2025, from KZT 48,657 million for the year ended December 31, 2024, primarily due to an increase in interest income on loans provided to related and third parties.

The Group's interest income remained stable with no substantial increase or decrease to KZT 48,657 million for the year ended December 31, 2024, from KZT 48,679 million for the year ended December 31, 2023.

Other revenue

Other revenue in the years ended December 31, 2025, 2024 and 2023 mainly consisted of well drilling revenues, revenue from port services, revenue from repair and maintenance of railway assets, revenue from sale of water and other products and services related to the main activities of the Group.

Other revenue increased by KZT 157,781 million, or 24.7%, to KZT 795,497 million for the year ended December 31, 2025, from KZT 637,716 million for the year ended December 31, 2024, primarily due to an increased demand for drilling and port services, together with increase in revenue from repair and maintenance of railway assets and sale of other services related to the main activities of the Group.

Other revenue increased by KZT 90,224 million, or 16.5%, to KZT 637,716 million for the year ended December 31, 2024, from KZT 547,492 million for the year ended December 31, 2023, primarily due to increased demand for drilling services and sale of other products and services related to the main activities of the Group.

Cost of sales

The Group's cost of sales increased by KZT 2,088,497 million, or 16.7%, to KZT 14,583,136 million for the year ended December 31, 2025, from KZT 12,494,639 million for the year ended December 31, 2024, primarily due to an increase in materials and supplies cost by KZT 1,459,135 million, or 20.9%, and an increase in personnel costs, including social taxes and contributions by KZT 233,937 million, or 12.3%, as well as increases in depreciation, depletion and amortization, fuel and energy and taxes other than social taxes and contributions and other expenses, which were partially offset by a decrease in production services rendered and transportation expenses.

The Group's cost of sales increased by KZT 722,850 million, or 6.1%, to KZT 12,494,639 million for the year ended December 31, 2024 from KZT 11,771,789 million for the year ended December 31, 2023, primarily due to an increase in materials and supplies expenses by KZT 521,401 million, or 8.1%, an increase in personnel costs, including social taxes and withdrawals by KZT 209,227 million, or 12.4%, and an increase in transportation expenses by KZT 31,991 million, or 23.1%, which was partially offset by a decrease in fuel and energy, short-term rent and mineral extraction tax expenses by KZT 33,387 million, KZT 10,811 million and KZT 8,886 million, or 6.1%, 9.1% and 4.6%, respectively.

The table below shows a breakdown of the Group's cost of sales for the periods indicated:

	Year ended December 31,		
	2025	2024 (restated)	2023 (restated)
	(*in millions of Tenge*)		
Materials and supplies	8,436,360	6,977,225	6,455,824
Personnel costs, including social taxes and contributions	2,135,598	1,901,661	1,692,434
Depreciation, depletion and amortization	1,335,989	1,176,681	1,164,654
Fuel and energy	614,847	517,435*	583,717*
Repair and maintenance	395,855	385,966	389,665
Production services rendered	384,809	423,161	417,286
Taxes other than social taxes and contributions	278,644	221,018	202,551
Mineral extraction tax	205,735	186,326	195,212
Transportation expenses	158,890	170,564	138,573
Short-term rent	99,329	107,755	118,566
Interest expense	70,104	58,806	58,777
Security services	44,466	41,132	38,638
Communication services	42,785	47,890	49,145
Other	379,725	279,019*	266,747*
Total	**14,583,136**	**12,494,639**	**11,771,789**

** Figures for the year ended December 31, 2024 have been derived from the comparative financial information presented in the 2025 Financial Statements to conform with the changes in presentation and classification adopted in 2025 Financial Statements. Figures for the year ended December 31, 2023 have not been derived from the Consolidated Annual Financial Statements but have been presented on a basis consistent with the presentation and classification adopted in the 2025 Financial Statements for comparative purposes.*

Materials and supplies

The Group's materials and supplies expenses increased by KZT 1,459,135 million, or 20.9%, to KZT 8,436,360 million for the year ended December 31, 2025, from KZT 6,977,225 million for the year ended December 31, 2024, primarily as a result of continued high prices for raw materials and an increase in production volumes Group's subsidiaries operating in natural resources and mining industries. In particular, the increase reflects higher prices for gold-bearing ore as well as the impact of inflation with respect to necessary materials.

The Group's materials and supplies expenses increased by KZT 521,401 million, or 8.1%, to KZT 6,977,225 million for the year ended December 31, 2024, from KZT 6,455,824 million for the year ended December 31, 2023, primarily due to higher gas purchase prices, an increase in spot uranium prices and an increase in production volumes at the Group's natural resources and mining businesses, partially offset by a decrease in the cost of crude oil purchased for processing.

Personnel costs, including social taxes and contributions

The Group's personnel costs, including social taxes and contributions increased by KZT 233,937 million, or 12.3%, to KZT 2,135,598 million for the year ended December 31, 2025, from KZT 1,901,661 million for the year ended December 31, 2024, primarily as a result of salary revisions and increased payments to production personnel across the Group's portfolio companies, in particular at KTZ, where salaries were revised with effect from January 1, 2025, and the monthly bonus coefficient was increased with effect from July 1, 2025.

The Group's personnel costs, including social taxes and contributions increased by KZT 209,227 million, or 12.4%, to KZT 1,901,661 million for the year ended December 31, 2024, from KZT 1,692,434 million for the year ended December 31, 2023, primarily as a result of 14.2% an increase in staff costs mainly at KMG and KTZ, due to increases in salaries and related payments to production personnel.

Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization expenses increased by KZT 159,308 million, or 13.5%, to KZT 1,335,989 million for the year ended December 31, 2025, from KZT 1,176,681 million for the year ended December 31, 2024, primarily as a result of commissioning of new fixed assets acquired in accordance with the investment activities and additions through lease agreements.

The Group's depreciation, depletion and amortization expenses slightly increased by KZT 12,027 million, or 1.0%, to KZT 1,176,681 million for the year ended December 31, 2024, from KZT 1,164,654 million for the year ended December 31, 2023, primarily as a result of the commissioning of new fixed assets and ongoing investment activities across the Group's subsidiaries.

Fuel and energy

The Group's fuel and energy expenses increased by KZT 97,412 million, or 18.8%, to KZT 614,847 million for the year ended December 31, 2025, from KZT 517,435 million for the year ended December 31, 2024, primarily due to higher prices for fuel and electricity and an increase in the volume of transportation work, principally at KTZ, together with higher fuel costs at the Group's power generating assets.

The Group's fuel and energy expenses decreased by KZT 66,282 million, or 11.4%, to KZT 517,435 million for the year ended December 31, 2024, from KZT 583,717 million for the year ended December 31, 2023, primarily as a result of a decrease in fuel and lubricants costs, partially offset by an increase in electricity costs.

Repair and maintenance

The Group's repair and maintenance expenses increased by KZT 9,889 million, or 2.6%, to KZT 395,855 million for the year ended December 31, 2025, from KZT 385,966 million for the year ended December 31, 2024, primarily as a result of increased maintenance of commissioned wells, buildings and structures and of rolling stock, in line with the implementation of the Group's investment projects.

The Group's repair and maintenance expenses remained broadly unchanged, decreasing by KZT 3,699 million, or 0.9%, to KZT 385,966 million for the year ended December 31, 2024, from KZT 389,665 million for the year ended December 31, 2023.

Production services rendered

The Group's production services rendered expenses decreased by KZT 38,352 million, or 9.1%, to KZT 384,809 million for the year ended December 31, 2025, from KZT 423,161 million for the year ended December 31, 2024, primarily as a result of lower volumes of production services rendered to the Group's oil and gas businesses.

The Group's production services rendered expenses slightly increased by KZT 5,875 million, or 1.4%, to KZT 423,161 million for the year ended December 31, 2024, from KZT 417,286 million for the year ended December 31, 2023, primarily due to a growth of demand in production service in 2024.

General and administrative expenses

The Group's general and administrative expenses increased by KZT 17,836 million, or 3.1%, to KZT 585,239 million for the year ended December 31, 2025, from KZT 567,403 million for the year

ended December 31, 2024, primarily due to a KZT 17,037 million, or 5.6%, increase in personnel costs, including social taxes and contributions, a KZT 7,483 million, or 22.8%, increase in audit and consulting services, a KZT 3,266 million, or 42.7%, increase in social payments and maintenance of social facilities and modest increases in taxes other than social taxes and contributions and other services by third parties, which were offset partially by a KZT 7,984 million, or 24.9%, decrease in depreciation and amortization expenses as well as a KZT 19,831 million, or 64.7%, decrease in sponsorship and charitable donations.

The Group's general and administrative expenses increased by KZT 41,022 million, or 7.8%, to KZT 567,403 million for the year ended December 31, 2024, from KZT 526,381 million for the year ended December 31, 2023, primarily due to an increase in personnel costs, including social taxes and withdrawals by KZT 30,637 million, or 11.3%, and an increase in sponsorship and charitable donations by KZT 23,899 million, or 354.5%.

The table below shows a breakdown of the Group's general and administrative expenses for the periods indicated:

	Year ended December 31,		
	2025	2024 (restated)	2023
	(*in millions of Tenge*)		
Personnel costs, including social taxes and contributions	318,981	301,944	271,307
Audit and Consulting services	40,237	32,754	33,038
Taxes other than social taxes and social contributions	36,645	33,678	28,834
Other services by third parties	33,245	30,043	26,139
Depreciation and amortization	24,128	32,112	32,905
Repair and maintenance	11,333	11,097	11,469
Social payments and maintenance of social facilities	10,915	7,649	6,612
Sponsorship and charitable donations	10,809	30,640	6,741
Business trips	10,151	9,067	8,519
Utilities expenses and maintenance of buildings	6,838	6,254	4,536
Short-term rent	6,470	5,587	5,251
Professional education and advanced trainings	4,501	4,401	3,905
Insurance	4,443	4,473	4,658
Transportation services	3,119	3,091	3,020
Communication services	2,482	2,383	2,452
Bank services	1,644	1,904	2,113
Other	59,298	50,326	74,882
Total	**585,239**	**567,403**	**526,381**

Transportation and selling expenses

The Group's transportation and selling expenses decreased by KZT 32,003 million, or 3.6%, to KZT 869,132 million for the year ended December 31, 2025, from KZT 901,135 million for the year ended December 31, 2024, primarily as a result of a decrease in rent tax expenses by KZT 26,926 million, or 19.3%, a decrease in custom duties expenses by KZT 11,714 million, or 9.2%, and a decrease in commission fees paid to agents and advertising by KZT 10,573 million, or 45.2%, which were partially offset by an increase in personnel costs, including social taxes and contributions by KZT 4,469 million, or 16.2%, an increase in rent expenses by KZT 4,616 million, or 46%, and an increase in other transportation and selling expenses by KZT 13,509 million, or 30.9%.

The Group's transportation and selling expenses increased by KZT 30,637 million, or 3.5%, to KZT 901,135 million for the year ended December 31, 2024 from KZT 870,498 million for the year ended December 31, 2023, primarily as a result of an increase in transportation expenses by KZT 20,755 million, or 4.2%, and an increase in custom duties by KZT 11,404 million, or 9.8%.

The table below shows a breakdown of the Group's transportation and selling expenses for the periods indicated:

	Year ended December 31,		
	2025	**2024 (restated)**	**2023 (restated)**
	(*in millions of Tenge*)		
Transportation	502,150	509,246	488,491
Custom duties	115,655	127,369	115,965
Rent tax	112,730	139,656	138,986
Personnel costs, including social taxes and contributions	32,041	27,572	28,634
Depreciation and amortization	21,877	20,165	19,085
Rent expenses	14,649	10,033	9,265
Commission fees to agents and advertising	12,827	23,400	31,560
Other	57,203	43,694	38,512
Total	**869,132**	**901,135**	**870,498**

Transportation

The Group's transportation expenses decreased slightly by KZT 7,096 million, or 1.4%, to KZT 502,150 million for the year ended December 31, 2025, from KZT 509,246 million for the year ended December 31, 2024, primarily as a result of a decrease in gas transportation volumes and a reduction in the tariff for transportation through the Beineu-Bozoy-Shymkent Main Gas Pipeline, partially offset by an increase in transportation costs at the Group's oil and gas business.

The Group's transportation expenses increased by KZT 20,755 million, or 4.2%, to KZT 509,246 million for the year ended December 31, 2024, from KZT 488,491 million for the year ended December 31, 2023, primarily as a result of an increase in demand for transportation services in 2024.

Custom duties

The Group's custom duties expenses decreased by KZT 11,714 million, or 9.2%, to KZT 115,655 million for the year ended December 31, 2025, from KZT 127,369 million for the year ended December 31, 2024, primarily as a result of a decline in oil prices in 2025 which impact the amount of custom duties payable by the Group.

The Group's custom duties expenses increased by KZT 11,404 million, or 9.8%, to KZT 127,369 million for the year ended December 31, 2024, from KZT 115,965 million for the year ended December 31, 2023, primarily as a result of an increase in crude oil export volumes, which impacted the amount of customs duties payable by the Group.

Rent tax

The Group's rent tax expenses decreased by KZT 26,926 million, or 19.3%, to KZT 112,730 million for the year ended December 31, 2025, from KZT 139,656 million for the year ended December 31, 2024, primarily due to lower rent taxes on crude oil export, export customs duty, and mineral extraction tax amidst a decrease in oil prices.

The Group's rent tax expenses remained stable, increasing by KZT 670 million, or 0.5%, to KZT 139,656 million for the year ended December 31, 2024, from KZT 138,986 million for the year ended December 31, 2023.

Operating profit

The Group's operating profit decreased by KZT 65,988 million, or 2.3%, to KZT 2,760,791 million for the year ended December 31, 2025, from KZT 2,826,779 million for the year ended December 31, 2024, primarily due to a gain from re-measurement of the previously existing interest in joint venture of 295,719 in 2024, which was partially offset by an increase in gross profit of 256,446.

The Group's operating profit increased by KZT 694,954 million or 32.6% to KZT 2,826,779 million for the year ended December 31, 2024, from KZT 2,131,825 million for the year ended December 31, 2023, primarily due to an increase in the Group's revenue, gain from re-measurement of the previously existing interest in joint venture and a decrease in net impairment loss, which was partially offset by an increase in cost of sales, general and administrative expenses and transportation and selling expenses.

Finance costs

The Group's net finance costs increased by KZT 86,730 million, or 15.1%, to KZT 661,148 million for the year ended December 31, 2025, from KZT 574,418 million for the year ended December 31, 2024, primarily due to a revaluation loss on financial assets in 2025.

The Group's finance costs decreased by KZT 135,529 million, or 19.1%, to KZT 574,418 million for the year ended December 31, 2024, from KZT 709,947 million for the year ended December 31, 2023, primarily due to a decrease in interest expenses on borrowings as a result of substantial loan repayments.

Finance income

The Group's net finance income increased by KZT 113,291 million, or 18.7%, to KZT 718,872 million for the year ended December 31, 2025, from KZT 605,581 million for the year ended December 31, 2024, which was primarily caused by an increase in interest income on amounts due from credit institutions and cash and cash equivalents by KZT 86,459 million, or 25.2%, and an increase in interest income from loans and financial assets by KZT 39,717 million, or 35.7%, which was partially offset by a decrease in gain from de-recognition of a loan of KZT 23,617 million following the termination of the Zhenis and Abai projects.

The Group's finance income increased by KZT 119,217 million, or 24.5%, to KZT 605,581 million for the year ended December 31, 2024, from KZT 486,364 million for the year ended December 31, 2023, primarily due to an increase in interest income on amounts due from credit institutions and cash and cash equivalents.

Share in Profit of Joint Ventures and Associates, Net

For the year ended December 31, 2025, the net share in profit of joint ventures and associates increased by KZT 286,876 million, or 25.0%, to KZT 1,435,722 million from KZT 1,148,846 million for the year ended December 31, 2024. This increase was primarily due to an increase in the share in profits of Tengizchevroil LLP, an increase in the share in profits of Caspian Pipeline Consortium JSC, and an increase in the share in profits of Kazzinc LLP as a result of an increase in average oil prices and other commodity prices.

The Group's share in profit of joint ventures and associates increased by KZT 203,767 million, or 21.6 %, to KZT 1,148,846 million for the year ended December 31, 2024, from KZT 945,079 million for the year ended December 31, 2023. The increase was primarily attributable to higher profit contributions from Asia Gas Pipeline LLP, JV KATCO LLP, Caspian Pipeline Consortium JSC, and Kazzinc LLP, reflecting improved operational performance and favorable commodity price dynamics.

The following table sets forth certain information regarding the Group's share in profit/(loss) of joint ventures and associates for the periods indicated:

	For the year ended December 31,		
	2025	**2024 (restated)**	**2023**
		(KZT millions)	
Joint ventures			
Tengizchevroil LLP	412,459	303,480	340,884
Asia Gas Pipeline LLP	285,019	325,723	268,632
KC Energy Group LLP	64,559	27,288	–
Mangistau Investments B.V.	51,310	35,726	38,255
Semizbay-U LLP	23,377	21,741	13,025
Beineu Shymkent Gas Pipeline LLP	21,989	44,983	52,927
Valsera Holdings B.V.	20,990	(177)*	17,296*
KazGerMunay LLP	17,139	25,336	20,983
Kazakhstan − China Pipeline LLP	16,540	20,844	18,720
Forum Muider B.V.	13,415	(456)*	11,880*
Petrosun LLP	529	26,238	46,567
Kalamkas-Khazar Operating LLP	(3,648)	(5,240)*	–
Ural Group Limited BVI	(5,213)	(8,961)	(47,006)
Other	22,650	18,746*	45,423*
Associates			
Caspian Pipeline Consortium JSC	182,947	81,525	64,358
Kazzinc LLP	119,936	64,381	(50,868)
JV KATCO LLP	112,941	80,249	33,315
JV South Mining Chemical Company LLP	46,140	47,910	34,171
JV Zarechnoye JSC	10,177	13,410*	8,046*
Other	22,466	26,100*	28,471*
Total	**1,435,722**	**1,148,846**	**945,079**

** Reclassified for comparative purposes to conform to the presentation in the 2025 Financial Statements, including the separate disclosure of certain entities that were previously aggregated within the "Other" line item in the 2024 Financial Statements. Certain figures are not separately presented in the 2025 Financial Statements.*

Profit before income tax

The Group's profit before income tax decreased by KZT 181,464 million, or 4.3%, to KZT 4,057,113 million for the year ended December 31, 2025, from KZT 4,238,577 million for the year ended December 31, 2024, as a result of a decrease in operating profit as well as the recognition of a foreign exchange loss in the amount of KZT 196,852 million in the year ended December 31, 2025, which was partially offset by an increase in share in profit of joint ventures and associates and finance income.

The Group's profit before income tax from continuing operations increased by KZT 1,377,224 million, or 48.1%, to KZT 4,238,577 million for the year ended December 31, 2024, from KZT 2,861,353 million for the year ended December 31, 2023, primarily as a result of an increase in operating profit and net share in profit of joint ventures and associates.

Income tax expense

The Group's income tax expense decreased by KZT 70,955 million, or 7.7%, to KZT 848,487 million for the year ended December 31, 2025, from KZT 919,442 million for the year ended December 31, 2024, primarily as a result of a decrease in the deferred income tax expense.

The Group's income tax expenses increased by KZT 188,389 million, or 25.8%, to KZT 919,442 million for the year ended December 31, 2024, from KZT 731,053 million for the year ended December 31, 2023, primarily as a result of an increase in the deferred income tax expense.

Net profit for the year

As a result of the foregoing, the Group's net profit decreased by KZT 95,051 million, or 2.9%, to KZT 3,213,711 million for the year ended December 31, 2025, from KZT 3,308,762 million for the year ended December 31, 2024.

The Group's net profit increased by KZT 1,178,462 million, or 55.3%, to KZT 3,308,762 million for the year ended December 31, 2024 from KZT 2,130,300 million for the year ended December 31, 2023.

Liquidity and Capital Resources

Historically, the Group has relied on cash flows from its operating activities and external financings, in the form of loan facilities, as its main sources of liquidity. The Group had cash and cash equivalents of KZT 4,411,789 million at June 30, 2026, KZT 3,604,029 million at December 31, 2025, KZT 3,212,279 million at December 31, 2024, and KZT 2,740,336 million at December 31, 2023. Substantially all of the Group's cash is held in current accounts or on short-term deposits in U.S. dollars, Tenge, and other currencies. The Group also has significant cash equivalents related to reverse repurchase agreements secured by government and other securities with a contractual maturity of three months or less.

The liquidity and working capital requirements of the Group are subject to fluctuations depending on the payment trends of the Group's customers. The Group's ability to generate cash from its operations depends on future operating performance, which is in turn dependent on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Group's control, as well as the other factors discussed in this Base Offering Memorandum.

Cash flows

The table below shows a breakdown of the Group's cash flows for the periods indicated:

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023
			(*in millions of Tenge*)		
Net cash flows received from operating activities	1,356,768	1,178,311	2,503,230	2,495,150	2,397,331
Net cash flow used in investing activities	(938,655)	(45,717)	(2,621,820)	(1,285,451)*	(2,151,680)
Net cash flow received from / (used in) financing activities	471,186	(171,001)	532,941	(1,052,183)	(329,744)
Net increase / (decrease) in cash and cash equivalents	**889,299**	**961,593**	**414,351**	**157,516***	**(84,093)**
Effects of exchange rate changes on cash and cash equivalents	(80,897)	(10,224)	(95,760)	221,121	(35,288)
Changes in cash and cash equivalents disclosed as part of assets held for sale	(509)	72,229	72,379	94,003	(86,072)

	Six months ended June 30,		Year ended December 31,		
	2026	2025	2025	2024 (restated)	2023
			(*in millions of Tenge*)		
Change in allowance for expected credit losses	(133)	481	780	(697)	173
Cash and cash equivalents at the beginning of the period	3,604,029	3,212,279	3,212,279	2,740,336	2,945,616
Cash and cash equivalents at the end of the period	**4,411,789**	**4,236,358**	**3,604,029**	**3,212,279***	**2,740,336**

** Amount of Net cash flows used in investing activities, Net increase/(decrease) in cash and cash equivalents and Cash and cash equivalents for the year ended December 31, 2024 presented in this table differ from the corresponding amounts as previously reported in the 2024 Financial Statements. These differences reflect a change introduced by the Group with the preparation of the 2025 Financial Statements, in connection with the restatement of comparative information relating to the acquisition of Phystech II, as described under "Presentation of Financial and Other Information".*

Cash flows received from operating activities

In the six months ended June 30, 2026, the Group generated net cash of KZT 1,356,768 million from its operating activities, an increase of KZT 178,457 million, or 15.1%, from KZT 1,178,311 million in the six months ended June 30, 2025. The increase was primarily the result of higher cash receipts from customers, partially offset by higher payments to suppliers and higher payments of taxes other than income tax.

In the year ended December 31, 2025, the Group generated net cash from operating activities of KZT 2,503,230 million, an increase of KZT 8,080 million, or 0.3%, from KZT 2,495,150 million in the year ended December 31, 2024. The slight increase was primarily the result of increases in receipts from customers of KZT 3,100,363 million, or 17.1%, an increase in return of VAT from budget of KZT 106,450 million, or 97.9%, and a decrease in cash paid under agency agreements of KZT 362,281 million, or 38.2%, which were substantially offset against an increase in payments to suppliers of KZT 2,213,916 million, or 21.5%, an increase in other taxes and payments of KZT 648,141 million, or 28.7%, and a net decrease in cash under agency agreements of KZT 71,174 million, or 65.0%, among other increases in costs and decreases in cash received.

In the year ended December 31, 2024, the Group generated net cash from operating activities of KZT 2,495,150 million, an increase of KZT 97,819 million, or 4.1%, from KZT 2,397,331 million in the year ended December 31, 2023. The increase was primarily the result of higher receipts from customers by 1,457,196, or 8.7%, which was partially offset by a net decrease in cash under agency agreements of 387,219, or 139.4%, as well as an increase in payments to suppliers of KZT 831,657 million, or 8.8%.

Cash flows used in investing activities

In the six months ended June 30, 2026, the Group's net cash used in investing activities was KZT 938,655 million, an increase of KZT 892,938 million from KZT 45,717 million in the six months ended June 30, 2025. The increase was primarily the result of higher capital expenditure, net purchases of other debt and equity instruments and loans provided to the Beineu-Bozoi-Shymkent 2 joint venture, partially offset by higher net withdrawals of bank deposits.

In the year ended December 31, 2025, the Group's net cash outflow used in investing activities was KZT 2,621,820 million, an increase of KZT 1,336,369 million, or 104.0%, from KZT 1,285,451 million in the year ended December 31, 2024. The increase was primarily attributable to an increase in costs associated with the acquisition of property, plant and equipment and exploration and evaluation of assets and other non-current assets of KZT 785,152 million, or 33.9%, as well as net cash outflows related to placement of bank deposits of KZT 358,597 million, or 606.1%, acquisition of notes of the National Bank of the Republic of Kazakhstan of KZT 158,812 million, or 185.9%, and acquisition of government debt securities of KZT 329,458 million, or 95.1%.

In the year ended December 31, 2024, the Group's net cash outflow from investing activities was KZT 1,285,451 million, a decrease of KZT 866,229 million, or 40.3%, from a net cash outflow of KZT 2,151,680 million in the year ended December 31, 2023. The decrease was primarily attributable to decrease of cash outflow for acquisition of property, plant and equipment and exploration and evaluation of assets and other non-current assets of KZT 255,465 million, or 9.9%, acquisition of intangible assets of KZT 173,433 million, or 81.3%, and an increase of cash inflows from dividends received from joint ventures and associates of KZT 640,313 million, or 79.2%, and net proceeds from sale/repayment by issuers of other equity and debt instruments of KZT 762,168 million, or 179.9%.

Cash flow (used in) / received from financing activities

In the six months ended June 30, 2026, the Group's net cash received from financing activities was KZT 471,186 million, compared to net cash used in financing activities of KZT 171,001 million in the six months ended June 30, 2025. The change was primarily the result of a net increase in proceeds from borrowings, partially offset by increases in distributions to the Shareholder.

In the year ended December 31, 2025, the Group's net cash received from financing activities was KZT 532,941 million, an increase of KZT 1,585,124 million, from a cash outflow of KZT 1,052,183 million in the year ended December 31, 2024, as a result of a net increase in cash inflow from borrowings of KZT 1,438,917 million, or 2,053.0%, as well as the absence of dividends paid to the Shareholder in 2025, compared to dividends paid to the Shareholder in 2024 in the amount of KZT 736,819 million.

In the year ended December 31, 2024, the Group's net cash flows used in financing activities was KZT 1,052,183 million, an increase of KZT 722,439 million, or 219.1%, from KZT 329,744 million in the year ended December 31, 2023, mainly as a result of a decrease of KZT 865,521 million, or 64.9%, in disposal of interest that does not result in the loss of control.

Effects of exchange rate changes on cash and cash equivalents

In the six months ended June 30, 2026, the decrease in cash and cash equivalents due to the effect of exchange rate changes on cash and cash equivalents was KZT 80,897 million compared to KZT 10,224 million in the six months ended June 30, 2025.

In the year ended December 31, 2025, the effect of exchange rate changes on cash and cash equivalents was a cash outflow of KZT 95,760 million, a decrease of KZT 316,881 million, or a 143.3%, from KZT 221,121 million in cash received in the year ended December 31, 2024.

In the year ended December 31, 2024, the effect of exchange rate changes on cash and cash equivalents was a cash inflow of KZT 221,121 million, an increase in cash received of KZT 256,409 million, from KZT 35,288 million, or 726.6%, in cash outflows in the year ended December 31, 2023.

Changes in cash and cash equivalents disclosed as part of assets held for sale

In the six months ended June 30, 2026, the Group's changes in cash and cash equivalents disclosed as part of assets held for sale was a decrease of KZT 509 million compared to an increase of KZT 72,229 million in the six months ended June 30, 2025.

In the year ended December 31, 2025, the Group's changes in cash and cash equivalents disclosed as part of assets held for sale was KZT 72,379 million in cash received, a decrease of KZT 21,624 million, or 23%, from KZT 94,003 million in the year ended December 31, 2024.

In the year ended December 31, 2024, the Group's changes in cash and cash equivalents disclosed as part of assets held for sale was KZT 94,003 million in cash received, an increase of KZT 180,075 million, or 209.2%, from cash outflows of KZT 86,072 million in the year ended December 31, 2023.

Change in allowance for expected credit losses

In the six months ended June 30, 2026, the change in allowance for expected credit losses on cash and cash equivalents held with banks reduced the Group's reported cash and cash equivalents by KZT 133 million, compared to an increase of KZT 481 million in the six months ended June 30, 2025, reflecting changes in the assessed credit risk of the banks with which the Group holds its balances.

In the year ended December 31, 2025, the change in allowance for expected credit losses resulted in an increase in the Group's cash and cash equivalents was KZT 780 million, compared to cash outflows of KZT 697 million in the year ended December 31, 2024, as a result of a decrease in the Group's allowance for credit losses from cash and cash equivalents.

In the year ended December 31, 2024, the change in allowance for expected credit losses resulted in cash outflows of KZT 697 million, an increase in cash outflows of KZT 870 million, or 502.9%, from cash received of KZT 173 million in the year ended December 31, 2023, as a result of an increase in the Group's allowance for credit losses from cash and cash equivalents.

Debt Maturity Profile

The table shown below summarizes the maturity profile of the Group's financial liabilities as at December 31, 2025, 2024, and 2023, based on contractual undiscounted payments.

	On demand	Due later than 1 month but not later than 3 month	Due later than 3 month but not later than 1 year	Due later than 1 year but not later than 5 years	Due after 5 years	Total
			(in millions of Tenge)			
As at December 31, 2025						
Loans from the Government	795	1,075	149,528	273,166	2,464,507	2,889,071
Borrowings	25,476	176,745	1,499,196	5,617,103	5,778,838	13,097,358
Lease liabilities	10,219	12,073	103,847	364,228	545,499	1,035,866
Due to customers	81,030	–	34,603	32	–	115,665
Financial guarantees*	1,273,465	758	1	–	–	1,274,224
Trade and other payables	824,252	816,146	144,087	2,902	251	1,787,638
Other financial liabilities	340,387	218,190	166,121	113,197	944	838,839
Total	**2,555,624**	**1,224,987**	**2,097,383**	**6,370,628**	**8,790,039**	**21,038,661**
As at December 31, 2024						
Loans from the Government	13	302	66,731	395,818	3,093,655	3,556,519
Borrowings	14,931	98,415	1,105,981	3,979,088	6,071,000	11,269,415
Lease liabilities	10,198	16,673	94,237	348,319	420,252	889,679
Due to customers	79,494	–	44,529	18	–	124,041
Financial guarantees*	1,217,140	–	–	–	–	1,217,140
Trade and other payments	569,374	1,101,156	217,452	17,044	2,594	1,907,620
Other financial liabilities	229,769	16,950	70,312	–	–	317,031
Total	**2,120,919**	**1,233,496**	**1,599,242**	**4,740,287**	**9,587,501**	**19,281,445**
As at December 31, 2023						
Loans from the Government	13	24	45,501	279,850	2,702,651	3,028,039
Borrowings	38,310	101,197	1,245,750	3,939,878	6,185,751	11,510,886
Lease liabilities	5,437	34,970	151,783	480,124	314,966	987,280
Due to customers	37,679	–	42,375	16	–	80,070
Financial guarantees*	196,059	–	–	–	–	196,059
Trade and other payments	463,535	960,182	269,793	14,503	–	1,708,013
Other financial liabilities	123,482	33,422	5,836	49,442	–	212,182
Total	**864,515**	**1,129,795**	**1,761,038**	**4,763,813**	**9,203,368**	**17,722,529**

**The Group includes financial guarantees to the maturity profile table, however, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2025, 2024 and 2023 there was no significant instances of financial guarantees execution.*

Borrowings

As at June 30, 2026, the Group had KZT 8,944,774 million of total borrowings. The Group's total borrowings as at December 31, 2025, 2024 and 2023, was KZT 8,087,121 million, KZT 6,668,168 million and KZT 6,363,902 million, respectively.

The table below sets out a composition of non-current borrowings, including interest payable as at June 30, 2026, December 31, 2025, 2024 and 2023.

	Six months ended June 30,	Year ended December 31,		
	2026	2025	2024	2023
		(*in millions of Tenge*)		
Fixed interest rate borrowings	5,372,165	4,677,099	4,712,432	4,840,980
Floating interest rate borrowings	3,572,609	3,410,022	1,955,736	1,522,922
Less: amounts due for settlement within 12 months	(1,404,808)	(1,370,737)	(836,272)	(980,684)
Amounts due for settlement after 12 months	**7,539,966**	**6,716,384**	**5,831,896**	**5,383,218**

The table below sets out a breakdown by currency of the Group's borrowings, including interest payable as at June 30, 2026, December 31, 2025, 2024 and 2023.

	Six months ended June 30,	Year ended December 31,		
	2026	2025	2024	2023
		(*in millions of Tenge*)		
U.S. dollar-denominated borrowings	3,505,088	3,105,350	3,652,455	3,682,629
Tenge-denominated borrowings	2,424,726	2,297,494	1,928,150	2,137,211
Swiss francs-denominated borrowings	1,113,411	1,126,780	687,822	256,070
Chinese yuan-denominated borrowings	1,217,280	845,343	-	-
Euro-denominated borrowings	590,651	610,493	309,261	223,659
Rubles-denominated borrowings	83,996	92,152	79,276	51,207
Other currency-denominated borrowings	9,622	9,509	11,204	13,126
Total borrowings	**8,944,774**	**8,087,121**	**6,668,168**	**6,363,902**

Borrowings

During 2025, the Group, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated December 13, 2024 to finance the acquisition of freight locomotives for a total amount of 770 million euros, borrowed 280 million euros (equivalent to KZT 159,028 million) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 0.8%. The principal amount is repaid semi-annually until full repayment in 2035.

During 2025, the Group, drew down on KTZ's credit facility agreement with Citibank dated April 4, 2024, in a total amount of 250 million Swiss Francs (equivalent to KZT 159,514 million) with interest rate of SARON + 2% and maturity within one year. In 2025, the Group made a partial early repayment on this borrowing in the amount of 62 million Swiss Francs (equivalent to KZT 41,418 million). In addition, the Group repaid in full a borrowing of CHF 150,000,000 drawn in 2024.

In August 2025, the Group, under the credit facility agreement with Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC dated July 18, 2025, for the financing of major railway infrastructure projects and the modernization of existing railway lines in a total amount of 600 million U.S. dollars in Swiss Francs equivalent, the Group drew down borrowings totalling 485 million Swiss Francs (equivalent to KZT 324,954 million). The interest on the loan is paid semi-annually at the interest rate of SARON 6m + 1.6%. The principal amount is repayable in a single bullet payment in July 2028.

During 2025, the Group, as part of its loan agreement with Deutsche Bank Luxembourg S.A. and Banco Santander S.A. and under the guarantee issued by Export-Import Bank of the United States (US EXIM Bank), dated November 26, 2025, to finance the acquisition of freight locomotives for a total amount of 445 million U.S. dollars in Swiss Francs equivalent, borrowed 146 million Swiss Francs (equivalent to KZT 94,956 million) (including the US EXIM Bank premium). The interest on the loan is paid quarterly at the interest rate of SARON O/N + 0.48%. The principal amount is repaid quarterly until full repayment in 2035.

In December 2025, the Group received a loan from China Development Bank in the amount of 10 billion yuan (equivalent to KZT 729,042 million) with floating interest rate of LPR1Y-0.53% and maturity on December 29, 2028.

In 2025, based on the notification of the Ministry of Energy of Kazakhstan on the termination of the contract for subsoil use under the Abay project, the Group derecognized the loan received from Eni Isatay in the amount of KZT 24,775 million.

During the six months ended June 30, 2026, the Group, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated December 13, 2024 to finance the acquisition of freight locomotives for a total amount of 770 million euros, borrowed 78 million euros (equivalent to KZT 44,032 million) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 0.8%. The principal amount is repaid semi-annually until full repayment in 2036.

On January 9, 2026, as part of the implementation of the project “Construction of a Bypass Railway Line around the Almaty Railway Junction”, the Group entered into a term sheet and loan agreements with the Asian Infrastructure Investment Bank, the International Finance Corporation and Standard Chartered Bank, with guarantee coverage provided by MIGA, for a total amount of 243 million Swiss francs. During the six months ended June 30, 2026, under these loan agreements, the Group received borrowings totaling 73 million Swiss francs (equivalent to KZT 46,732 million) bearing interest at 6-month SARON + 1.3% and 52 million Swiss francs (equivalent to KZT 33,335 million) bearing interest at 6-month SARON + 0.55%. Interest and principal are payable in semi-annual instalments until full repayment in 2035.

In June 2026, under a loan agreement with Standard Chartered Bank, with guarantee coverage provided by MIGA, entered into on May 15, 2026, to finance investment projects for a total amount of 156 million Swiss francs, the Group received borrowings totaling 156 million Swiss francs (equivalent to KZT 96,613 million). Interest on the loan is payable in semi-annual instalments at a rate of 6-month SARON + 0.6%. The principal is repayable in semi-annual instalments commencing in November 2027, with full repayment due in 2033.

In 2026, the Group, as part of its loan agreement with Export-Import Bank of China and China Development Bank and under the guarantee issued by the China Export and Credit Insurance Corporation Sinosure, dated February 7, 2025, to finance the acquisition of mainline and shunting locomotives for a total amount of 3,560 million yuan, borrowed 1,424 million yuan (equivalent to KZT 100,439 million). Interest on the loan is payable in semi-annual instalments at a rate of LPR5Y – 0.55%. The principal amount is repayable in semi-annual installments commencing in 2028 and continuing until full repayment in 2040.

In 2026, the Group, as part of its loan agreement with Deutsche Bank Luxembourg S.A. and Banco Santander S.A. and under the guarantee issued by Export-Import Bank of the United States (US EXIM Bank), dated November 26, 2025, to finance the acquisition of freight locomotives for a total amount of U.S.$445 million in Swiss Francs equivalent, borrowed 92 million Swiss Francs (equivalent to KZT 55,665 million) (including the US EXIM Bank premium). The interest on the loan is paid quarterly at the interest rate of SARON O/N + 0.48%. The principal amount is repaid quarterly until full repayment in 2036.

During the six months ended June 30, 2026, the Group, under the credit facility agreement with Citibank dated April 4, 2024, made an early repayment of borrowings in the amount of 88 million Swiss Francs (equivalent to KZT 56,247 million).

During the six months ended June 30, 2026, the Group received borrowings totaling KZT 70,000 million under the credit facility agreement with ForteBank JSC entered into on June 13, 2022, bearing interest at rates ranging from 18.5% to 19.5% and with maturities of up to six months, and made partial repayments of these borrowings in the amount of KZT 40,000 million.

Loans from the Government

In December 2022, the Group registered a bond issue in the amount of KZT 542,863 million, with an annual coupon of 7.37% per annum. During 2025, under this issuance, the Group placed bonds in the total amount of KZT 42,326 million for financing the construction of the second tracks of the Dostyk-Moiynty railway section. The bonds were purchased by the National Bank of Kazakhstan funded by the National Fund.

In 2025, the Group placed bonds in the total amount of KZT 48,877 million with an annual coupon of 9.37%. The bonds were purchased by the National Bank of Kazakhstan using funds from the National Fund. The funds raised from the issuance of these bonds were directed towards financing the construction of the "Taldykorgan-Usharal" main gas pipeline.

During 2025, in accordance with the Kazakhstan law "On Republican budget for 2025-2027" dated December 4, 2024, the Group received loan from the Ministry of Finance of the Republic of Kazakhstan in the total amount of KZT 65,480 million with an interest rate of 0.05% and maturity of 30 years.

Capital expenditures

The Group manages its capital primarily through capital management of its subsidiaries while conducting its oversight function. The primary objective of the capital management strategy is to ensure that subsidiaries of the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary.

The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary. Alternative Performance Measures ("**APMs**") used by the Group to manage capital of its subsidiaries are ratios of: Debt to Earnings before Interest, Taxes, Depreciation and Amortization, and Interest (**"D/EBITDA"**) from continuing and discontinued operations; and Debt to Equity (**"D/E"**). See "*Selected Consolidated Financial Information—Alternative Performance Measures*" for more information on these APMs.

For more information on the Group's total capital expenditures for the periods discussed, see *"Selected Consolidated Financial Information—Alternative Performance Measures*".

Commitments and Contingencies

Kazakhstan local market obligation

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

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such

supplies will take precedence over market sales and will generate substantially less revenue than crude oil sold on the export market, which may materially and adversely affect the Group's business, prospects, consolidated financial position and results of operations.

During six months ended June 30, 2026, in accordance with its obligations, the Group, including joint ventures, delivered 3,773 thousand tons of crude oil to the Kazakhstan market for a total consideration of KZT 484,413 million, of which 1,310 thousand tons (KZT 147,048 million) represented the Group's proportionate share of deliveries by joint ventures and associates. In 2025, the Group, including joint ventures, delivered in accordance with its obligations 8,303 thousand tons of crude oil to the Kazakhstan market, an increase of 157 thousand tons, or 1.9%, from 8,146 thousand tons delivered in 2024. In 2024, the Group, including joint ventures, delivered 8,146 thousand tons of crude oil to the Kazakhstan market, an increase of 605 thousand tons, or 8.0%, from 7,541 thousand tons delivered in 2023.

Sanctions

The Group, as a participant in joint projects with foreign partners, conducts a comprehensive assessment of the potential impact of external factors, including sanctions restrictions. This assessment takes into account legal, financial and technical aspects. At the same time, project implementation continues as prescribed in accordance with the current legislation of the Republic of Kazakhstan and the contractual obligations of the parties. The Group continuously monitors new restrictive measures adopted by the US, EU and UK and assesses their potential impact on the Group's operations and the implementation of joint projects with Russian partners.

The Group has long-term agreements in place with PJSC Rosneft ("**Rosneft**") for the transportation of Russian crude oil in transit through the territory of the Republic of Kazakhstan to the People's Republic of China, including on behalf of Kazakhstan-China Pipeline LLP, as well as for related technological operations (oil substitution) associated with the loading of Pavlodar Petrochemical Plant LLP, as well as with PJSC Transneft ("**Transneft**") for the transportation of Kazakh crude oil through the territory of the Russian Federation to Europe.

To ensure the continuity of the aforementioned operations, the Group has obtained the necessary authorizations from the relevant regulatory authorities. In particular, in March 2026, the Group obtained a determination from OFAC and a license from the UK Treasury, permitting the continued performance of the respective contractual obligations ***with*** Rosneft until March 19, 2027, and the receipt of freight forwarding services from Transneft until March 19, 2028. Settlements in respect of these operations are conducted in accordance with applicable sanctions requirements.

Liabilities on purchase of gas transportation services to joint ventures

As at June 30, 2026, the Group has unconditional liability on purchase of gas transportation services to Asia Gas Pipeline LLP and Beineu Shymkent Gas Pipeline LLP in the total amount of KZT 87,914 million and KZT 71,097 million excluding VAT, respectively as compared to KZT 143,089 million excluding VAT with respect to Asia Gas Pipeline LLP at December 31, 2025, and KZT nil million, with respect to Beineu Shymkent Gas Pipeline LLP at December 31, 2025.

As at December 31, 2025, the Group had an obligation to purchase gas in the amount of KZT 1,425,749 million from a joint venture.

Capital commitments

As at June 30, 2026, the Group had capital commitments of KZT 7,014,537 million related to acquisition and construction of property, plant and equipment, excluding VAT a decrease of KZT 25,703 million, or 0.4% from KZT 7,040,240 million, excluding VAT as at December 31, 2025. The Group's capital commitments include capital commitments of joint ventures and associates in the amount of KZT 770,819 million, excluding VAT, an increase of KZT 196,383 million, or 34.2% from KZT 574,436 million, excluding VAT as at December 31, 2025. As at June 30, 2026, the contractual obligations of GPCI, classified as held for sale, for the acquisition of fixed assets and construction

services amount to KZT 136,546 million excluding VAT, an increase of KZT 39,283, million, or 40.4% from KZT 97,263 million as at December 31, 2025.

As at June 30, 2026, the Group had commitments in the total amount of KZT 1,429,232 million, a decrease of KZT 38,473 million, or 2.6%, from KZT 1,467,705 million as at December 31, 2025 under the investment programs approved by the joint order of Ministry of Energy of Kazakhstan and CRNM to facilitate production units.

Liabilities under agreements for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

As at June 30, 2026, the Group had contractual commitments to provide a range of construction works and services in the amount of KZT 41,387 million, where the Group acts as an agent a decrease of KZT 95,393 million, or 69.7% from KZT 136,780 million as at December 31, 2025.

Financial Stability Monitoring

The Issuer actively monitors the liquidity and financial stability of its portfolio companies, including checking the portfolio companies' implementation of Group's development plan on a quarterly basis and monitoring each portfolio companies' implementation of their own business plans on a monthly basis. This allows the Issuer to analyse cash flows on both a standalone and consolidated basis, to analyze debt obligations and repayment schedule and to efficiently manage free cash flows in the short-term and also mid-term. In addition, the Issuer is able to analyze key financial indicators of stability at both the Issuer level and the level of each portfolio company, as well as to monitor the compliance with key performance indicators set to achieve the Group's strategic objectives.

The policy of debt and financial stability management sets out a target and a threshold for each of the three financial stability ratios (Debt / EBITDA, Debt / Equity, and EBITDA / Interest expenses) for each portfolio company. The targets, which represent the best indicators of financial stability evidencing a portfolio company's improvement of financial stability, are based on Standard & Poor's methodology and benchmarked against industry indicators of financial stability of peer companies. The thresholds are based on existing covenants under the portfolio companies' loan agreements. Portfolio companies are classified into three categories (green, yellow and red) accordingly, with green category consisting of those successfully achieving the targets, yellow category consisting of those that do not achieve the targets but have not breached the thresholds, and red category consisting of those that have breached the thresholds.

Dividend Policy for Portfolio Companies

The Issuer's dividend policy in respect of subsidiaries (the "**Dividend Policy**"), approved by the Management Board on August 26, 2021 (protocol No. 36/21, as amended on June 30, 2023), applies to companies in which the Issuer holds more than 50% of the voting shares or participatory interests. As a general matter, dividends are determined by reference to a company's net profit, subject to the terms of the Dividend Policy and applicable law.

The proposed dividend amount is determined by reference to the portfolio company's free cash flow ("**FCFF**") - net cash from operating activities, plus dividends from joint ventures and associates, less maintenance capital expenditure—and to its compliance with the financial stability ratios set under the Issuer's Debt Management and Financial Stability Policy: between 50% and 100% of FCFF where target ratio values are met; 50% where threshold but not target values are met; and between 20% and 50% where threshold values are breached, in which case the Issuer may require part of FCFF to be applied to debt repayment. Calculations are based on audited financial statements or, where necessary data is unavailable, management accounts.

For each financial year the authorised bodies of each portfolio company prepare a distribution proposal, with the final decision taken by the shareholders (or sole shareholder) or participants. They may also resolve to pay special dividends in respect of a quarter, half-year or prior periods. The Issuer may determine that a portfolio company pays no dividends. Listed portfolio companies, and those in which another shareholder holds a blocking stake, may adopt their own dividend policies, which must nevertheless calculate dividends by reference to FCFF.

The Dividend Policy establishes a framework for proposals only. Actual distributions are determined by shareholders case-by-case and have differed, and may differ materially, from the levels it contemplates.

See "*—Financial Stability Monitoring*" for more information on the categorization of portfolio companies based on financial stability indicators.

Financial Instruments and Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, financial guarantees, lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financials assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash, investments and borrowings are denominated. The Group's exposure to interest risk relates primarily to the Group's long-term and short-term borrowings with variable interest rates.

Foreign currency risk

As a result of significant borrowings, trade accounts payable, cash and cash equivalents, amounts due from credit institutions and accounts receivable denominated in the U.S. dollars, the Group's consolidated financial position can be affected significantly by movement in the U.S. dollar / Tenge exchange rates. The Group has a policy on managing its foreign currency risk in U.S. dollar by matching U.S. dollar denominated financial assets with U.S. dollar denominated financial liabilities. The Group has designated a hedge ratio of 1:1 for these hedging relationships, as the foreign currency risk of the borrowings fully matches the foreign currency risk of the investments in foreign operations denominated in U.S. dollars.

Also, as part of its foreign currency risk management, the Group's management seeks, where practicable, to align the currency of anticipated cash inflows with the currency of obligations to be settled. This approach is intended to reduce the sensitivity of the Group's financial results and cash flows to fluctuations in exchange rates by matching the currency of incoming and outgoing cash flows.

Given that a significant portion of the Group's forecasted revenue from international transit is denominated in Swiss francs, the Group utilizes financing instruments that allow matching the corresponding Swiss franc inflows with liabilities in the same currency. Under this strategy, the Group has employed borrowings denominated in Swiss francs as a means to mitigate foreign currency risk on highly probable forecasted revenue in Swiss francs. This approach reflects a natural hedging strategy, whereby the currency of future cash inflows from operating activities is aligned with the currency of future cash outflows for financial obligations.

There is an economic relationship between the hedged items and the hedging instruments, as the terms of the foreign currency borrowings correspond to the terms of the highly probable forecasted cash flows

from revenue in Swiss francs (nominal amount and expected payment date). The Group has established a hedge ratio of 1:1 for these hedging relationships, as the underlying foreign currency risk of the borrowings fully matches the currency risk of the revenue and liabilities denominated in Swiss francs.

To assess hedge effectiveness, the Group applies the hypothetical derivative method, comparing changes in the fair value of the hedging instruments with changes in the fair value of the hedged items attributable to foreign currency risk.

Sources of hedge ineffectiveness may include mismatches in the timing of cash flows between the hedged items and the hedging instruments, as well as changes in the forecasted amounts of cash flows of the hedged items. As at December 31, 2025, the Group considers the likelihood of significant hedge ineffectiveness to be remote.

Credit risk

Credit risk arising from the inability of a party to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group to that party. It is the Group's policy to enter into financial instruments with a diversity of creditworthy parties. The maximum exposure to credit risk is represented by carrying amount of each financial asset.

The Group considers that its maximum exposure is reflected by the amounts due from credit institutions, loans issued, financial investments in debt and equity instruments, trade accounts receivable and other current assets, and cash and cash equivalents, net of allowances for expected credit losses recognized as at the reporting date, and financial guarantee liabilities.

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The Group has a policy that ensures enforcement of constant control procedures for sales to only be made to buyers with an appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimized by the fact that the Group operates on a prepayment basis with the majority of its buyers.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at price close to its fair value. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Critical Accounting Policies, Estimates and Judgments

For further details on the significant accounting policies adopted by the Group, see Note 3 to the 2025 Financial Statements.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date and reported amounts of assets, liabilities, revenues, expenses and contingent assets and liabilities during the reporting period. Actual outcomes could differ from these estimates. For information on the key assumptions concerning the future and other key sources of estimation uncertainty as well as those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, see Note 4 to the 2025 Financial Statements.

BUSINESS OF THE GROUP

Overview

The Issuer is a joint stock company established in November 2008, with the Government being its sole shareholder. The Government's overall objective in establishing the Issuer was to increase management efficiency and to optimize organizational structures to successfully achieve the Government's strategic objectives. The purpose of the Issuer's activities is to increase the sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the entities within the Group, as well as effective management of the Group's assets.

The Group's mission is to ensure sustainable economic development and long-term value creation through effective management of a diversified portfolio of assets and business support for the benefit of the people of Kazakhstan. The Group's portfolio companies represent Kazakhstan's largest high-profile companies in sectors that the Government considers strategic for national development and growth, including oil and gas, mining, transportation, communications, energy and industrials. As at 31 December 2025, the Group's total consolidated assets amounted to KZT 44.2 trillion, equivalent to approximately 28% of Kazakhstan's GDP for 2025, and the Group's consolidated revenue for 2025 of KZT 18.8 trillion was equivalent to approximately 11.8% of GDP. In addition, the Issuer is one of the top 26 largest sovereign wealth funds when measured by assets.

As at June 30, 2026 and December 31, 2025, the Group had total assets of KZT 46,665.3 billion and KZT 44,242.9 billion, respectively, with a total equity value of KZT 27,809.6 billion and KZT 27,180.3 billion, respectively. The Group generated KZT 10,254.2 billion and KZT 1,738.8 billion of revenue and net profit, respectively, for the six months ended June 30, 2026, and KZT 18,771.5 billion and KZT 3,213.7 billion of revenue and net profit, respectively, for the year ended December 31, 2025.

The Issuer's registered office is 17/10 Syganak str., Astana, Kazakhstan.

History and Development

The Issuer was established on November 3, 2008, in accordance with a decree of the President of Kazakhstan, dated October 13, 2008, and a resolution of the Government, dated October 17, 2008. The formation was enacted by the merger of Sustainable Development Fund "Kazyna" JSC and Kazakhstan Holding Company for State Assets Management "Samruk" JSC and the additional transfer to the Issuer of interests in certain entities owned by the Government.

Prior to February 1, 2012, the Issuer's activities were governed by the Law of Kazakhstan "On National Welfare Fund No. 134-IV," dated February 13, 2009, and were aimed at assisting in the provision of stable development of the state economy, modernization and diversification of the economy, and the improvement of the Group's portfolio companies' efficiency.

According to the Law of Kazakhstan "On the Sovereign Wealth Fund No. 550-IV," enacted on February 1, 2012, the Issuer's activity is focused on improving sovereign wealth of Kazakhstan by increasing the long-term value of the portfolio companies and by effective management of the Group assets.

In 2014, the Issuer launched a transformation program to shift from acting as an administrator of state assets to a investment holding company that actively manages its asset portfolio and develops new industries (the "**Transformation Program**"). In 2018, the Issuer's development strategy for 2018-2028 (the "**2018-2028 Development Strategy**") was approved, which set out the Issuer's main priority as improving the national wealth, through increasing the profitability of the Issuer's portfolio companies.

In 2020, the Council for the Fund Governance approved a concept to transform the Issuer into an investment holding, in line with leading sovereign wealth funds. As part of the active transition into an investment holding, the Board of Directors approved the Issuer's development plan for 2021-2025 (the "**2021-2025 Development Plan**") in December 2020, which set out that the main tasks of the Issuer for

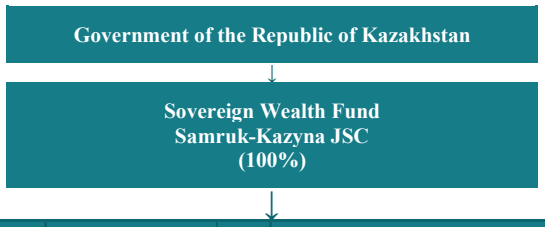
the next five years to ensure its financial sustainability and stability, and to maintain an adequate level of liquidity in the corporate center and in the portfolio companies.

In September 2021, the development strategy for 2022-2031 (the "**2022-2031 Development Strategy**") was approved and adopted by the Issuer, replacing the 2018-2028 Development Strategy. According to the 2022-2031 Development Strategy, the Issuer will retain its focus on improving the efficiency of its portfolio companies, introducing updated corporate governance practices and undertaking digital transformation. In addition, the Issuer aims to prioritize sustainable development through the observance of environmental, social and governance ("**ESG**") principles as well as the improvement of occupational safety and health practices.

The updated development plan of the Issuer for 2023-2032 (the **"2023-2032 Development Plan**") was approved by the Resolution of the Government No. 230, dated March 17, 2023. The 2023-2032 Development Plan, developed in accordance with the instruction of the Head of State, is aimed at successfully overcoming current and future challenges faced by the Group. Moreover, the 2023-2032 Development Plan corresponds to the key national priorities and contributes to the realization of the Kazakhstan-2050 Strategy, which is a national document defining the long-term course of the country's development. By 2030, the Issuer plans to transform itself into an investment holding company, operating under favorable market conditions and retaining a majority stake in its strategic assets. To increase its competitiveness and strengthen its reputation as a promising partner at the international level, the Issuer plans to continue to diversify its portfolio and fill it with innovative export-oriented projects.

Group Structure

The following chart provides an overview of the corporate structure of the Group and the Issuer's ownership interests in its portfolio companies as at June 30, 2026 (note that 40% of the shares of Eurasian Resources Group S.a.r.l., which were acquired in August 2026, is not reflected in the chart below).



No.	Company	Ownership interest	No.	Company	Ownership interest
1	JSC NC KazMunayGas	**67.42%**	12	Samruk-Kazyna Business Service LLP	**100%**
2	NAC Kazatomprom JSC	**62.99%**	13	Ekibastuz GRES-2 JSC	**50%**
3	JSC NC Kazakhstan Temir Zholy	**100%**	14	AstanaGas KMG JSC	**50%**
4	Samruk-Energy JSC	**100%**	15	Samruk-Kazyna Construction JSC	**100%**
5	KEGOC JSC	**85%**	16	JSC NC QazaqGaz	**100%**
6	QazPost JSC	**100%**	17	"CCGT Turkistan" LLP	**100%**

7	Air Astana JSC	**41%**	18	Kokshetau CHP LLP	**50%**
8	Tau-Ken Samruk NMC JSC	**100%**	19	Semey Energy LLP	**50%**
9	Samruk-Kazyna Ondeu LLP	**100%**	20	Oskemen Energy LLP	**50%**
10	Samruk-Kazyna Invest LLP	**100%**	21	SK-AIH Investment Fund Ltd.	**50%**
11	Samruk-Kazyna Contract LLP	**100%**	22	Kazakhtelecom JSC	**91.28%**

Key Strengths

The Issuer believes that it benefits from the following key strengths:

Significant role in the Kazakhstan economy and largest employer in the country

Since its establishment, the Group has had, and continues to have, the important function of stabilizing, modernizing and developing the national economy as a whole. As a state-owned holding, the Group represents a significant portion of the Kazakhstan economy. The contribution of the Group to the economy of Kazakhstan also remains substantial. The Group is a significant contributor to the state budget, having contributed KZT 3,625 billion in the form of taxes and other payments in the year ended December 31, 2025. As at December 31, 2025, it is the largest employer in the country. In 2025, the average headcount of the Group amounted to 254,049 people. In addition, the Group's staff turnover rate has been steadily decreasing, and was approximately 9.18% at the end of 2025.

The Group's principal portfolio companies consist of a number of Kazakhstan's largest, most recognized companies, some of which enjoy the status of Kazakhstan's national operators in a variety of industries. For example, KMG (as defined below) is a national company with extensive oil and gas pipeline networks and the largest producer of crude oil in the country; KTZ (as defined below) is the national transportation and logistics operator for Kazakhstan; Kazakhtelecom (as defined below) is the largest telecommunications company in Kazakhstan and is the national telecommunications operator; KEGOC (as defined below) is a system operator of the unified electric power system of Kazakhstan; and Kazatomprom (as defined below) is the national operator for the export and import of uranium and its compounds, nuclear power plant fuel, special equipment and technologies, as well as rare metals. As such, the Group's portfolio plays a crucial role in the fundamental sectors of the national economy and consists of strategic platforms for the future growth of Kazakhstan and essential for the long-term prosperity of the country.

Abilities and skills to attract investment in Kazakhstan

The Group has been actively engaged in, and continues to engage in, attracting international investors to invest in Kazakhstan. As part of the Kazakhstan-2050 Strategy, the Strategic Plan, and the 2023-2032 Development Strategy, the Group has invested in, and continues to invest in, new initiatives together with strategic investors that have experience and technologies to jointly finance and implement projects. The Group has also organized international events aimed at increasing the investment attractiveness of Kazakhstan and the Group among the international business and investment community.

Such efforts have been carried out in strategically important industries such as chemical, manufacturing, mining and metallurgic complex, transport and logistics, IT and digitalisation, engineering, infrastructure and renewable energy sources. Two schemes have been established to promote potential

partnerships through mutually beneficial investment structures – co-investment with the Group, or direct investment through the Group's private equity funds. In 2025, the Group, together with strategic partners, commissioned a 50 MW solar power plant as part of a 247 MW hybrid power plant project with Eni and a wind turbine production plant in the Zhambyl region in partnership with SANY Renewable Energy, and signed investment agreements for a 300 MW solar power plant with China Energy Overseas Investment Co. (September 2025) and for the construction of the second string of the Beineu–Bozoi–Shymkent gas pipeline (April 2025). Wind power projects of up to 1 GW each with TotalEnergies, Masdar and China Power International Holding are at various stages of implementation. The Group believes that establishing integrated businesses in partnership with leading investors enables the Group to diversify its portfolio and create new companies that will drive the structural transformation of the Kazakhstan economy.

Competent personnel and experienced management

The Issuer and its portfolio companies have curated highly skilled and experienced boards of directors and senior management team who contribute to the success and growth of these companies. The Group also has a team of highly professional workers with competent skillsets in their areas of expertise. In addition, each of the Issuer's principal portfolio companies also benefits from management teams with strong industry expertise and a proven track record of delivering on the relevant portfolio company's focused strategy and achieving robust performance amid a challenging industry and macroeconomic environment. In its position as shareholder of the portfolio companies, the Issuer has access to, and may from time to time consult with and acquire strategic advice from, the management teams of its portfolio companies who, collectively, have significant management experience across a wide variety of industries.

Impact on portfolio performance through divestments and reinvestments

As part of the comprehensive privatization plan for 2016-2020 (the **"2016-2020 Privatization Plan"**) and the privatization plan for 2021-2025 (the "**2021-2025 Privatization Plan**" and, together with the 2016-2020 Privatization Plan, the "**Privatization Plans**") adopted by the Government, the Issuer has actively engaged in bringing in public investors into its core assets as well as divesting or exiting from its non-strategic assets. As at December 31, 2025, a total of 103 assets of the Group were sold to strategic and other investors for an aggregate amount of over KZT 744 billion and four companies were publicly listed for an aggregate amount of KZT 484 billion. Additionally, under the 2026-2030 Optimization Plan, a total of 18 SK assets are expected to be transferred to the more competitive environment via IPO/SPO and other forms of privatization. Kazatomprom's GDRs began trading on the LSE and the AIX in November 2018. As at December 31, 2025, the Group had sold 25% of its shares in Kazatomprom on the LSE and AIX. Such efforts have allowed for the flow of funds for new qualified investments. Material transactions undertaken in accordance with the 2016-2020 Privatization Plan and the 2021-2025 Privatization Plan, also included the initial public offering of a minority interest in KMG in 2022 where 3% of shares was placed on the AIX and KASE, the secondary public offering of KEGOC in 2023 where 8% of shares was placed on the AIX and KASE and the initial public offering of Air Astana in 2024 where 10% of shares was placed on the LSE, AIX, and KASE. In addition, in 2025, the Group completed the sale of its 100% interest in Mobile Telecom-Service LLP and the sale of a 51% interest in Qazaq Air JSC, which reduced the Issuer's ownership to a 49% non-controlling interest in Qazaq Air JSC. As a result, Qazaq Air JSC ceased to be consolidated within the Issuer's financial statements and is now accounted for as an associate using the equity method.

Active support from the Government to the Group's development

Since the Government is the sole shareholder of the Issuer, it benefits from the strong support of the Government. Amongst other things, the Group, and primarily its principal portfolio companies directly, have historically received, and continue to receive strong financial support from the Government. For example, the Government has assisted KMG by providing significant equity and debt financing in order to expand its operations, reserves, production levels and transportation and refining networks. KTZ has also received significant capital contributions from the Government to finance its operations, railway

and logistics infrastructure development and capital expenditures, as well as government grants for its passenger transportation business and other financial support.

In addition, the Government has provided, and continues to provide, strategic support and plays a crucial role in assisting the Group's development and transition into an investment holding similar to leading sovereign wealth funds in the world. In particular, the Council was established by the Government to consider issues on the Group's management and to develop proposals to improve the competitiveness and efficiency of the Group. The Council is an advisory body chaired by the First President of Kazakhstan and also includes the Prime Minister of Kazakhstan, the Head of Administration of the President of Kazakhstan, as well as the Chief Executive Officer of the Group.

Due to its relationship with the Government, the Issuer also enjoys certain legal protections under Kazakhstan law. For example, under Kazakhstan's Sovereign Wealth Funds Law, the Government has exclusive authority to unilaterally alter the Issuer's share capital, which provides greater access to unhindered equity injections. The Government may also exempt the Issuer from the standard dividend remittance regime, under which annual dividends payable to the Government would otherwise generally be determined by reference to dividends received by the Issuer from its portfolio companies. This exemption affords the Government greater flexibility to permit the Issuer to retain profits for acceptable purposes.

Improved corporate governance policy in line with international standards

The Issuer has implemented robust corporate governance policies, highlighted by the composition of its Board and the Management Board. The Board has an independent chairman and overall four highly qualified and well regarded independent directors with extensive international experience in investments and business managements. The Board also has five committees (Audit Committee, Nomination and Remuneration Committee, Strategy Committee, Transformation Program Oversight Committee and Specialised Committee) in order to improve the efficiency of the Board and to improve the corporate governance structure.

In addition, the Issuer and all of its principal portfolio companies operate under a Corporate Governance Code that is based on the principle of "comply or explain". This ensures that the Group operates an efficient and transparent corporate governance system that meets international standards and also demonstrates the Group's commitment to comply with the highest standards of corporate governance.

Hub in Central Asia with high logistics development potential

The Group is able to leverage Kazakhstan's location in the heart of the Central Asian region, in order to maximize its logistics development potential, optimize its portfolio performance and fulfil its mission to improve the national welfare of Kazakhstan. Kazakhstan is a key transport hub connecting China, the EU, Russia and CIS countries. In particular, the Group believes that Kazakhstan's geographic position relative to China affords Kazakhstan unique opportunities to capitalize on China's economic growth. Since the implementation of "One Road – One Belt" program by the Chinese government, there has been an increasing amount of infrastructure being created to connect China to infrastructure in other countries. With five out of six routes passing through Kazakhstan, the country has attracted an increasing amount of logistics traffic. The midstream segment of KMG operates multiples pipelines for transporting oil and gas between Europe and China. In addition, KTZ facilitates both China's import of raw materials from the EU and its export of finished goods to countries in Europe as the volume of trade between the EU and China continues to increase.

Strategy

The Issuer's current strategic framework is set out in its 2023–2032 Development Plan.

The Group's mission is to ensure sustainable economic development and create long-term value through effective management of a diversified portfolio of assets and support for business in the interests of the

people of Kazakhstan. Its vision is to be a leader of the national economy supporting innovative development, public welfare and environmental protection through responsible investment.

The 2023–2032 Development Plan identifies three principal strategic directions:

1. effective management of the asset portfolio;
2. development of an ecosystem for business and competition; and
3. sustainable development and implementation of ESG principles.

The Issuer's strategic objective in relation to portfolio management is to double the value of its net assets by 2032, as compared to 2021, through portfolio optimization, improved asset quality, technological development and improvements to business models.

In the near term, the Issuer intends to operate as a strategic holding, concentrating principally on investments supporting Kazakhstan's economy, social development and infrastructure. Subject to favorable market conditions, the Issuer plans to transition to an investment holding operating model by 2030 while retaining majority interests in its strategic assets.

Significant Holdings

The Group's portfolio companies span across sectors, including, among others, oil and gas, mining, transportation, communication, energy and industrial. These portfolio companies include wholly- or majority-owned subsidiaries, which are fully consolidated into the Group's financial statements, as well as associates and joint ventures of which the Issuer holds less than a majority ownership interest.

The table below provides, by operating segments, certain information on the principal portfolio companies (both subsidiaries and associates, as identified) of the Group and the Group's ownership as at June 30, 2026.

	Operating Segment	Year Founded	The Group's ownership (%)	Equity Listing
KMG	Oil and gas	2002	67.42	Local listing (KASE and AIX)
QazaqGaz	Oil and gas	2005	100	No
Kazatomprom	Mining	1997	62.99	International listing (LSE) and local listing (KASE and AIX)
Tau-Ken Samruk	Mining	2009	100	No
KTZ	Transportation	2002	100	No
Air Astana	Transportation	2001	41 (associate)	International listing (LSE) and local listing (KASE and AIX)
Qazaq Air (Vietjet Qazaqstan)	Transportation	2015	49 (associate)	No
Kazakhtelecom	Communication	1994	91.28	Local listing (KASE)
Qazpost	Communication	1991	100	No
Kcell	Communication	1998	46.55 (ownership through Kazakhtelecom)	Local listing (KASE)
Samruk-Energy	Energy	2007	100	No
KEGOC	Energy	1996	85	Local listing (KASE and AIX)
Samruk-Kazyna Ondeu	Industrial	2009	100	No

The discussion below sets forth the Group's principal portfolio companies by operating segments, as well as each segment's contribution to the Group as at June 30, 2026 and December 31, 2025, respectively.

Oil and Gas

The oil and gas segment includes operations related to the exploration and production of oil and gas, transportation of oil and gas, and refining and trading of crude oil, gas and refined products. The Group's significant holdings in the oil and gas segment are its majority interests in KMG and QazaqGaz. QazaqGaz (formerly "KazTransGas" JSC) is the national operator for gas transportation. Following the completion of corporate and governmental approvals, QazaqGaz was transferred out of KMG's structure and placed under the direct management of the Issuer.

The Issuer views this transfer as a strategic measure aimed at strengthening QazaqGaz's status as an independent national gas operator, enabling it to implement key investment and infrastructure projects in the gas sector, as well as improving the efficiency of its cooperation with the Government of the Republic of Kazakhstan to accelerate the development of the domestic gas market and modernization of the country's gas transportation infrastructure.

For the year ended December 31, 2025, the oil and gas segment generated total revenue of KZT 10,727.7 billion (57.1% of the Group's total revenue) and net profit of KZT 1,300,2 billion (40.5% of the Group's total net profit). As at December 31, 2025, the oil and gas segment's total assets were KZT 23,545.9 billion (53.2% of the Group's total assets). For the six months ended June 30, 2026, the oil and gas segment generated total revenue and net profit of KZT 6,288.6 billion (61.3% of the Group's total revenue) and KZT 933.2 billion (53.7% of the Group's total net profit), respectively. As at June 30, 2026, the oil and gas segment's total assets were KZT 24,225.6 billion (51.9% of the Group's total assets).

KMG

KMG is the Kazakhstan operator on hydrocarbon exploration, production, processing and transportation. It is the national oil and gas company of Kazakhstan with vertically-integrated upstream, midstream and downstream operations. It was established on February 27, 2002. KMG's revenues are split mainly amongst the following segments: (i) exploration and production ("**upstream**"); (ii) transportation of crude oil and transportation and trading of gas ("**midstream**"); and (iii) refining, marketing and trading ("**downstream**").

KMG's upstream segment is one of the largest crude oil and condensate producers in Kazakhstan in terms of production volume. The portfolio includes three mega-fields operated by joint ventures – the Kashagan field, the Tengiz field and the Karachaganak field. In 2025, KMG produced a total of 26,211 thousand tonnes of oil and 11,450 million cubic meters of associated gas and natural gas. According to Kazakhstan methodology, as at December 31, 2025, and the PRMS standards, KMG's proved and probable hydrocarbon reserves (2P) amounted to 724 million tonnes, including 592 million tonnes of oil and condensate.

KMG's midstream segment consists of the largest crude oil and gas transportation pipeline in Kazakhstan. The two oil transportation modes at KMG are trunklines and the marine fleet. As at December 31, 2025, the total length of the oil pipeline networks that the KMG operates was 8,923 kilometers. Total oil transportation in 2025 amounted to 83.3 million tonnes. In 2025, oil transportation by sea decreased by 18.7 % to 10.7 million tonnes. Oil transportation by sea dropped by 18.7% to 10,701 thousand tonnes primarily due to a reduction in open-sea transportation following a change in CPC's allocation plans for Aframax tankers from March 2025. Other factors include a temporary suspension of operations along the Aktau–Baku route from August to October 2025 due to technological constraints on the Baku–Tbilisi–Ceyhan oil pipeline and the scheduled upgrade of Taraz and Liva tankers.

The downstream segment includes a controlling or significant interest in all major refineries in Kazakhstan. KMG operates each of the four principal refineries in Kazakhstan, as well as two major refineries in Romania. In 2025, downstream oil refineries refined a total of 21.0 million tonnes of hydrocarbons.

KMG's petrochemical segment's core asset is the Kazakhstan Petrochemical Industries ("**KPI**") polypropylene plant with a project capacity of 500,000 tonnes per year located in Atyrau Oblast in Western Kazakhstan. KPI produced 377 thousand tonnes in 2025 across 15 grades. KMG is developing a large-scale polyethylene production plant with a design capacity of 1.25 million tonnes per annum. Full-scale construction works commenced in 2024, and the plant is scheduled to be commissioned in 2029. The project is being implemented by Silleno LLP, a joint venture in which KMG holds a 40% stake. As at June 30, 2026, 3% of KMG's shares were listed on KASE and AIX. The Issuer owns 67.42% of the issued and outstanding share capital of KMG.

As at December 31, 2025, KMG reported total assets of KZT 18,848 billion, net assets of KZT 12,386 billion, and revenue from contracts with customers for the year ended December 31, 2025, of KZT 9,371 billion.

QazaqGaz

QazaqGaz JSC is a Kazakhstan-based joint stock company fully owned by the Issuer. QazaqGaz is the national operator for the transportation, distribution, and sale of natural gas in domestic and foreign markets. The company manages an extensive network of gas pipelines and infrastructure across the country, ensuring stable supply of natural gas to both residential and industrial consumers.

As at December 31, 2025, QazaqGaz controlled 21,814 kilometers of the gas pipeline network, including trunk and gas distribution lines, that the QazaqGaz operates, both directly and through "Intergas Central Asia" JSC and its joint ventures. In 2025, the total volume of natural gas transported was 88.9 billion cubic meters, including domestic and export transportation and international transit volumes.

QazaqGaz aims to continue expansion of its resource base, production capacity, and gas transmission infrastructure to support the sustainable development of Kazakhstan's gas industry. QazaqGaz is implementing several strategic projects under the Comprehensive Development Plan for the Gas Industry of the Republic of Kazakhstan, aimed at increasing the availability of marketable gas and improving supply reliability. Key projects under implementation include the Kashagan Gas Processing Plant with a capacity of 1 billion cubic meters to process associated gas from the Kashagan field, the Western Kazakhstan Gas Processing Plant with a capacity of 2.5 billion cubic meters to process raw gas from western fields, and the Beineu–Bozoy–Shymkent Pipeline (Second Line), which expands the main transmission route to strengthen gas supply to southern regions.

In 2024, QazaqGaz entered into a strategic cooperation framework with UCC Holding and other entities of the State of Qatar to develop new gas processing and transportation facilities. The Qatar-Kazakhstan investment package totals U.S.$17.6 billion, primarily focused on gas processing and transmission projects under public-private partnership models, with QazaqGaz acting as the national operator.

Between 2025 and 2027, QazaqGaz and its partners plan to advance construction under ongoing projects and explore further cooperation in petrochemicals, LNG, hydrogen, and gas logistics. In 2025, QazaqGaz continued to advance a number of strategic gas infrastructure and processing projects; for example, the construction of the Taldykorgan–Usharal gas pipeline was completed ahead of schedule. As at June 2026, the 2.5 billion cubic meters per year gas processing plant project at the Kashagan field in Kazakhstan has entered the stage of practical implementation. In addition, construction is currently actively underway on a separate gas processing plant at Kashagan with a capacity of 1 billion cubic meters. These two plants will enable the processing of up to 3.5 billion cubic meters of Kashagan gas. The project for the construction of the second line of the Beineu–Bozoi–Shymkent gas pipeline received a positive expert opinion and entered the implementation phase. QazaqGaz, via its subsidiary QazaqGaz

Onimderi, is also leading the development of a small-scale LNG plant in Rudny. On March 11, 2026, the Government approved an updated tariff for domestic gas transportation, and QazaqGaz agreed to purchase up to 6.0 billion cubic meters of gas from Gazprom in 2026 at a fixed price.

As at June 30, 2026, the Issuer owns 100% of the issued and outstanding share capital of QazaqGaz.

As at December 31, 2025, QazaqGaz reported total assets of KZT 4,666 billion, net assets of KZT 3,311 billion, and revenue for the year ended December 31, 2025, of KZT 1,349.8 billion.

Mining

The mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration. The Group's significant holdings in the mining segment are its majority interests in Kazatomprom and Tau-Ken Samruk.

For the year ended December 31, 2025, the mining segment generated total revenue of KZT 3,744.6 billion (19.9% of the Group's total revenue) and net profit of KZT 925.8 billion (28.8% of the Group's total net profit). As at December 31, 2025, the mining segment's total assets were KZT 4,994.1 billion (11.3% of the Group's total assets). For the six months ended June 30, 2026, the mining segment generated total revenue and net profit of KZT 1,788.8 billion (17.4% of the Group's total revenue) and KZT 355.6 billion, respectively (20.5% of the Group's total net profit). As at June 30, 2026, the mining segment's total assets were KZT 5,427.6 billion (11.6 % of the Group's total assets).

Kazatomprom

Kazatomprom is a Kazakhstan operator on the import and export of uranium, rare metals and nuclear fuel for nuclear power plants. Its principal activities include production of uranium and sale of uranium products. Kazatomprom is the world's largest uranium producer and the sole uranium miner in Kazakhstan, with vertically integrated operations covering exploration, production, processing, and sales of uranium and uranium products. Kazatomprom also produces beryllium, tantalum, and niobium products.

In 2025, Kazatomprom's uranium production amounted to 13,519 tonnes on an attributable basis, while niobium product output was 19.6 tonnes, beryllium product output amounted to 723.3 tonnes, tantalum product output was 108.2 tonnes and fuel pellet output was 257.3 tonnes.

Kazatomprom operates, through its subsidiaries, joint ventures and associates, 27 deposits grouped into 14 asset clusters, all of which are located in Kazakhstan. All of Kazatomprom's uranium deposits are suitable for in-situ recovery ("**ISR**") mining. Kazatomprom benefits from more than 40 years of ISR experience accumulated by the Kazakhstan uranium mining industry. In addition to being cost-efficient and creating less environmental disturbance, ISR technology offers enhanced operational flexibility as compared to conventional mining, which improves the scalability of Kazatomprom's operations and allows it to ramp up or down its production in a quick and cost-efficient manner in response to evolving market conditions.

Kazatomprom's primary customers include major operators of nuclear generation capacity in China, South and Eastern Asia, North America and Europe. Kazatomprom sells uranium and uranium products under long-term and short-term contracts, as well as in the spot market, through its trading subsidiary Trade House KazakAtom AG, based in Switzerland.

In 2025, Kazatomprom supplied uranium products to 21 customers in 8 countries. As at December 31, 2025, 25% of Kazatomprom's shares were listed on LSE and AIX. The Issuer owns 62.99% of the issued and outstanding share capital of Kazatomprom.

As at December 31, 2025, Kazatomprom reported total assets of KZT 4,027.2 billion, net assets of KZT 3,241.7 billion, and revenue for the year ended December 31, 2025, of KZT 1,803 billion.

The company is developing several key projects to expand production and processing capacity, including construction of a sulphuric acid plant with an annual capacity of 800,000 tonnes completion of which is scheduled for the first quarter of 2027, and the development of the Zhalpak uranium deposit, including the construction of a surface processing complex with an annual capacity of 900 tonnes of uranium. The Zhalpak project is scheduled for implementation through 2027. Having reached its design capacity in 2024, Ulba-FA LLP, Kazatomprom's joint venture with CGNPC-URC, maintained full-capacity operations in 2025 and delivered six batches of fuel assemblies containing slightly more than 200 tonnes of low-enriched uranium. The fuel assemblies are supplied to nuclear power plants in China under long-term supply arrangements extending through 2040.

Kazatomprom is also expanding its presence in rare and rare-earth metals through UMP JSC, which holds exploration licences for the Lineyny and Rodnikovy sites in the Ulytau region. The company is developing technologies for the extraction of rhenium and vanadium and continues to diversify its product base to meet growing global demand for critical minerals.

Tau-Ken Samruk

Tau-Ken Samruk is a Kazakhstan operator for exploration, development, production, processing and sale of solid minerals. It is a vertically integrated company and was established to ensure efficient subsoil use activities in the field of (i) exploration, development, extraction, processing activities and sale of solid minerals, (ii) effective management of subsidiaries and associates of the mining and metallurgical industry, (iii) development and implementation of new high-tech and efficient technologies in the mining and metallurgical industry, (iv) restoration of mineral resources of Kazakhstan, and (v) development of off-balance reserves of deposits.

As at June 30, 2026, the Issuer owns 100% of the issued and outstanding share capital of Tau-Ken Samruk.

As at December 31, 2025, Tau-Ken Samruk reported total assets of KZT 999 billion, net assets of KZT 868 billion, and revenue for the year ended December 31, 2025 of KZT 1.9 trillion.

In 2025, its subsidiary Tau-Ken Altyn LLP produced 57.0 tonnes of gold, representing year-on-year growth due to improved processing efficiency and stable supply of raw materials. The Central Plant Laboratory successfully passed London Bullion Market Association (LBMA) monitoring, confirming compliance with international standards.

The company is advancing several strategic projects in rare and rare-earth metals, including the Akbulak REE project (joint venture with Cove Capital, USA), the Northern Katpar and Verkhniye Kairakty tungsten projects, the Kuirektykol REE project, and lithium-brine exploration in the Aral Sea region in cooperation with KIGAM (South Korea). It also conducts polymetallic and copper exploration jointly with Discovery Ventures Kazakhstan Ltd. and Esan (Turkey).

In May 2026, Cove Kaz Capital Group completed the acquisition of a 70% interest in Severniy Katpar LLP, which holds the rights to the Northern Katpar and Upper Kairakty projects, while Tau-Ken Samruk retained a 30% interest.

Tau-Ken Samruk contributes to the development of certain sectors of the mining and metallurgical industry of Kazakhstan by implementing projects jointly with strategic investors. By 2028, Tau-Ken Samruk aims to diversity its portfolio of assets and establish itself as a reliable strategic partner for a wide range of investors in the mining and metals sector of Kazakhstan.

Transportation

The transportation segment includes operations related to railway and air transportation of cargo and passengers. The Group's significant holdings in the transportation segment were its majority interest in KTZ, as well as investments in Air Astana and Qazaq Air in 2023, and KTZ, Qazaq Air.

On February 14, 2024, the Issuer disposed 10% of its share in Air Astana through Air Astana's initial public offering on AIX and KASE, which reduced the Issuer's ownership to a non-controlling position. On May 6, 2025, the Issuer completed the sale of 49% share in Qazaq Air JSC to the strategic investor and 2% to its local partner, which reduced the Issuer's ownership to a non-controlling position.

For the year ended December 31, 2025, the transportation segment generated total revenue of KZT 2,788.7 billion (14.9% of the Group's total revenue) and net profit of KZT 387.7 billion (12.1% of the Group's total net profit). As at December 31, 2025, the transportation segment's total assets were KZT 7,598.2 billion (17.2% of the Group's total assets). For the six months ended June 30, 2026, the transportation segment generated total revenue and net profit of KZT 1,437.0 billion (14.0% of the Group's total revenue) and KZT 191.0 billion (11.0% of the Group's total net profit), respectively. As at June 30, 2026, the transportation segment's total assets were KZT 8,748.6 billion (18.7% of the Group's total assets).

KTZ

KTZ is the national transportation and logistics operator of the Republic of Kazakhstan. KTZ is responsible for rail and sea transportation and the operation of transport and logistics centers, seaports, airports, and railway infrastructure. KTZ is the largest operator of the national railway network and holds a natural monopoly over mainline railway services in Kazakhstan. Through its subsidiaries, KTZ-Freight Transportation JSC and Passenger Transportation JSC, KTZ is the dominant provider of freight and passenger rail services in Kazakhstan.

As at June 30, 2026, the Issuer owned 100% of the issued and outstanding share capital of KTZ.

As at December 31, 2025, KTZ reported total assets of KZT 7,598.5 billion, net assets of KZT 2,388.2 billion, and revenue for the year ended December 31, 2025, of KZT 2,757.1 billion.

In 2025, KTZ transported 319.9 million tonnes of freight, carried 13.3 million passengers and recorded transit volumes of 1,380.0 thousand TEU.Additionally in 2025, KTZ (i) had freight turnover that amounted to 288.8 billion tonne-kilometers; (ii) continued to develop its international terminal network, including through a joint venture with Xi'an Free Trade Port operating a logistics terminal (dry port) in Xi'an, providing warehousing and cargo handling services, and the Zhetysu logistics hub in Almaty, which commenced technical operations in June 2025 and supports container transportation between China, Kazakhstan and Europe.

In 2025, KTZ commissioned the second track of the 836-kilometer Dostyk–Moyynty railway line and completed the first phase of the international container hub at the Port of Aktau. Working rail movements were also launched on the Zhetigen-Kazybek Bek section of the Almaty bypass. KTZ continued the construction and modernization of the Darbaza-State Border with Uzbekistan, Altynkol-Zhetygen, Moyynty-Kyzylzhar and Bakhty-Ayagoz sections. During 2025, KTZ acquired 135 new locomotives and 161 domestically produced passenger carriages.

Following Government initiatives to develop Kazakhstan's national logistics infrastructure, KTZ operates as a multimodal transport and logistics group, primarily through its wholly-owned subsidiary, KTZ Express JSC, established in 2013. KTZ Express integrates rail, road and sea transportation, warehousing and digital logistics services and supports Kazakhstan's position as a regional transit hub connecting Asia and Europe. In 2025, KTZ Express expanded its international multimodal routes, completed the first phase of the container hub at the Port of Aktau and increased the capacity of the Khorgos Gateway dry port.

Air Astana

Air Astana is the largest airline and national flag carrier of Kazakhstan, providing scheduled domestic and international passenger services, as well as cargo and mail transportation. Air Astana operated its first flight in May 2002 from Almaty to Astana. As at June 30, 2026, Air Astana operated a fleet of 63

leased aircraft. Air Astana continues to modernize its fleet and optimize capacity under its growth and engine mitigation program, ensuring reliability and operational efficiency.

Air Astana serves a growing network of routes across Asia, Europe, and the Middle East. In 2025, the Air Astana Group launched 25 new routes, of which 17 were operated by the full-service Air Astana brand, bringing its network to 78 routes. New services included flights from Almaty to Frankfurt, Guangzhou and Mumbai, as well as new destinations in Southeast Asia, including Da Nang and Nha Trang. In 2025, Air Astana entered into codeshare agreements with China Southern Airlines and Air India. The agreement with China Southern Airlines covers approximately 50 weekly flights between Kazakhstan and China, improving connectivity between the two countries and other regional destinations.

Its low-cost subsidiary FlyArystan, launched in 2019, continues to expand rapidly, increasing domestic air accessibility and supporting Kazakhstan's transport mobility. continued to expand its domestic and regional network. In 2025, FlyArystan carried 4.5 million passengers, operated a fleet of 28 Airbus A320-family aircraft and served 14 cities in Kazakhstan, as well as destinations in China, Uzbekistan, Kyrgyzstan, Azerbaijan, Türkiye and Georgia. The new international terminal at Almaty Airport, opened in 2024, continued to support the development of Air Astana's principal hub. During 2025, the Group continued investing in its Technical Center in Astana and its maintenance and training infrastructure.

Since 2024, Air Astana's shares were listed on LSE, KASE and AIX. As at June 30, 2026, the Issuer owns 41% of the issued and outstanding share capital of Air Astana. As at December 31, 2025, Air Astana reported total assets of KZT 1,039.7 billion, net assets of KZT 186.7 billion, and revenue for the year ended December 31, 2025, of KZT 759.0 billion.

Qazaq Air

Qazaq Air is a Kazakhstan airline operating regional flights. Qazaq Air was established by the Group in accordance with the initiative of the first President of Kazakhstan, Nursultan Nazarbayev, to improve the safety and availability of inter-regional air traffic in Kazakhstan and border areas of neighboring countries. Qazaq Air is headquartered at the Nursultan Nazarbayev International Airport. It provides a network of inter-regional carrier with a hub in the capital of Kazakhstan, Astana. Its route network is organized to provide comfortable connecting flights between country regions with a transfer at the hub airport.

Qazaq Air aims to increase the availability of safe inter-regional air transportation in Kazakhstan and neighboring countries, thereby stimulating social and economic development of the regions and their stable radial air connection with the Astana hub.

As at June 30, 2026, the Issuer owns 49% of the issued and outstanding share capital of Qazaq Air. As at December 31, 2025, Qazaq Air reported total assets of KZT 30.2 billion, net assets of KZT 23.8 billion, and revenue for the year ended December 31, 2025, of KZT 24.0 billion.

Until May 6, 2025, the Issuer was the immediate parent company and controlling party of the Qazaq Air was the Issuer. On December 24, 2024, as part of the Government's strategic initiative to position Qazaq Air in a competitive environment, a sale and purchase agreement and other transaction documents, were signed between the Issuer, and PC Central Asia Aviation Holdings (part of SOVICO Group, Vietnam) and PC Kazasia Holdings Limited. The transaction was completed on May 6, 2025, when the parties officially announced a strategic partnership and the transfer of 49% of Qazaq Air's shares to PC Central Asia Aviation Holdings and 2% to PC Kazasia Holdings Limited. Based on the terms of the agreement, neither investor nor the remaining shareholder obtained unilateral ability to direct Qazaq Air's relevant activities. Accordingly, management concluded that no party obtained control over Qazaq Air as at and after May 6, 2025.

Communication

The communication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries), as well as renting out of lines, data transfer services and wireless communication services. The Group's significant holdings in the communication segment are its majority interests in Kazakhtelecom and Qazpost.

For the year ended December 31, 2025, the communication segment generated total revenue of KZT 650.2 billion (3.5% of the Group's total revenue) and net profit of KZT 147.2 billion (4.6% of the Group's total net profit). As at December 31, 2025, the communication segment's total assets were KZT 1,767.1 billion (4.0% of the Group's total assets). For the six months ended June 30, 2026, the communication segment generated total revenue and net loss of KZT 316.6 billion (3.1% of the Group's total revenue) and KZT 0.4 billion, respectively. As at June 30, 2026, the communication segment's total assets were KZT 2,012.7 billion (4.3% of the Group's total assets).

Kazakhtelecom

Kazakhtelecom is the largest telecommunications company in Kazakhstan and is the national telecommunications operator. It is included in the register of natural monopolists in relation to transit traffic services provided to telecommunication operators, public switch telecommunication network ("**PSTN**"), connection services provided to third-party telecommunication operators, and rental of phone channels to telecommunication operators for connection to PSTN.

Kazakhtelecom and its subsidiaries hold a leading position in both fixed and mobile communications, providing local, long-distance, and international telecommunications services across Kazakhstan, including data transmission, broadband internet, cloud services, and mobile connectivity. Kazakhtelecom also owns the National Information Superhighway, a fiber-optic transport ring connecting major cities with high-speed data transmission capabilities. As at December 31, 2025, Kazakhtelecom's infrastructure comprised 96,242 kilometers of fiber-optic communication lines, 23 data centers and 8,983 mobile network base stations. Its 4G/LTE network was deployed in all major cities of Kazakhstan. During 2025, 1,154 additional 5G base stations were commissioned, bringing the total number of 5G base stations constructed during 2023–2025 to 2,612, including infrastructure jointly used with Mobile Telecom-Service LLP. In 2026, Kazakhtelecom plans to construct 567 additional 5G base stations.

In 2025, Kazakhtelecom continued to modernize and expand its access network. Kazakhtelecom enabled high-speed internet connections for 68,438 subscribers in multi-apartment residential buildings and 24,245 private-sector subscribers and migrated 77,598 users from copper infrastructure to modern optical networks under the Tazartu project. Network aggregation equipment was also installed in 12 regional centers. In June 2025, Kazakhtelecom signed an investment agreement to connect more than 3,000 rural settlements to high-speed internet. The related Auyl Online project covers 2,991 villages, 62,000 households, 2,011 schools and 3,029 government institutions and is expected to provide high-speed internet access to more than one million rural residents by the end of 2027. In 2026, Kazakhtelecom plans to migrate 80,000 or more subscribers to optical networks and continue implementing the RPC 2.0 rural fiber-optic project.

Kazakhtelecom continued implementing the Trans-Caspian submarine fiber-optic communication line between Aktau, Kazakhstan, and Sumgait, Azerbaijan, through CaspiLink B.V. (formerly CASPINET B.V.), its 50:50 joint venture with Azertelecom INT LLC. During 2025, the principal preparatory stages and marine surveys were completed and production of the submarine cable commenced. The laying of the cable is scheduled for 2026. Kazakhtelecom also commissioned the Al-Farabium high-performance GPU cluster based on NVIDIA H200 processors for artificial intelligence and big-data applications; the cluster was ranked 103rd in the international TOP500 supercomputer ranking.

As at December 31, 2025, Kazakhtelecom's ordinary and preferred shares were included in the Premium category of the official list of KASE and traded on its Main Market. As at that date, the Issuer owned 80.85% of Kazakhtelecom's outstanding ordinary shares. In April 2026, the Issuer acquired an additional 10.43% of Kazakhtelecom's ordinary shares on KASE, increasing its ownership interest in the outstanding ordinary shares from 80.85% to 91.28%.

As at December 31, 2025, Kazakhtelecom reported total assets of KZT 1,404.7 billion and net assets of KZT 731.1 billion. Kazakhtelecom's revenue for the year ended December 31, 2025 was KZT 568.2 billion.

Qazpost

Qazpost is the national postal operator in Kazakhstan, with the mission to encourage the development of a modern digital society on the basis of an effective ecosystem giving customers the opportunity to receive postal, logistics, financial and agent services in a quick and reliable manner. Qazpost provides a wide range of postal, financial, brokerage, agency and electronic services. It has the largest branch network in the country, covering almost the entire territory of Kazakhstan, especially at the level of regional and rural areas.

Qazpost is implementing an active modernization and digital transformation program to improve service quality and upgrade its operational and technological systems. In recognition of service excellence, Qazpost was included for the first time among the top 50 postal operators worldwide, according to the Universal Postal Union. In 2025, Kazakhstan rose to 39th place among more than 180 countries in the Universal Postal Union's postal development rankings. As at June 30, 2026, the Issuer owned 100% of the issued and outstanding share capital of Qazpost. As at December 31, 2025, Qazpost reported total assets of KZT 362.5 billion, net assets of KZT 39.9 billion, and revenue for the year ended December 31, 2025, of KZT 68.0 billion.

In 2024, Qazpost commissioned three new logistics centers in Almaty, Astana, and Aktobe, enhancing parcel processing efficiency. In 2025, Qazpost continued to develop its logistics and e-commerce infrastructure. Through QazPost-YTO, its joint venture with YTO Express, Qazpost advanced plans for a new sorting hub and an adjacent industrial park in the Almaty Region. The project is intended to reduce delivery times and support the development of Kazakhstan as a regional logistics hub serving Central Asia. Qazpost also signed the charter for QazPostSistem Ltd., a joint venture with Türkiye-based S Sistem Yatirim Lojistik, which provides for the construction of a multifunctional logistics center at Aktobe Airport.

Qazpost continued to develop the QazPost Marketplace and QazPost Super App and expanded its cooperation with international logistics operators and e-commerce platforms. In 2025, Qazpost introduced functionality in the QazPost mobile application allowing customers to pay customs duties on e-commerce goods through the Keden service. Qazpost also organized an international postal summit in Astana attended by postal operators from more than 20 countries and representatives of YTO Express, CITIC Poly Fund, JD.com, AliExpress, Wildberries and Taobao.

Qazpost's financial and brokerage services continued to grow, with its securities portfolio reaching KZT 600 billion and brokerage income totalling KZT 888 million in 2024. The company also introduced Apple Pay and Google Pay, enabling contactless payments, and participated in the national "Comfortable School" project.

Qazpost strengthened its international presence by opening an Overseas Exchange Place in Singapore and obtaining an IMPC code from the Universal Postal Union. In 2026, Qazpost plans to expand its logistics infrastructure and digital services, enhance e-commerce and financial offerings, and deepen international cooperation to further improve service quality and competitiveness.

Kcell

Kcell is one of the leading mobile telecommunications operators and digital ecosystem providers in Kazakhstan. It operates under the Kcell and activ brands and provides voice and mobile data services, mobile and fixed wireless internet access, digital and financial services and mobile applications. Kcell also provides corporate customers with system integration, Internet of Things, machine-to-machine connectivity, Big Data, cloud computing and Private LTE and Private 5G solutions. Kcell JSC is a member of the Kazakhtelecom JSC Group, which holds a dominant share of the Kazakh telecommunications market.

As at December 31, 2025, Kcell had 8.67 million subscribers and accounted for 31.7% of Kazakhstan's mobile telecommunications market by number of subscribers. Its infrastructure comprised 8,988 base stations, including 5,724 4G/LTE base stations and 1,774 5G base stations. Its 4G network covered 86% of Kazakhstan's population, while its 5G network covered 53% of the population. During 2025, Kcell deployed or modernized 2,560 base stations, including 802 5G base stations, 1,627 4G base stations and 131 base stations under the "250+" rural connectivity initiative. Kcell also extended high-speed 4G connectivity to 592 rural settlements. Mobile data traffic increased by 66.6% during 2025 to 1,439 petabytes.

In 2025, Kcell adopted its development strategy for 2025–2029, which focuses on expanding and improving its network in Kazakhstan's principal urban areas, accelerating the deployment and densification of its 5G network, strengthening the Kcell and activ brands, expanding its B2B and digital services and integrating artificial intelligence into its operations. Kcell continued deploying its 5G network through a consortium with Mobile Telecom-Service LLP and expanded its corporate digitalisation offerings. It launched the bigdata.kcell.kz portal for corporate customers and deployed Kazakhstan's first industrial Private 5G network at ERG's Vostochny open-pit mine to support the remote operation of autonomous mining vehicles. In 2026, Kcell intends to continue investing in its infrastructure, expanding network coverage and developing solutions for its B2C and B2B customers.

In November 2025, Kcell entered into a KZT 141.1 billion loan agreement with the Development Bank of Kazakhstan to finance the construction and modernization of its 4G and 5G networks. As at December 31, 2025, Kcell had drawn KZT 40 billion under the facility, which matures in November 2040 and bears interest at a preferential rate of 12.6% per annum.

As at December 31, 2025, Kcell's ordinary shares were included in the Premium category of the official list of KASE and traded on its Main Market under the ticker KCEL. Kazakhtelecom held 51.0% of Kcell's outstanding ordinary shares. As at that date, the Issuer owned 80.85% of Kazakhtelecom's outstanding ordinary shares, representing an indirect ownership interest of approximately 41.23% in Kcell. Following the Issuer's acquisition of an additional 10.43% of Kazakhtelecom's outstanding ordinary shares on April 29, 2026, the Issuer's ownership interest in Kazakhtelecom increased to 91.28% and its corresponding indirect ownership interest in Kcell increased to approximately 46.55%.

As at December 31, 2025, Kcell reported total assets of KZT 526.2 billion and net assets of KZT 195.8 billion. Kcell's revenue for the year ended December 31, 2025, was KZT 262.0 billion.

Energy

The 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. The Group's significant holdings in the energy segment are its majority interests in Samruk-Energy, KEGOC, EGRES-2 and CCGT Turkistan.

For the year ended December 31, 2025, the energy segment generated total revenue of KZT 1,231.6 billion (6.6% of the Group's total revenue) and net profit of KZT 214.1 billion (6.7% of the Group's total net profit). As at December 31, 2025, the energy segment's total assets were KZT 3,386.2 billion (7.7% of the Group's total assets). For the six months ended June 30, 2026, the energy segment

generated total revenue and net profit of KZT 653.1 billion (6.4% of the Group's total revenue) and KZT 123.9 billion (7.1% of the Group's total net profit), respectively. As at June 30, 2026, the energy segment's total assets were KZT 3,918.4 billion (8.4% of the Group's total assets).

Samruk-Energy

Samruk-Energy is the largest diverse energy holding in Kazakhstan, successfully integrated into the international energy balance. Its principal activities are production of electricity, heating energy, hot water on the basis of coal, hydrocarbons and water resources, and renewable energy sources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, as well as leasing of property of hydro power plants. Samruk-Energy is vertically integrated, giving it greater control over its supply chain and distribution channels. It also benefits from being an affiliate of many of its customers and contractors through the Group.

As at June 30, 2026, the Issuer owned 100% of the issued and outstanding share capital of Samruk-Energy. As at December 31, 2025, Samruk-Energy reported total assets of KZT 1,823.9 billion, net assets of KZT 938.8 billion, and revenue for the year ended December 31, 2025, of KZT 752.8 billion.

In 2025, Samruk-Energy generated coal production volume of 40.44 billion kilowatt-hours of electricity, and sold 44.35 million tonnes of coal. As at December 31, 2025, it operated six combined heat plants, seven hydropower plants, three wind power plants, two renewable power plant and two coal mining plants.

In 2024, Samruk-Energy and Samruk-Kazyna established Kokshetauskaya TEC, Semey Energo and Oskemen Energo as project companies for the construction and future operation of CHP plants in Kokshetau, Semey and Oskemen. As of 2026, the projects had progressed to the implementation phase, with construction works underway in Kokshetau and EPC contracts executed for the Semey and Oskemen projects.

Samruk-Energy's major generation and conversion projects are underway, including the conversion of Almaty CHPP-2 and CHPP-3 to gas, the construction of a 1,100 MW combined cycle power plant in Kyzylorda with Power International Holding (Qatar), and the expansion of Ekibastuz GRES-2 through installation of Units 3 and 4, scheduled for commissioning in 2028 and 2030, respectively. In total, Kazakhstan plans to commission 26 GW of new capacity by 2035, of which Samruk-Energy's share is 55%.

In the hydropower segment, Samruk-Energy, together with Nebras Power (Qatar), is developing the 300 MW Semey HPP, serving as a counter-regulator for the Shulbinsk HPP. Expansion projects for the Shulbinsk HPP and a new hydro-storage station are under preparation to enhance system flexibility and energy balancing.

To support Kazakhstan's decarbonisation goals, Samruk-Energy is implementing large-scale renewable energy projects in cooperation with Total Eren (France), Masdar (UAE), China Power International Holding, and Energy China. Samruk-Energy's strategy envisions the development of approximately 6.2 GW of renewable energy capacity by 2030.

KEGOC

KEGOC is the system operator of the Unified Electric Power System (UES) in Kazakhstan. KEGOC provides electricity transmission, dispatching, and system balancing services, ensuring the reliable operation and development of the National Electric Grid (NEG), which includes substations and transmission lines of 220 kV and above connecting all major energy regions of the country.

KEGOC is implementing the project "Integration of the Energy System of Western Kazakhstan with the Unified Power System of Kazakhstan", which includes the construction of the 500 kV Karabatan–Ulke transmission line (604 km), a new 500 kV Karabatan substation and expansion of the Karabatan and Ulke substations. Following the signing of financing agreements with the EBRD and Development

Bank of Kazakhstan in 2024, the project's construction began in 2025. In July 2024, KEGOC signed a KZT 58.2 billion loan agreement with the Asian Development Bank to finance the project "Strengthening of the Power Grid of the Southern Zone", including construction of the 500 kV Shu–Zhambyl–Shymkent transmission lines and modernization of the Shu, Zhambyl and Shymkent substations.

As part of its Smart Grid development program, KEGOC continues to modernize its SCADA/EMS and WAMS systems to enhance dispatch control, grid reliability and real-time monitoring. KEGOC is also piloting battery energy storage technologies in cooperation with international partners to facilitate the integration of renewable energy sources and improve power system flexibility.

KEGOC's investment program focuses on modernizing the national grid, integrating the western energy zone, and enhancing reliability of the southern power system. KEGOC also participates in the development of Kazakhstan's new electricity market model, supporting the integration of new generation capacity, including renewable energy sources.

As at June 30, 2026, 15% of KEGOC's shares were listed on KASE and AIX and the Issuer owns 85% of the issued and outstanding share capital of KEGOC.

As at December 31, 2025, KEGOC reported total assets of KZT 1.137 billion, net assets of KZT 796 billion, and revenue for the year ended December 31, 2025, of KZT 397.7 billion.

Industrial

The industrial segment includes industry enterprises and projects of chemical industry. The Group's significant holding in the industrial segment is its majority interest in Samruk-Kazyna Ondeu.

For the year ended December 31, 2025, the industrial segment generated total revenue of KZT 52.0 billion (0.3% of the Group's total revenue) and net profit of KZT 12.3 billion (0.4% of the Group's total net profit). As at December 31, 2025, the industrial segment's total assets were KZT 275.2 billion (0.6% of the Group's total assets). For the six months ended June 30, 2026, the industrial segment generated total revenue and net profit of KZT 40.0 billion (0.4% of the Group's total revenue) and KZT 24.5 billion, respectively (1.4% of the Group's total net profit). As at June 30, 2026, the industrial segment's total assets were KZT 341.8 billion (0.7% of the Group's total assets).

Samruk-Kazyna Ondeu

Samruk-Kazyna Ondeu is a national investment company focused on the development and implementation of industrial projects in Kazakhstan's chemical and petrochemical sectors. Its activities include the preparation and management of investment projects, organization of subsoil use operations, and establishment or acquisition of industrial assets for project realization.

As at June 30, 2026, the Issuer owned 100% of the issued and outstanding share capital of Samruk-Kazyna Ondeu. As at December 31, 2025, Samruk-Kazyna Ondeu reported total assets of KZT 295.9 billion, net assets of KZT 268.1 billion, and revenue for the year ended December 31, 2025, of KZT 52.0 billion.

Samruk-Kazyna Ondeu's key initiatives include the expansion of the Stepnogorsk Sulphuric Acid Plant operated by SSAP LLP, in which Samruk-Kazyna Ondeu holds a 90.11% interest. The project provides for the construction of a second production line, which would double the plant's annual production capacity from 180,000 tonnes to 360,000 tonnes. The feasibility study has received a positive opinion, and completion of construction and ramp-up to design capacity are currently targeted for 2028.

Samruk-Kazyna Ondeu also manages, under a trust management arrangement, the 40% interest held by Kazatomprom-SaUran LLP in TQZ LLP, which is constructing a sulphuric acid plant in Taikonur, Turkestan region, with an annual capacity of 800,000 tonnes. In May 2025, TQZ LLP secured a KZT 85 billion credit facility from the Development Bank of Kazakhstan towards the project's total estimated

cost of KZT 113 billion. Mobilization and preparatory works have been completed, and completion of the plant is currently scheduled for the first quarter of 2027.

Through its subsidiary Karabatan Utility Solutions LLP, Samruk-Kazyna Ondeu is developing an additional 165 MW combined-cycle gas turbine power unit at the Karabatan site in the Atyrau region to provide electricity to enterprises operating within the National Industrial Petrochemical Technopark special economic zone. In July 2026, Samruk-Kazyna Ondeu and PowerChina SEPCO1 Electric Power Construction Co., Ltd. signed an EPC contract in connection with the project.

Samruk-Kazyna Ondeu is also implementing the Butadiene project in the Atyrau region. Following the withdrawal of Tatneft PJSC, since January 30, 2026, Butadiene LLP is owned 99.999% by Samruk-Kazyna Ondeu and 0.001% by SSAP LLP. An EPC contract was signed with Sinopec Guangzhou Engineering in March 2026, and construction efforts commenced in 2026. The project provides for the production of up to 300,000 tonnes per year of butadiene and its derivatives, including synthetic rubbers, with commissioning currently targeted for December 2028.

Under the existing commission agreement with Tengizchevroil LLP, Samruk-Kazyna Ondeu sold sulphur in the amount of 222,300 tonnes in 2024 and 214,700 tonnes in 2025, with sales of 213,400 tonnes planned for 2026. Through these projects, Samruk-Kazyna Ondeu supports the expansion of Kazakhstan's chemical and petrochemical capacity, import substitution, and attraction of international partners and technology to the country's industrial sector.

Privatization and Asset Optimization Plans

As part of the Group's effort to improve the efficiency of, and reduce state ownership in, Kazakhstan's economy, the Issuer has been actively involved in the privatization plans adopted by the Government. A dedicated asset privatization and restructuring function within the Issuer coordinates the implementation of these plans together with the relevant portfolio companies. The Group believes that the privatization plans will have the benefit of, among others, enhancing the corporate governance system, developing healthy competition in the private sector, reducing the presence of the Government in competitive sectors of the economy, improving the investment climate in Kazakhstan, attracting new technologies to the economy as well as decreasing government regulations in the business sector.

The 2016–2020 Privatization Plan has been completed. Its principal transactions included the initial public offering and subsequent placements of shares in Kazatomprom, together with the disposal, reorganization or liquidation of a number of other Group assets.

The implementation period of the 2021–2025 Comprehensive Privatization Plan, approved by Resolution of the Government of the Republic of Kazakhstan No. 908, dated December 29, 2020, expired at the end of 2025. Material transactions completed during that period included the initial public offering of a minority interest in KMG in 2022, the secondary public offering of KEGOC in 2023 and the initial public offering of Air Astana in 2024. In addition, in 2025, the Group completed the sale of its 100% interest in Mobile Telecom-Service LLP and the sale of a 51% interest in Qazaq Air JSC, which reduced the Issuer's ownership to a 49% non-controlling interest in Qazaq Air JSC. A number of assets that were not transferred to the competitive environment during the term of the previous plans have been included in subsequent asset optimization measures.

On October 24, 2025, the Government adopted Resolution No. 894 "On Certain Issues of Optimization of Quasi-Public Sector Entities and State-Owned Property" ("Resolution No. 894"), which approved the Optimization Plan for 2026–2030 (the "Optimization Plan") and initially included 19 Group assets proposed for transfer to the competitive environment, reorganization or liquidation. Subsequently, in connection with the implementation of the strategic project "Data Processing Centers Valley," procedures were undertaken to exclude KT-Telecom LLP from the Optimization Plan, leaving only 18 Group assets in the Optimization Plan. In addition, three additional Group assets are expected to be included in the Optimization Plan in accordance with the applicable procedures.

The Group is currently implementing the Optimization Plan in accordance with the applicable procedures and requirements of the Government of the Republic of Kazakhstan and the Issuer's internal rules. As at the date of this Base Offering Memorandum, one asset, Northern Katpar LLP, has been realized, while 17 assets remain in the process of realization or liquidation. Of these remaining assets, five major assets are contemplated for an initial or secondary public offering, eight assets are expected to be transferred to the competitive environment through other methods and four assets are designated for liquidation.

The five major assets currently contemplated for an initial or secondary public offering are KTZ, Qazpost, Kazakhtelecom, QazaqGaz and Qazaq Green Power PLC. The current indicative timetable provides for the proposed initial public offering of KTZ in 2027, Qazpost in 2028, Kazakhtelecom and QazaqGaz during 2027–2029 and Qazaq Green Power PLC during 2029–2030.

The Issuer and KTZ confirmed that they were actively preparing for an international initial public offering of KTZ, which is expected to involve a triple listing on the London Stock Exchange, the Hong Kong Stock Exchange and a local stock exchange in Kazakhstan. The proposed KTZ initial public offering is currently expected to be structured exclusively as a primary offering of newly issued shares, rather than as a sale of shares by the Issuer. Accordingly, the proceeds of the offering are expected to be retained by KTZ and used, among other purposes, to repay a portion of its existing indebtedness and finance its investment program. The timing and structure of the proposed initial public offering remain subject to KTZ's readiness, investor demand, prevailing market conditions and the receipt of the relevant corporate, governmental and regulatory approvals.

The general framework for the transfer of the Group's assets to the competitive environment is set in the Law "On the Sovereign Wealth Fund", dated February 1, 2012. The procedure for transferring the Group's assets into the competitive environment is determined by the Board of the Issuer. The applicable Rules for the Transfer to the Competitive Environment of the Assets of Samruk-Kazyna JSC and organizations in which the Issuer directly or indirectly owns at least 50% of the voting shares or participation interests were most recently amended on December 23, 2025, and became effective on December 26, 2025. The transfer of assets to the competitive environment may be carried out by means of an open two-stage tender, direct targeted sale, electronic tender, auction, listing on the stock exchange, and other ways not prohibited by the laws of Kazakhstan. The particular method, structure and terms of each transaction are determined by the relevant authorized bodies in accordance with applicable law and the Issuer's internal rules.

The timetable and scope of the Optimization Plan are indicative and may be revised, including in connection with changes to the assets included in the Optimization Plan and the addition of further Group assets.

Investment Activities

The Group's investment activities are focused on expanding and modernizing Kazakhstan's industrial, transport, energy and petrochemical infrastructure, while ensuring a commercially driven and diversified investment portfolio. The Group continues its transition to an active investment holding model, balancing strategic assets, where control is retained and exercised through representation in boards of directors, and investment assets managed for financial returns, diversification and co-investment with domestic and international partners. The projects cover oil and gas exploration and processing, transport and logistics infrastructure, power generation, petrochemicals, and mining and metallurgical industries. The Group also supports Kazakhstan's economic development through participation in major infrastructure and industrial projects aimed at improving energy security, expanding export and transit capacity, and promoting import substitution and decarbonisation initiatives.

As at the beginning of 2026 the Group's investment portfolio comprised 120 projects with an aggregate value of KZT 52 trillion, covering priority sectors of the Kazakhstan economy, including energy, transport, oil and gas and digital infrastructure. In 2025, the Group completed 10 investment projects

with an aggregate value of KZT 1.1 trillion. The Group's planned investment expenditures for 2026 amount to KZT 5.3 trillion, compared with KZT 2.7 trillion in 2025 and KZT 2.0 trillion in 2024. As at June 2026, the Group planned to complete 16 investment projects with an aggregate value of KZT 3.3 trillion during 2026, including new railway lines, a gas processing plant at the Kashagan field, the modernization of Almaty CHP-2, a hybrid power plant and the Trans-Caspian fiber-optic communication line. Since the beginning of 2026, construction has also commenced on 10 major investment projects. The Group's longer-term investment program provides for the implementation of 36 projects with an aggregate value of KZT 21 trillion during 2027–2029.

Ongoing Investment Projects

The table below sets forth the major investment projects that are currently under implementation by the Group's portfolio companies. The Group reviewed the list of major investment projects on an annual basis.

Sector	Portfolio Company	Project Name	Estimated Total Cost of the Project	Expected Timeframe
			(in billions of Tenge)	
Petrochemicals	KMG	Polyethylene production	4,261.0	2023-2029
Petrochemicals	KMG	Gas separation unit for the Polyethylene project	1,404.4	2018-2028
Petrochemicals	KMG	Construction of main pipelines (ethane, propane) in a single corridor in the Atyrau region	338.5	2025-2028
Gas processing plant	KMG	Gas processing plant in Zhanaozen	217.6	2018-2027
Gas processing plant	QazaqGaz	Construction of the Kashagan Gas processing plants	1,034.0	2021-2030
Gas infrastructure	QazaqGaz	Expansion of the capacity of the Beineu-Bozoi-Shymkent Main Gas Pipeline	3,076.5	2023-2029
Gas infrastructure	QazaqGaz	Construction of a new compressor station (CS-14) and main gas pipeline	707.7	2024-2028
Oil refining industry	KMG	Expansion of production capacities of PetroKazakhstan Oil Products LLP	2,401.2	2022-2030
Oil refining industry	KMG	Kalamkas-Sea and Khazar Offshore Oil & Gas Development	3,198.4	Suspended*
Conventional power	Samruk Energy	Modernization of Almaty Combined Heat and Power Plant-2	388.9	2021-2026
Conventional power	Samruk Energy	Reconstruction of Almaty Combined Heat and Power Plant -3	341.3	2021-2026
Conventional power	Samruk Energy	Expansion and reconstruction of EGRES-2 with the installation of power unit No. 3	826.7	2006-2028
Conventional power	Samruk Energy	Expansion and reconstruction of EGRES-2 with the installation of power unit No. 4	858.2	2022-2030
Conventional power	Samruk Energy	Construction of Kokshetau Combined Heat Plant	347.0	2024-2029
Conventional power	Samruk Energy	Construction of Semey Combined Heat Plant No. 3	455.4	2024-2030
Conventional power	Samruk Energy	Construction of Oskemen Combined Heat Plant	455.4	2024-2032
Conventional power	Samruk Energy	Construction of a CCGT plant in the Kyzylorda region	1,160.0	2024-2029
Conventional power	CCGT-Turkistan	CCGT-Turkistan	736.9	2022-2026
Transport infrastructure	KTZ	Construction of a bypass railway line around the Almaty railway junction	151.3	2026-2027

Sector	Portfolio Company	Project Name	Estimated Total Cost of the Project	Expected Timeframe
			(in billions of Tenge)	
Transport infrastructure	KTZ	Construction of the Darbaza– Maktaaral railway line	286.0	2022-2027
Transport infrastructure	KTZ	Construction of the Moiynty– Kyzylzhar railway line	720.3	2025-2026
Transport infrastructure	KTZ	Construction of the Bakhy– Ayagoz railway line	577.5	2022-2027
Transport infrastructure	KTZ	Modernization of the Altynkol– Zhetygen section	115.5	2025-2026
Power infrastructure	KEGOC	Unification of the energy system of Western Kazakhstan with Unified Energy System Kazakhstan	201.8	2021-2027
Power infrastructure	KEGOC	Strengthening the electric network of the Southern zone of the Unified Energy System of Kazakhstan	154.1	2021-2027
Renewable Energy Sources	KMG	Construction of the Hybrid Energy Station in Zhanaozen jointly with ENI	183.4	2024-2026
Renewable Energy Sources	Samruk Energy	Construction of the Semey Hydroelectric Power Plant	530.4	2023-2028
Renewable Energy Sources	Samruk Energy	Construction of a pumped storage station in Kazakhstan	417.8	2024-2030
Renewable Energy Sources	Samruk Energy	Construction of an RES in partnership with China Energy	475.2	2024-2028
Renewable Energy Sources	Samruk Energy	Construction of WPP 1 GW with Total Eren	552.0	2022-2028
Renewable Energy Sources	Samruk Energy	Construction of WPP 1 GW with Masdar	690.0	2023-2028
Renewable Energy Sources	Samruk Energy	Construction of WPP 1 GW with CPIH	552.0	2023-2028
Digital infrastructure	Kazakhtelecom	Construction of a 5G Network in the Republic of Kazakhstan	268.0	2023-2027
Digital infrastructure	Kazakhtelecom	Laying of a Fiber-Optic Cable Line along the bottom of the Caspian Sea	29.3	2023-2026

** Further implementation of the Kalamkas-Sea and Khazar Offshore Oil & Gas Development project has been suspended in light of the sanctions imposed on Lukoil, KMG's partner in the project. The timing of any resumption of the project is uncertain.*

Investment Criteria

All investments should be characterized by a positive net present value (NPV>0) and an internal rate of return exceeding the cost of equity (IRR>CoE), or, where a project is financed predominantly by concessional or subsidized financing, exceeding the project's weighted average cost of capital. Each project must have an exit strategy determined at the outset, and on exit, the return on investment is required to exceed the cost of equity, subject to limited exceptions.

The Issuer makes international investments in sectors of the economy that have a strategic link to Kazakhstan (excluding the oil industry). These investments cover all stages of project implementation and stages of the project life cycle. Within Kazakhstan, the Issuer invests in sectors not represented in its current portfolio.

In order to implement its investment strategies, the Issuer mobilizes various sources of funding – its own funds, dividends from portfolio companies, proceeds from divestments, borrowings from both domestic and international capital markets, as well as intra-group financing and other sources.

Approval and Implementation Process

At each stage of assessing and executing proposed investments, the Investment and Strategy Committee, an advisory body of the Issuer's management board, issues recommendations that determine the Issuer's position as shareholder for voting by its representatives on the boards of directors or supervisory boards of the portfolio companies, which approve the final project parameters and the investment decision. The Investment and Strategy Committee considers projects meeting defined significance criteria, including those financed from the republican budget or by the Issuer, those exceeding specified thresholds relative to consolidated equity, and all mergers and acquisitions. Projects move between stages only through a decision gate, and independent external appraisal is mandatory for large projects prior to implementation.

For a capital expenditure project, project implementation is divided into the following five stages:

- **Identification and Valuation:** identification of needs, generation of investment projects' ideas, a clear understanding of the business initiative and verification of its compliance with the development of the Group; development of a project concept (from long to short list); definition of project scope; conduction of a pre-feasibility study, assessment of the potential benefits from the project implementation and the associated risks.

- **Selection:** valuation of alternative project concepts (based on a short list); selection of the optimal concept that can lead to the highest benefits for business; development of the project implementation strategy; conduction of a feasibility study.

- **Definition:** basic engineering of the selected concept, preparation of documentation for project implementation, a detailed description of the project, conduction of calculations in accordance with the scope of work and the strategy of project implementation; development of the design and budget documentation.

- **Execution:** detailed engineering; implementation / creation of a product, integration, launch and testing in accordance with the plan and strategy of the project implementation as well as with other documents developed at the "definition" stage.

- **Exploitation / Operation:** production ramp-up till the target level of exploitation; analysis of the results and effectiveness of the project; collection, accumulation and distribution of lessons learned.

For a long-term financial investment project, project implementation is divided into the following three stages:

- **Identification and Valuation:** the internal resources of the relevant portfolio company must prepare an expert opinion, including alignment with the Group's development plan and development strategy, economic feasibility of the project (transaction), identification of the strengths and weaknesses of the transaction, preparation of preliminary valuation (transaction cost range), development of a preliminary strategy for transaction implementation, preliminary determination of the sources of financing, memorandum of cooperation or agreement on the main terms of the transaction (term sheet), determination of the preliminary structure/terms for joining the private equity fund, and reception of key corporate decisions.

- **Selection and Definition:** non-disclosure agreement signed; distribution of the information memorandum and teaser; preparation of a list of potential buyers / proof of inclusion in the list of buying; analysis / preparation of non-binding offers; determination of the sources of financing; virtual/physical data room preparation; provision of an access to comprehensive due diligence and valuation; valuation / preparation of binding offers; financial and economic, tax and legal due diligence of the asset (comprehensive analysis); negotiations based on the results of a comprehensive analysis; marketing strategy development; transaction consultant

engagement; independent valuation engagement; determination of the transaction method (initial public offering, direct sale, auction or liquidation); determination of the final structure/terms for joining the private equity fund; and reception of key corporate decisions.

- **Execution:** negotiations regarding the closure of balance sheet accounts and adjustments to financial performance indicators prior to restructuring / transfer of control; reception of all necessary permits and approvals from government agencies; signing of a sales contract; signing of an agreement to entry of private equity fund by the issuer or/and a portfolio company; closure of a transaction; preparation and implementation of an integration strategy (in case of incomplete sale of assets); assessment of the business goals achievement; assessment of a return rate at the exit from investments (aligned with exit strategy); and development of a register of lessons learned.

Health, Safety, Environment and Sustainable Development

Health, Safety and Environment

The Group recognizes the priority of the life and health of its employees, especially with respect to production activities. The Group applies occupational health and safety management systems comprising risk identification and assessment, preventive controls, employee training, safety audits, incident investigation and corrective measures.

In 2024, the Issuer approved its Strategy for the Development of the Occupational Safety Management System for 2024–2028. The Strategy is based on the Vision Zero principles and covers safety culture, the safe operation of equipment, emergency prevention and employee awareness. It provides for a target lost time injury frequency rate ("**LTIF**") of 0.12 by 2028.

The Group's LTIF decreased from 0.13 in 2024 to 0.12 in 2025. In 2025, 71 employees were injured in work-related accidents, including 16 fatalities, compared with 97 injured employees and 13 fatalities in 2024, based on the revised 2024 data. Each material incident is investigated and corrective measures are communicated across the Group with the aim of preventing similar incidents.

The Group also seeks to improve the environmental performance and resource efficiency of its portfolio companies. Its principal initiatives include reducing greenhouse gas emissions, improving energy efficiency, developing renewable and low-carbon generation, managing water consumption and waste and assessing environmental and climate-related risks.

Sustainable Development

Sustainable development and the implementation of environmental, social and governance principles constitute one of the three principal strategic directions under the Issuer's Development Plan for 2023–2032. The Group's approach to sustainable development is focused on human well-being, environmental balance and long-term financial sustainability, supported by sound business practices and corporate governance.

The Group supports the United Nations Sustainable Development Goals (the "**UN SDGs**") and has identified nine UN SDGs as being of particular relevance to its activities: good health and well-being; quality education; gender equality; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; climate action; and partnerships for the goals. Matters contributing to the achievement of the remaining UN SDGs are also integrated into the Group's activities where relevant.

The materiality assessment involving the Group's principal stakeholders was conducted to identify sustainability matters relevant to the Group's activities and their economic, environmental and social impacts. It identified 17 material topics, including financial sustainability, anti-corruption, responsible procurement, compliance with environmental requirements, human rights, employment, occupational health and safety, employee training, non-discrimination, social responsibility and transparency.

The Group's stakeholder engagement framework is intended to support the achievement of its sustainable development objectives and balance the interests of its principal stakeholders. The Group seeks to engage with stakeholders on the basis of mutual respect, cooperation, transparency, regular dialogue and compliance with its obligations. Its stakeholder engagement process takes into account the AA1000 Stakeholder Engagement Standard and includes stakeholder identification and prioritisation, engagement planning, consultation, assessment and reporting.

The Group's principal sustainable development initiatives relate to effective corporate governance and risk culture, financial sustainability, human capital development, high ethical standards and anti-corruption, responsible procurement, transparency, occupational health and safety, environmental responsibility and responsible investment. The Group seeks to integrate relevant sustainability indicators into the selection, implementation and monitoring of investments and into the management of its portfolio companies.

In addition, the Group seeks to reduce its environmental impact through compliance with applicable environmental requirements, improvements in energy and resource efficiency and investment in low-carbon and environmental projects. Under the Group's Low-Carbon Development Concept, the Group aims to reduce its net carbon footprint and achieve carbon neutrality by 2060. The achievement of these objectives is subject to technological, regulatory, economic and market conditions and the implementation of the relevant measures by the Group's portfolio companies.

Employees and Human Resources As at December 31, 2025, the Group had 254,049 employees, of whom approximately 26% were women and approximately 95% of the Group's employees were covered by collective bargaining agreements. Such agreements generally address remuneration, social benefits, working conditions, occupational health and safety and other employment matters. The table below sets forth the average number of employees and turnover rate of the Issuer and the Group, respectively, for the periods indicated.

	For the six months ended June 30,	**For the year ended December 31,**		
	2026	**2025**	**2024**	**2023**
Number of employees of the Issuer	119	124	123	122
Turnover rate of the Issuer (%)	9.2%	4.8%	4.9%	1.6%
Number of employees of the Group*	255,667	253,246	255,272	257,007
Turnover rate of the Group (%)**	4.2%	9.3%	8.4%	8.5%

** The total number of portfolio companies included in consolidation within the management reporting system.*
*** The turnover rate of the Group (%) is calculated on an increasing basis (six months of 2026).*

The Group's personnel management approach is aimed at attracting, developing and retaining qualified personnel, supporting production and technical professions and maintaining appropriate working and social conditions. During 2025, more than 160,000 employees completed professional development or skills training. Since January 1, 2023, the Group has not experienced any material strikes or work stoppages.

Information Technology and Information Security

The Group uses information technology systems to support its operational, financial and management processes. The Group's information security framework is based on a corporate information security standard governing information security architecture, risk management, internal audit and access rights.

The Cyber Shield project, operated through QazCloud LLP, provides continuous monitoring of information security incidents across the Issuer and its portfolio companies. In 2025, the Group recorded

27,164 information security incidents, predominantly of low or medium criticality. The increase compared with 2024 principally reflected the expansion of monitoring coverage and increased sensitivity of detection systems. During 2025, 9,194 employees completed information security and data-protection training.

The Group is also implementing digitalization, automation and artificial-intelligence initiatives. As at December 31, 2025, the Group reported that 62 artificial-intelligence and automation projects were being implemented across its investment portfolio and that approximately 236,000 employees had received training in artificial-intelligence skills.

Legal Proceedings

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

On December 17, 2019, OEBS was notified by the NAMR that a Request for Arbitration would have been filed with the ICC Court in Paris for an alleged breach by OEBS of the Concession Agreement as regards the exploration block near Focsani. Since then, OEBS has been in dispute with NAMR. On July 29, 2022, the Court decided to oblige OEBS to pay U.S.$10.1 million from a total NAMR claim of U.S.$20 million. In 2022, the Group recognized a provision in the amount of U.S.$10.1 million (equivalent to KZT 5,106 million). On May 23, 2024, the court dismissed the appeal filed by OEBS, and obliged OEBS to pay U.S.$10.1 million. OEBS approached NAMR and the Romanian fiscal authorities with a proposal to gradually pay the amount until 2026. As a result, OEBS paid 30% of the liabilities directly to NAMR, and the remaining 70% in the amount of U.S.$7.1 million (equivalent to KZT 3,589 million) will be paid to the Romanian tax authorities by November 23, 2026, in accordance with the debt Restructuring Plan agreed between OEBS and the National Agency for Fiscal Administration.

Specialised Interdistrict Economic Court of Astana (the "SIEC") Actions

In 2023, the SIEC invalidated certain property sale and purchase agreements entered into in 2001 between the Group and FEC-Astana LLP, FEC-Batys LLP and FEC-Almaty LLP, and ordered the property to be returned to the Group.

In June 2026, the Fuel and Energy Complex – KAZAKHSTAN LLP filed a claim against the Group with the SIEC for 239 million tenge in respect of amounts paid under the above agreements, as well as 45,413 million tenge for reimbursement of costs incurred in respect of inseparable improvements to the relevant properties.

Competition investigation in Moldova

Since the beginning of 2021, Rompetrol Moldova ("**RPM**"), a subsidiary of KMGI operating in Moldova, has been involved in an investigation and related Moldovan court proceedings initiated by the Competition Council of Moldova ("**CCM**") alleging that RPM agreed with other industry players on retail prices for petroleum products. RPM is challenging the competition report prepared by the CCM investigation division that forms the basis for the allegations in accordance with applicable regulations. Attempts to have the report dismissed have so far been unsuccessful, with the latest ruling issued by the local court on May 26, 2022. In 2022, the Group recognized a provision in its accounts for penalties in the amount of U.S.$12 million (equivalent to KZT 6,066 million). On August 26, 2024, the Moldovan courts issued a decision suspending payment of the fine pending the resolution of the litigation. The court hearing on RPM's appeal has been postponed until October 2026.

The Memorandum of Understanding

On February 15, 2013, KMGI and the Government of Romania signed a Memorandum of Understanding (the "**Memorandum**") to settle a dispute arising from the conversion of bonds issued by Rompetrol Rafinare, a subsidiary of KMGI.

Among other provisions, the Memorandum stated that the precautionary seizure of Rompetrol Rafinare's assets (including shares held by Rompetrol Rafinare in its subsidiaries), imposed in September 2010, was to be lifted after Government of Romania withdrew its claim against the conversion of the bonds into Rompetrol Rafinare shares, which happened in March 2014.

At the same time, the Government of Romania will organize an auction for the sale of 26.6959% of Rompetrol Rafinare's shares (the first call), at which KMGI will have to offer a price not less than U.S.$200 million.

On January 22, 2025, KMGI formally notified the Romanian Ministry of Energy of the termination of its obligations under the Memorandum due to an ongoing legal dispute concerning the seizure of Rompetrol Rafinare's assets.

On January 31, 2025, the Romanian Supreme Court confirmed the first court resolution by which Romanian Tax Authorities should issue a decision to cancel the enforcement order and release the precautionary seizure on assets of Rompetrol Rafinare. As at December 31, 2025, most of the assets were released.

On April 30, 2025, the term for implementation of the Memorandum expired.

The case of an administrative offense of the Atyrau refinery initiated by the Atyrau regional Department of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan (the "Antimonopoly Agency")

In January 2025, the Antimonopoly Agency conducted an inspection into compliance by the Atyrau refinery with legislation of the ***Republic of Kazakhstan*** concerning competition protection. In June 2025, the Antimonopoly Agency issued a report containing the conclusion of its inspection (the "**Conclusion**"), in which it stated that Atyrau refinery had set a monopolistically high tariff for oil refining services during the period 2021-2023, required the confiscation of revenue for 2021-2023 of KZT 29,137 million and imposed a fine of KZT 37,390 million.

The Atyrau refinery does not agree with the results contained in the Conclusion and, on September 4, 2025, filed an administrative claim to the specialized interdistrict administrative court of the Atyrau region against the Conclusion. On December 5, 2025, the court denied the claim of the Atyrau refinery. On February 12, 2026, the Atyrau refinery filed an appeal against the court's decision.

MTS notifications

In 2022, the Group entered into a network sharing agreement with Mobile Telecom-Service LLP ("**MTS**"). Under this agreement, the parties agreed on the joint construction of new sites and the modernization of the existing network (the "**MOCN Agreement**"), which provides for penalties in the event of mutual breaches of the terms of the agreement.

During 2023–2024, a number of disputes arose between the parties in connection with delays in meeting obligations, mutual notifications of withdrawal from network sharing in certain regions, claims for compensation, and mutual claims for the recovery of penalties.

On June 23, 2025, the Group and MTS entered into Addendum No. 4 to the Agreement, under which the parties mutually withdrew their notices of withdrawal from the Agreement, cancelled the claims for compensation, and confirmed that the Agreement had been fully reinstated. At the same time, the parties confirmed their intention to settle the dispute in respect of the penalties claimed.

On February 12, 2026, MTS filed a claim with the Specialized Interdistrict Economic Court of Almaty seeking recovery from the Group of a penalty under the MOCN Agreement in the amount of KZT 27,175.5 million, together with a state duty of KZT 86.5 million. On February 18, 2026, the claim was accepted for court proceedings and civil proceedings were initiated.

On March 20, 2026, the Group filed a counterclaim seeking recovery from MTS of a penalty in the amount of KZT 3,142.4 million, together with a state duty of KZT 86.5 million. On March 27, 2026, the court accepted the counterclaim for joint consideration, and the civil cases were consolidated into a single set of proceedings.

By ruling of the Specialized Interdistrict Economic Court of Almaty, dated April 23, 2026, the MTS claim was left without consideration due to non-compliance with the mandatory pre-trial dispute resolution procedure. Following a private complaint filed by MTS, this ruling was overturned by the appellate panel of the Almaty City Court on June 18, 2026, and the case was referred back to the court of first instance for consideration on the merits. On July 2, 2026, the case was transferred to the Specialized Interdistrict Economic Court of Almaty; as at the date of authorization of these interim condensed financial statements, the date for the hearing of the case on the merits has not yet been scheduled.

Management of the Group believes that the provisions recognized in respect of the MOCN Agreement in prior periods are sufficient to cover any future outflows required to settle the obligations under this agreement. In management's view, the outcome of these court proceedings cannot be reliably estimated at the current stage; however, management does not expect a material outflow of economic benefits in excess of the amounts already recognized in the financial statements. Accordingly, as at June 30, 2026, no additional provision was recognized in respect of the claims filed.

Environmental audits

Inspection of the onshore assets of North Caspian Operating Company N.V., the operator under the North Caspian Production Sharing Agreement

KMG Kashagan B.V. has a share of 16.88% in North Caspian Operating Company N.V., which is the operator (the "**Operator**") under the Production Sharing Agreement for the North Caspian Sea, dated November 18, 1997.

The Department Ecology of the Atyrau Region of the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan ("**KERK**") conducted an inspection of the land facilities of the Operator. Based on the results of the inspection, an order was issued to the Operator to eliminate violations, including regarding the excessive placement of sulfur in the amount of 1,020 thousand tonnes. The Operator did not agree with the inspection results and filed an administrative claim to dispute the given order. On June 14, 2023, the Specialized Inter-District Administrative Court (the "**SIDAC**") of the city of Astana ruled in favor of the Operator regarding the placement of sulphur. On February 27, 2024, the Judicial Panel for Administrative Cases of the Court the city of Astana annulled this decision. On June 26, 2025, the Supreme Court of the Republic of Kazakhstan issued a ruling to overturn the decision of February 27, 2024 and referred the case for a new trial to the appellate court with a different panel of judges. On July 10, 2025, the case was accepted for consideration by the Judicial Panel for Administrative Cases of the Court of the city of Astana. On August 1, 2025, the appellate court announced a decision in favor of the Operator and annulled the inspection results in full, including the excessive placement of sulfur.

In August 2025, the state inspector of the Department Ecology of the Atyrau Region issued seven decisions against the Operator. The Operator appealed all the decisions to KERK. On October 24, 2025, KERK, based on the Operator's petition, suspended its consideration of the complaints due to the fact that on October 10, 2025, the Operator had received from the Department Ecology of the Atyrau Region a new order to eliminate legal violations. On October 17, 2025, the Operator appealed this order to the SIDAC. On January 8, 2026, the SIDAC ruled that the order of October 10, 2025, was valid. In March 2026, the Operator filed an appeal against the SIDAC decision, however, by court ruling dated April 8, 2026, the appeal was dismissed. The Operator has the right to appeal this decision.

SHAREHOLDER AND MANAGEMENT

The Issuer's management structure mainly consists of its sole shareholder, the Board of Directors, Committees of the Board of Directors, the Management Board, Committees of the Management Board, Internal Audit Service and Compliance Service. The Issuer has established a corporate governance system designed to promote efficiency, transparency and accountability. The Issuer's corporate governance framework is based on its Corporate Governance Code, approved by the Government on July 14, 2023, which was developed taking into account recognized international corporate governance practices, including the OECD Principles of Corporate Governance and the UK Corporate Governance Code. The Issuer regards sound corporate governance as an important factor in supporting the effective and sustainable operation of its business and the socially responsible management of the Group's activities.

Sole Shareholder

The sole shareholder of the Issuer is the Government. The relationship between the Issuer and the Government is regulated by the Sovereign Wealth Fund Law and the Agreement on Interaction between the Government and the Issuer, which establish the basic principles of interaction and the requirements of the Government to the Issuer regarding its activities, and also expressly indicates the Government's intention to manage the Issuer in accordance with best corporate governance practices.

The main principles of interaction between the Government and the Issuer are as follows:

- the Issuer is managed by the Government solely through the exercise of the powers of the sole shareholder provided for by the Sovereign Wealth Fund Law and the charter of the Issuer, and the representation of members of the Government on the Board of Directors of the Issuer;
- non-interference of the Government, its members, as well as government officials in the operational activities of the Group, except for cases stipulated by the laws, acts and instructions of the President of Kazakhstan; and
- reporting and transparency of the activities of the Group.

Certain matters falling within the exclusive competence of the sole shareholder must be decided directly by the Government in its capacity as the sole shareholder. Such matters include, among others, the following:

- approval of the amendments and additions to the charter of the Issuer or approval of the charter in a new version;
- approval of the annual financial statements of the Issuer;
- approval of the development plan of the Issuer and amendments and additions thereto;
- approval of the Issuer's corporate governance code and amendments and additions thereto;
- determination of the Issuer's dividend policy, approval of the procedure for the distribution of the Issuer's net profit for the relevant financial year and decisions regarding payment of dividends;
- adoption of decisions on the voluntary reorganization or liquidation of the Issuer;
- determination of the quantitative composition, term of office of the Board of Directors of the Issuer, election of its members and early termination of their powers;
- appointment and early dismissal of the Issuer's CEO;

- alienation of shares and participatory interests in companies according to the list determined by the sole shareholder of the Issuer, as well as transfer of such shares and participatory interests into trust management; and

- adoption of decisions on the liquidation or reorganization of companies according to the list determined by the sole shareholder of the Issuer.

Board of Directors

The Board is the governing body responsible for the general management of the Issuer's activities and is accountable to the sole shareholder. It provides strategic guidance and oversees the activities of the Management Board. The powers of the Board include the adoption of decisions and the approval of, among other things, the following:

- action plan, the key performance indicators established under the action plan and the annual budget of the Issuer;

- determination of the audit organization, the maximum amount of payment for audit services;

- policies for risk management, social responsibility, sponsorship and charitable assistance, disclosure of information, credit and industrial and innovative activities;

- establishment of Committees of the Board;

- quantitative composition, term of office of the Management Board, election and early termination of powers of members of the Management Board, with the exception of the CEO;

- quantitative composition, term of office of the Internal Audit Service, appointment and early termination of powers of its head;

- appointment of the Corporate Secretary and early termination of the Corporate Secretary's powers, determination of the term of office of the Corporate Secretary;

- acquisitions or disposal by the Issuer of 10 or more percentage of shares or participatory interests in the charter capital of another legal entity;

- procedure for assessing corporate governance within the Issuer and the annual evaluation of the performance of the Board;

- determination of the order for conclusion of deals between the member organizations of the Group in respect of the commitments for which the Law of the Republic of Kazakhstan "On Joint Stock Companies" sets special conditions; and

- annual report of the Issuer.

As at the date of this Base Offering Memorandum, the Board consists of seven individuals, four of whom, Messrs. Wong Heang Fine, Mohamed Jameel Al Ramahi, Bolat Zhamishev and Luca Sutera are considered to be independent directors.

In addition, the Board uses SKAI, an artificial intelligence system, in its activities and decision-making processes. The Issuer's Board consists of the following members:

Name	Date of birth	Appointed	Current Position
Olzhas Bektenov	December 13, 1980	2024	Chairman of the Board, Prime-Minister of the Republic of Kazakhstan
Nurlan Baibazarov	October 10, 1975	2026	Member of the Board, Assistant to the President of the Republic of Kazakhstan on economic affairs
Wong Heang Fine	April 14, 1958	2024	Member of the Board, Independent Director
Nurlan Zhakupov	March 31, 1978	2023	Member of the Board, Chief Executive Officer
Bolat Zhamishev	June 28, 1957	2022	Member of the Board, Independent Director
Mohamed Jameel Al Ramahi	October 20, 1973	2023	Member of the Board, Independent Director
Luca Sutera	June 7, 1971	2020	Member of the Board, Independent Director
SKAI	n/a	2025	Member of the Board

The business address of each of the members of the Board and of the members of the Board's committees is the registered office of the Issuer at 17/10 Syganak str., Astana, Kazakhstan.

Olzhas Bektenov. Mr. Bektenov has been Chairman of the Board since February 2024 and has served as Prime Minister of the Republic of Kazakhstan since February 2024. He began his career in 2002 at the Department of Justice of Almaty and subsequently held positions in the Office of the Prime Minister and the Presidential Administration. He has held a number of senior positions in the justice and anti-corruption authorities, including First Deputy Chairman and Chairman of the Anti-Corruption Agency. From April 2023 to February 2024, he served as Head of the Presidential Administration of the Republic of Kazakhstan. Mr. Bektenov graduated from the Kazakh State Law Academy with a degree in jurisprudence and holds the degree of Candidate of Legal Sciences.

Nurlan Baibazarov. Mr. Baibazarov has been a member of the Board since April 2026, having previously served on the Board from February to October 2024. Since March 2026, he has served as Assistant to the President of the Republic of Kazakhstan on economic affairs. Mr. Baibazarov began his career at the Ministry of Finance of the Republic of Kazakhstan in 1997 and subsequently held senior positions at the Development Bank of Kazakhstan. From 2016 to 2022, he served as Chairman of the Management Board of the Industrial Development Fund, followed by appointments as Chairman of the Management Board of the Development Bank of Kazakhstan and the Baiterek National Management Holding. From February to December 2024, he served as Deputy Prime Minister and Minister of National Economy of the Republic of Kazakhstan. Mr. Baibazarov graduated from the Kazakh State Academy of Management with a degree in banking and holds an Executive MBA.

Wong Heang Fine. Mr. Wong has been a member of the Board and an independent director since October 2024. He has more than 40 years of senior management experience across the engineering, construction, property development and infrastructure sectors. During his career, he has held senior positions at Cathay Organization, Sembcorp Engineers and Constructors, CapitaLand Residential Singapore and other major Singaporean enterprises. From 2015 until his retirement in September 2022, he served as the founding Group Chief Executive Officer of Surbana Jurong, overseeing its development into a major international urban, infrastructure and management services consultancy group. Mr. Wong graduated from the University of Leeds with a Bachelor of Science in Mechanical Engineering with First Class Honors and from the University of Birmingham with a Master of Science in Engineering Production and Management.

Nurlan Zhakupov. Mr. Zhakupov has been a member of the Board and Chairman of the Management Board of the Issuer since April 2023. He began his career as a financial analyst at Eurasian Industrial Association and subsequently worked at Chambishi Metals, Research, Investment and Development Ltd and Credit Suisse. He has held senior management and investment banking positions at Tau-Ken Samruk, RBS, UBS, Kazatomprom and SPK Astana. From 2019 to 2020, he was the representative of Rothschild & Co in Kazakhstan, and from 2020 to April 2023 he served as Chairman of the Management Board of KIDF Management Company. Mr. Zhakupov graduated from the Moscow State Institute of International Relations with bachelor's and master's degrees in economics and holds the degree of Candidate of Economic Sciences.

Bolat Zhamishev. Mr. Zhamishev has been a member of the Board and an independent director since July 2022. He has held a number of senior positions in the Government and financial sector of Kazakhstan, including Deputy Chairman of the National Bank, Chairman of the Agency for Regulation and Supervision of the Financial Market and Financial Organizations, Minister of Finance and Minister of Regional Development. From 2014 to 2019, he served as Chairman of the Management Board of the Development Bank of Kazakhstan. He has also served as Chairman of the Board of Directors of Bank RBK and, since February 2022, as Chairman of the Public Council of the Issuer. Mr. Zhamishev graduated from the Kazakh Agricultural Institute with a degree in economics and holds the degree of Candidate of Economic Sciences.

Luca Sutera. Mr. Sutera has been a member of the Board and an independent director since 2020. He has extensive experience in finance, investment and the energy sector, including approximately 20 years of service as a chief financial officer of international energy companies and sovereign investment organizations in Europe, Russia and the Middle East. From 2011 to 2015, he served as Chief Financial Officer of the Global Power and Water Business of TAQA, and from 2015 to 2020 as Chief Financial Officer of Nebras Power. Since 2021, he has been an Operating Partner at Asterion Industrial Partners and also serves as Chief Financial Officer of Energy Assets Group. Mr. Sutera graduated from Bocconi University with a master's degree in business economics and completed the Global Executive MBA program at IE Business School. He is also a Certified Public Accountant.

Mohamed Jameel Al Ramahi. Mr. Al Ramahi has been a member of the Board and an independent director since August 2023. He is the Chief Executive Officer of Masdar, a renewable energy company based in the United Arab Emirates. Mr. Al Ramahi joined Masdar in 2008 and held a number of senior positions, including Chief Financial Officer and Chief Operating Officer, before being appointed Chief Executive Officer in 2016. He also serves in a number of executive and board positions relating to renewable energy and sustainable development. Mr. Al Ramahi graduated from the University of Evansville in the United States with a degree in business administration, specialising in finance, and holds a diploma in compliance. He is an Honorary Fellow of the Energy Institute.

SKAI. SKAI (Samruk-Kazyna Artificial Intelligence) is an artificial intelligence system used in the activities of the Board and described by the Issuer as an independent digital member of the Board with voting rights. SKAI first participated in a meeting of the Board in October 2025. SKAI is intended to support the Board by analysing corporate, financial and operational information relating to the Issuer and its portfolio companies.

Committees of the Board of Directors

The following committees currently operate under the Issuer's Board: the Audit Committee and the Nomination and Remuneration Committee. The Specialized Committee is currently inactive, its former functions are noted for reference.

Audit Committee

The Audit Committee is an advisory and consultative body of the Board of Directors and was established to assist the Board of Directors in fulfilling its control functions over the integrity of financial reporting, the effectiveness of internal control and risk management systems, as well as

compliance with the principles of corporate governance and legislation. In addition, the Audit Committee makes recommendations to the Board of Directors regarding the appointment or reappointment of external auditors.

As at the date of this Base Offering Memorandum, the Audit Committee consists of the following members:

Name	Position
Luca Sutera	Chair of the Committee since 2020; Member of the Committee since 2020; Independent Director
Bolat Zhamishev	Member of the Committee since 2022; Independent Director
Wong Heang Fine	Member of the Committee since 2024; Independent Director

Nomination and Remuneration Committee

The Nomination and Remuneration Committee makes recommendations and formulates proposals on the following matters:

- election of members of the Management Board (except for the Chairman of the Management Board);
- determining the amount and terms of remuneration and bonuses for the Chairman and members of the Management Board, the Ombudsman and the Corporate Secretary;
- consideration of corporate key performance indicators ("**KPIs**") of the Issuer and functional KPIs of the members of the Management Board; and
- consideration of the Issuer's personnel policy and induction policy for newly elected members of the Board of Directors.

As at the date of this Base Offering Memorandum, the Nomination and Remuneration Committee consists of the following members:

Name	Position
Olzhas Bektenov	Chair of the Committee since 2024; Member of the Committee since 2024; Independent Director; Chairman of the Board of Directors, Prime Minister of the Republic of Kazakhstan
Luca Sutera	Member of the Committee since 2020; Independent Director
Mohamed Jameel Al Ramahi	Member of the Committee since 2023; Independent Director

Specialized Committee

The Specialized Committee carried out a comprehensive and objective analysis of the impact of the activities of the organizations included in the Group on economic development as a whole or a specific industry. The analysis excluded consideration of issues related to the use of funds from the National Fund of Kazakhstan, the republican budget, as well as state guarantees and assets.

The Specialized Committee has ceased to function following the Supreme Audit Chamber's refusal to participate due to a conflict of interest; amendments to the Sovereign Wealth Fund's Law are being prepared to formalize its abolition.

Management Board

The Management Board is a collegial executive body of the Issuer responsible for the management of its current activities, implementation of the strategy and development plan, as well as execution of

decisions made by the Board of Directors and the sole shareholder of the Issuer. The activity of the Management Board is regulated by the legislation of Kazakhstan, the Charter of the Issuer, decisions of the sole shareholder and the Board of Directors, as well as the regulations on the Management Board and other internal documents of the Issuer.

The Chairman of the Management Board is appointed by the decision of the sole shareholder of the Issuer. Members of the Management Board are elected by the decision of the Board of Directors. In their activities, the Management Board and the Chairman of the Management Board are accountable to the sole shareholder of the Issuer and the Board of Directors.

The Management Board's responsibilities include the following:

- making decisions on issues referred in accordance with the legislation of Kazakhstan and/or the Issuer's charter to the competence of the general meeting of shareholders, of another body of the company or other legal entity in relation to which the Issuer is a shareholder, participant or has the right to a share in the property, with the exception of decisions on issues made by the sole shareholder or the Board of the Issuer in accordance with the Sovereign Wealth Fund Law;
- taking prompt actions in respect of portfolio companies to prevent disruptions in the completeness and deadline of the implementation of investment decisions and investment projects;
- formation of a unified (including by industry sectors of companies) financial, investment, production and economic, scientific and technical, cash management, HR, social and other policies in relation to portfolio companies;
- approval of the rules governing the development, approval, coordination, adjustment, execution and monitoring of the implementation of portfolio companies' action plans;
- approval of the staffing level, staff schedule and organizational structure of the Issuer;
- reviewing the results of the portfolio companies' activities on an annual basis and reporting on such results to the Board; and
- approval of the documents regulating the internal activities of the Issuer and making decisions on other matters relating to the Issuer's day-to-day activities that are not reserved by applicable legislation or the charter of the Issuer to another body of the Issuer.

As at the date of this Base Offering Memorandum, the Issuer's Management Board consists of the following members:

Name	Date of birth	Appointed	Position with the Issuer
Nurlan Zhakupov	March 31, 1978	2023	Member of the Board, CEO of the Issuer
Aidar Ryskulov	September 20, 1981	2023	Managing Director for Economics and Finance
Saltanat Satzhan	April 24, 1989	2023	Managing Director for Development and Privatization
Nikolay Kazutin	November 28, 1982	2022	Managing Director for Legal Support, Counselling and Risks
Bakhytzhan Taubayev	November 14, 1984	2025	Co-Managing Director for Strategy and Asset Management
Ablaikhan Ospanov	June 16, 1986	2025	Managing Director for Digitalization

Zhandos Kairgeldi	May 25, 1990	2026	Co-Managing Director for Strategy and Asset Management

The business address of each of the members of the Management Board is the registered office of the Issuer at 17/10 Syganak str., Astana, Kazakhstan.

Nurlan Zhakupov. See "*—Board of Directors*".

Aidar Ryskulov. Mr. Ryskulov has been Managing Director for Economics and Finance and a member of the Management Board of the Issuer since August 2023. He began his career in 2002 as an engineer-economist at Kazakhstan Temir Zholy and subsequently worked in a number of commercial banks, including ATF Bank, Bank CenterCredit, Halyk Bank and Eurasian Bank. From 2009 to 2012, he held various positions at National Managing Holding KazAgro, including Deputy Director of the Investment Projects Department. From 2012 to 2019, he served as Director for Financial Asset Management and Director of the Corporate Finance Department of the Issuer. From 2019 to 2023, he was Managing Director for Economics and Finance and a member of the Management Board of Samruk-Energy. Mr. Ryskulov graduated from Karaganda Buketov University with a degree in finance and credit, holds a bachelor's degree in law from Karaganda Economic University of Kazpotrebsoyuz and an Executive MBA from Nazarbayev University.

Saltanat Satzhan. Ms. Satzhan has been Managing Director for Development and Privatization and a member of the Management Board of the Issuer since August 2023. She has professional experience in finance, audit, economic analysis and professional training, including approximately ten years of experience with a Big Four firm and the Issuer. From 2018 to 2021, she served as Head of the Economic Analysis Sector of the Asset Management Directorate of the Issuer. From 2021 to August 2023, she was Head of the Department for Consolidated Analytical Work and Control of the Issuer. Ms. Satzhan graduated from the Australian National University under the Bolashak program with a bachelor's degree in economics and holds an MBA from the University of Warwick. She holds the ACCA international qualification in accounting and finance.

Nikolay Kazutin. Mr. Kazutin has been Managing Director for Legal Support, Counselling and Risks and a member of the Management Board of the Issuer since March 2022. He began his career in 2001 in the insurance sector, working in accounting and financial analysis. From 2006 to 2016, he worked at PricewaterhouseCoopers Tax & Advisory, where he progressed to the position of Senior Department Manager. From 2016 to 2018, he served as Adviser to the Chairman of the Management Board of Kokshetau Mineral Waters. From 2018 to 2019, he was Head of the Internal Audit Service of East Kazakhstan Regional Energy Company, and from 2020 to 2022 he served as Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan. Mr. Kazutin graduated from Turar Ryskulov Kazakh University of Economics with a degree in accounting and audit.

Bakhytzhan Taubayev. Mr. Taubayev has served as Co-Managing Director for Strategy and Asset Management of the Issuer since April 2025 and is a member of the Management Board. He began his career in the oil and gas sector as a field drilling engineer and has more than 17 years of experience in engineering and management positions. He held senior positions in joint projects of KazMunayGas with international companies, including KNOC, ONGC, Eni and Lukoil, involving geological exploration in the Kazakh sector of the Caspian Sea. From 2023 to 2025, he served as Director of the Gas Industry Department of the Ministry of Energy of the Republic of Kazakhstan. Mr. Taubayev graduated from the Kazakh-British Technical University as a mining engineer and holds a master's degree in petroleum engineering from the Polytechnic University of Turin.

Ablaikhan Ospanov. Mr. Ospanov is Managing Director for Digitalisation and a member of the Management Board of the Issuer. He has held positions in commercial organizations, National Information Technologies, the government authorities responsible for internal affairs, communications, transport, investment and development, the Agency for Communications and Information, the central office of the Nur Otan party and Almaty Development Center. From 2017 to 2019, he served as

Chairman of the Management Board of the Government for Citizens State Corporation. In 2019, he was appointed Vice Minister of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan and served in that position until January 2021. Mr. Ospanov graduated from L.N. Gumilyov Eurasian National University and Sh. Ualikhanov Kokshetau State University.

Zhandos Kairgeldi. Mr. Kairgeldi has been Co-Managing Director for Strategy and Asset Management and a member of the Management Board of the Issuer since August 2026. From 2016 to 2018, he held various positions at KazMunayGas Onimderi, including Head of the Risk Management and Internal Control Service and Deputy Director of the Risk Management and Integrated Management Systems Department. From 2018 to 2021, he worked at KPI Inc., where he served as Director of the Financial Planning and Control Department and Managing Director for Economics and Finance. From 2021 to 2023, he served as Director of the Project Financial Support Department of KLPE. From 2023 to 2025, he was General Director of Silleno. In 2025, he joined the Issuer as Director of the Oil and Gas Assets Department. Mr. Kairgeldi graduated from Eastern Mediterranean University in Northern Cyprus with a degree in banking and finance and from the University of Essex Business School in the United Kingdom with a degree in banking and finance.

Committees of the Management Board

Five committees and two consultative and advisory councils have been established under the Management Board to improve the quality and efficiency of the decisions adopted by the Management Board.

Investment and Strategy Committee

The objective of the Investment and Strategy Committee is to assist in increasing efficiency in decision-making when managing the Issuer's asset portfolio to achieve the Issuer's strategic key performance indicators by presenting a platform for discussion, developing recommendations and proposals on the following issues (including ensuring the adoption of risk-based decisions):

- strategic development of the Issuer and the portfolio companies;
- management of the Issuer's portfolio of assets and the portfolio of investment projects of the Issuer and portfolio companies;
- risk management (financial, investment and operational);
- implementation of the Investment Policy, Credit Policy, Debt Management and Financial Sustainability Policy;
- implementation of corporate standards for investment activities, strategic and business planning, management of large capital projects.

Human Resources Committee

The purpose of the Human Resources Committee is to ensure the coordination and implementation of the Issuer's human resources policy, preparation of recommendatory decisions on human resource management, and providing of methodological and expert-analytical support in the field of human resources for the Group.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee, in operation since 2019, provides systematic coordination of activities aimed at improving working conditions and preventing accidents at the production facilities of the Group's companies, and serves as a platform for dialogue on current issues, the sharing of experience and the presentation of strategic initiatives in the field of occupational health and safety.

Sustainable Development Committee

The purpose of the Sustainable Development Committee is to develop recommendations for the Management Board and the Issuer's representatives on the boards of directors of portfolio companies and to coordinate sustainable development activities within the Group.

The Committee's principal functions include promoting the systematic implementation of sustainable development principles, developing an effective stakeholder engagement system and supporting the achievement of the Issuer's and the portfolio companies' long-term strategic objectives, taking into account the interests of relevant stakeholders.

Information Security Committee

The purpose of the Information Security Committee is to develop recommendations for the Management Board regarding the establishment and development of a unified information security system within the Group and to coordinate the activities of the portfolio companies in the field of information security.

Scientific and Technical Council

The Scientific and Technical Council was established to facilitate a collegial and transparent decision-making process in relation to the selection, recording, monitoring and oversight of research and development and innovation projects within the Group. The Scientific and Technical Council considers research and development and innovation initiatives, makes recommendations regarding the financing and implementation of relevant projects and promotes a unified approach to the management of the Group's research and development and innovation portfolio. In 2022, a restated Corporate Standard on Research and Development and Innovation was approved, setting out a unified approach to the management of that portfolio.

Internal Audit Service

The Internal Audit Service is subordinate and accountable to the Board of Directors and supervised by its Audit Committee. The Board of Directors determines its composition and the remuneration of its employees and approves internal audit policies and procedures and the annual audit plan and budget. Its main purpose is to provide the Board of Directors with independent and objective assurance and advice aimed at improving the Issuer's risk management, internal control and corporate governance systems. It is guided by the laws of the Republic of Kazakhstan, the charter of the Issuer, decisions of the Issuer's bodies, the approved annual audit plan and other internal documents. In 2025, the annual audit plan was completed at 105%, which exceeded 100% due to unscheduled audits conducted during the year; in 2023, the Internal Audit Service passed an external independent assessment by PwC for compliance with the International Professional Practices Framework.

Management Remuneration

In accordance with the Issuer's Charter and the Sovereign Wealth Fund Law, the remuneration of the independent directors of the Board are determined by the Government as sole shareholder of the Issuer. Remuneration of the CEO and members of the Management Board of the Issuer are determined by the Board. The Nomination and Remuneration Committee of the Board plays a key role in determining such remuneration.

For the six months ended June 30, 2026, the total compensation to key management personnel amounted to KZT 4,894 million, compared to KZT 5,412 million for the six months ended June 30, 2025. Total compensation to key management personnel amounted to KZT 7,685 million for the year ended December 31, 2025, compared to KZT 7,687 million for the year ended December 31, 2024 and KZT 7,649 million for the year ended December 31, 2023. Compensation to key management personnel consists primarily of contractual salaries and other payments based on the achievement of operating results.

Employment Contracts with Senior Executive Officers

The Issuer enters into employment contracts with its senior executive officers in accordance with the legislation of the Republic of Kazakhstan and the Issuer's internal documents. The remuneration of senior executive officers may include a fixed salary and performance-related remuneration and other payments determined in accordance with the applicable remuneration policies and the terms of their employment contracts.

Conflicts of Interest

The Issuer has adopted a Policy on Settlement of Conflicts of Interest, which establishes procedures for the identification, disclosure, declaration and settlement of actual and potential conflicts of interest involving its officials and employees.

There are no actual or potential conflicts of interest between any duties owed to the Issuer by members of the Board, the Management Board and the Internal Audit Service and their private interests or other duties as at the date of this Base Offering Memorandum.

Kazakh-Chinese Business Council

The Kazakh-Chinese Business Council (the "**KCBC**") was established at its founding meeting held on September 7, 2013 with the participation of the former President of Kazakhstan, N.A. Nazarbayev, and the President of China, Xi Jinping. The purpose of establishing KCBC was to further stimulate trade activities between the two countries, including through economic interaction, promotion and development of cooperation in various sectors of the economy.

The organizational work of the KCBC is carried out by the Secretariats of the parties. The Secretariat of the Kazakhstan party is the Issuer and the Secretariat of the Chinese party is the China Council for the Promotion of International Trade.

The KCBC serves as a dialogue platform for representatives of the business communities of Kazakhstan and China and as an important tool for the development of trade, economic and, investment cooperation of the two countries.

RELATIONSHIP WITH THE GOVERNMENT

State Authorities in the Management of the Issuer

The Issuer's shares are the exclusive property of the State and are not subject to alienation. The law explicitly provides that the Government governs the Issuer exclusively through the exercise of the powers of the sole shareholder provided for by the law and/or the Issuer's Charter (the "**Charter**"), as well as the representation of members of the Government on the Board of Directors.

The Government as the sole shareholder is empowered, among other things, to approve the Issuer's development strategy, appoint members of the Board of Directors and chief executive officer and early terminate their powers, approve financial results, determine the dividend policy and decide on the distribution of the Issuer's net profit.

In addition, the relationship between the Issuer and the Government is defined in the bilateral agreement on interaction of these parties (*Agreement on Interaction between the Government of the Republic of Kazakhstan and Joint-Stock Company "Sovereign Wealth Fund "Samruk-Kazyna", approved by Resolution of the Government No. 1599, dated December 14, 2012, as amended from time to time*). The Government and the Issuer interact on the following principles:

- the Issuer is managed by the Government solely through the exercise of the powers of the sole shareholder provided for by the Sovereign Wealth Fund Law and the Charter, and the representation of the members of the Government on the Board of Directors;
- non-interference of the Government, its members, as well as government officials in the operational activities of the Group, except for cases stipulated by laws, acts and instructions of the President of Kazakhstan; and
- reporting and transparency of the activities of the Group.

The Board of Directors consists of the Chairman and other members elected by the sole shareholder. The composition of the Board of Directors is not permanently prescribed by reference to particular Government organizations. Its composition is determined by resolutions of the sole shareholder and may include representatives of the sole shareholder, independent directors and the Chairman of the Management Board.

The composition of the Board of Directors as at the date of this Base Offering Memorandum is set out in the section entitled "*Shareholder and Management*".

Interaction Between State Bodies and the Issuer

Interaction between state bodies and the Group (separate to the activities of the Issuer's sole shareholder and the membership of heads of state in the Issuer's Board), is regulated by the laws of the Kazakhstan, acts of the President of Kazakhstan and the Government.

Interference by state bodies in the operational activities of the Issuer and its portfolio companies is not normally allowed, except when the state bodies perform their functions provided for by the laws of Kazakhstan.

Features of the Issuer's Implementation of Socially Significant and Industrial-Innovative Projects

The Issuer and its portfolio companies may participate in the implementation of socially significant and industrial-innovative projects, taking into account the main directions of state policy in industrial-innovative, socio-economic and other areas.

The implementation by the Issuer and its portfolio companies of socially significant and/or industrial-innovative projects initiated by the Government, which are low-profit, can be carried out with the

provision of full or partial budget financing and/or state guarantees for non-state loans in the manner and on the conditions stipulated by the budgetary legislation of Kazakhstan.

The Government's Long-Term Plans for the Issuer

The 2023-2032 Development Plan of Samruk-Kazyna, developed in accordance with the instruction of the Head of State, is a well-thought-out strategy aimed at successfully overcoming current and future challenges, which corresponds to the key national priorities and contributes to the realization of the Kazakhstan-2050 Strategy.

Taking into account the current socio-economic development of Kazakhstan and the role of the Issuer, today it is more appropriate to focus investments on the development of the national economy. In this regard, the management model of the Issuer in the next five years is defined as a strategic holding with the tasks of maintaining social and infrastructural development of the country.

Contributions from the Government

In the event the Issuer identifies a liquidity shortage risk, the Issuer may explore the possibility of receiving extraordinary support from the Government. Any consideration of such support would follow the Government's internal processes and applicable legislation and would depend on broader fiscal priorities and the availability of resources.

Government support, if provided, may take forms permitted under Kazakhstani law, such as capital injections or other shareholder actions. However, there is no formal or guaranteed mechanism for obtaining such support, and the timing, form and likelihood of any assistance remain at the sole discretion of the Government. For more information on the contribution from the Government during 2023, 2024 and 2025 and the six months ended June 30, 2026, please refer to Note 19.1 "Share capital" to the 2023 Financial Statements, Note 18.1 "Share capital" to the 2024 Financial Statements, Note 15.1 "Share capital" to the 2025 Financial Statements and Note 34 "Subsequent Events" to the Interim Consolidated Financial Statements, respectively.

Dividends Distributed to the Government

The size of dividends to be paid by the Issuer to the Government as its sole shareholder for each reporting year is determined by the Government. Procedures and details for determining the amount of dividends, as well as other relevant provisions, are governed by the Fund's Dividend Policy, which is approved by its sole shareholder—the Government of the Republic of Kazakhstan. To make a decision on the payment of dividends, the Board of Directors submits proposals on the distribution of net profit of the Issuer (on a consolidated basis) for the last financial year and the size of dividend for the year for consideration of the Government. The Issuer paid cash dividends to the Government in the amounts of KZT 1,268,852 million in 2023 and KZT 736,819 million in 2024. No cash dividends were paid to the Government in 2025. Please refer to Note 19.2 "Dividends" to the 2023 Financial Statements, Note 18.3 "Dividends" to the 2024 Financial Statements and the consolidated statement of cash flows included in the 2025 Financial Statements. For the six months ended June 30, 2026, the Issuer did not pay any dividends to the Government. Please refer to the consolidated statement of cash flows included in the Interim Consolidated Financial Statements.

From time to time, other distributions are made by the Issuer to the Government as its sole shareholder at the discretion of the Government, including property, plant and equipment, interest in other entities, and other assets. For more information regarding the other distributions to the Government, please refer to the Financial Statements.

RELATED PARTY TRANSACTIONS

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, the Group considers both the substance of the relationship and 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. Transactions with other state-owned entities are not disclosed when they are conducted in the ordinary course of business in accordance with legal requirements and with terms consistently applied to all public and private entities. Related party transactions are mainly represented by certain regulated services, which are provided based on the applicable tariffs. Related party transactions were made on terms agreed to between the parties that are mostly at market rates, except for certain transactions disclosed in the relevant notes to the consolidated financial statements.

The following table provides the total amount of related party transactions, which have been entered into with related parties for the periods and as at the dates indicated:

(*in millions of Tenge*)	**For the period ended**	**Associates**	**Joint ventures**	**Other state-controlled entities**
Trade and other accounts receivable	June 30, 2026	26,253	63,899	172,051
	December 31, 2025	20,768	60,986	179,803
	December 31, 2024	18,906	204,304	112,792
	December 31, 2023	25,045	120,512	87,152
including allowances for ECL on trade and other accounts receivables	June 30, 2026	(128)	(781)	(2,197)
	December 31, 2025	(415)	(601)	(2,912)
	December 31, 2024	(374)	(600)	(284)
	December 31, 2023	(735)	(872)	(464)
Trade and other payables	June 30, 2026	204,122	380,376	36,080
	December 31, 2025	78,188	253,016	45,119
	December 31, 2024	128,890	521,199	22,235
	December 31, 2023	69,428	440,772	20,746
Sale of goods and services	June 30, 2026	140,331	306,265	1,422,951
	December 31, 2025	329,218	586,706	2,594,443
	December 31, 2024	249,238	706,131	1,400,499
	December 31, 2023	132,423	642,987	1,305,296
Purchase of goods and services	June 30, 2026	211,436	1,322,691	150,404
	December 31, 2025	429,712	2,840,985	287,567
	December 31, 2024	389,736	2,464,314	176,952
	December 31, 2023	294,267	2,517,627	218,691
Other income/(loss)	June 30, 2026	157	(865)	(7,383)
	December 31, 2025	810	5,051	(40,250)
	December 31, 2024	14,648	(20,599)	(11,652)
	December 31, 2023	2,578	530	(25,079)
Cash and cash equivalents, and amounts due from credit institutions	June 30, 2026	2	257	28,609
	December 31, 2025	2	354	48,248
	December 31, 2024	2	271	347,941
	December 31, 2023	-	331	308,390

(*in millions of Tenge*)	For the period ended	Associates	Joint ventures	Other state-controlled entities
including allowances for ECL on cash and cash equivalents, and amounts due from credit institutions	June 30, 2026	-	-	(1)
	December 31, 2025	-	-	(2)
	December 31, 2024	-	-	(17)
	December 31, 2023	-	-	(2)
Loans issued	June 30, 2026	13,862	637,869	144,221
	December 31, 2025	13,499	165,169	144,248
	December 31, 2024	4,189	95,540	108,912
	December 31, 2023	7,124	90,978	39,979
including allowances for ECL on loans issued	June 30, 2026	(748)	(1)	(1,944)
	December 31, 2025	(955)	(70)	(2,388)
	December 31, 2024	(912)	(14)	(683)
	December 31, 2023	(2,101)	(20)	(1,280)
Borrowings	June 30, 2026	-	32,597	2,025,915
	December 31, 2025	-	15,153	1,983,015
	December 31, 2024	-	15,616	1,351,328
	December 31, 2023	3,506	15,492	1,192,634
Other assets	June 30, 2026	147,632	33,186	596,633
	December 31, 2025	4,238	30,144	513,356
	December 31, 2024	17,630	19,204	379,941
	December 31, 2023	14,368	43,823	304,771
including provision for impairment of other assets	June 30, 2026	-	-	(335)
	December 31, 2025	-	-	(404)
	December 31, 2024	(21)	-	(345)
	December 31, 2023	(50)	-	(189)
Lease and other liabilities	June 30, 2026	44,428	151,023	338,390
	December 31, 2025	33,379	140,148	273,364
	December 31, 2024	52,559	149,652	180,889
	December 31, 2023	19,675	143,454	96,259
Interest accrued due from related parties	June 30, 2026	474	10,546	37,768
	December 31, 2025	1,535	10,625	75,588
	December 31, 2024	673	11,645	35,896
	December 31, 2023	1,379	14,845	56,991
Interest accrued due to related parties	June 30, 2026	2,508	3,933	121,989
	December 31, 2025	16,102	9,653	129,171
	December 31, 2024	5,755	20,160	119,157
	December 31, 2023	2,527	17,198	97,109

As at June 30, 2026, some of the Group's borrowings in the amount of KZT 4,388 million were guaranteed by the Government, compared to KZT 5,195 million as at December 31, 2025, KZT 6,602 million as at December 31, 2024, and KZT 6,758 million as at December 31, 2023.

For the six months ended June 30, 2026, the total compensation to key management personnel amounted to KZT 4,894 million, compared to KZT 5,412 million for the six months ended June 30, 2025. Total compensation of key management personnel, amounted to KZT 7,685 million for the year ended December 31, 2025, compared to KZT 7,687 million for the year ended December 31, 2024 and KZT 7,649 million and for the year ended December 31, 2023. Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

OVERVIEW OF KAZAKHSTAN

The information set forth in this section is based on publicly available information. The Group only accepts responsibility for accurately reproducing such information and accepts no responsibility for the accuracy of such information, which may also be approximate or use rounded numbers.

Territory, Population and Natural Resources

The Republic of Kazakhstan, which is the second largest former Soviet Union republic after Russia based on land mass, became an independent state in 1991.

Kazakhstan is the largest landlocked country located in Central Asia and is bordered by Russia to the north and west, China to the east, Kyrgyzstan, Uzbekistan and Turkmenistan to the south and the Caspian Sea to the west. In the Caspian Sea, Kazakhstan shares maritime boundaries with Russia, Iran, Turkmenistan and Azerbaijan. It is the ninth largest country in the world based on land mass, covering 2.7 million square kilometers, approximately the same size as Western Europe.

In December 1997, the capital moved from Almaty to Astana (formerly known as Akmola), which is located in northern Kazakhstan. In 2019, Astana was renamed as Nur-Sultan to honor the first President of the Republic of Kazakhstan, Nursultan Nazarbayev, who resigned in March 2019. In 2022, Nur-Sultan was renamed back to Astana. Almaty remains, however, the financial, cultural and scientific center of the country and is the largest city in Kazakhstan.

As at June 1, 2026, the population of Kazakhstan surpassed 20.5 million. Kazakhstan is one of the most sparsely populated countries in the world with an average population density of approximately 7.6 people per square kilometer. The population of Kazakhstan is ethnically diverse. Kazakhs are the largest among the country's approximately 130 different ethnic groups, accounting for 71.5% of the population at the beginning of 2026, followed by Russians (14.4%), Uzbeks (3.4%), Ukrainians (1.8%) and others (8.9%).

Historically, Kazakhstan belongs to the Turkic-speaking world. Kazakh is the state language of Kazakhstan. Russian is officially used alongside Kazakh in state organizations and local self-government bodies.

Kazakhstan is a secular state, and religion is separate from the State. Islam and Orthodox Christianity are the principal religions, and the country is also home to Catholic, Protestant, Jewish, Buddhist and other religious communities. Kazakhstan is rich in natural resources.

Kazakhstan is rich in natural resources. According to the Energy Institute Statistical Review of World Energy 2026, Kazakhstan was the eleventh-largest oil producer in the world and the second-largest oil producer in 2025 in the CIS after Russia, with oil production of approximately 2.1 million barrels per day.

Kazakhstan's principal exports include crude oil, uranium and other radioactive chemical elements and isotopes, refined copper, copper ores and concentrates and ferroalloys. Kazakhstan has historically attracted significant levels of FDI, particularly in the oil and gas and mining sectors.

From 2023 to 2025, gross FDI inflows into Kazakhstan amounted to approximately U.S.$62.2 billion. Based on the directional principle, net FDI inflows amounted to approximately U.S.$3.6 billion in 2023 and U.S.$0.23 billion in 2024, while Kazakhstan recorded a net FDI outflow of approximately U.S.$0.86 billion in 2025.

Economy

Kazakhstan has experienced extensive economic transformation since it gained independence in 1991. By mid-1999, the Government's structural reforms had achieved significant results in the key areas of financial stabilization, privatization and price liberalisation. Real GDP, which decreased by 36%

between 1990 and 1995, started increasing in 1996 and 1997, but decreased in 1998 in the aftermath of the 1998 Russian financial crisis, which exacerbated the effect of significantly decreased commodity prices. The flotation of the Tenge in April 1999, coupled with the improvement in the global economic environment and strong agricultural growth, enhanced the international competitiveness of Kazakhstan's exports and enabled the economy to revive. In 1999, real GDP resumed growth. Economic reforms and Government-sponsored privatization in the mid-1990s helped transfer assets to the private sector, which contributed to economic growth in the early 2000s. In 2002, the U.S. Department of Commerce granted market economy status to Kazakhstan under U.S. trade law in recognition of the country's substantive market economy reforms in the areas of currency convertibility, wage rate determination, openness to foreign investment and Government control over the means of production and allocation of resources. Real GDP more than doubled between 1998 and 2008, due to the Tenge's subsequent devaluation, improvements in the global economic environment and rising commodity prices over the period.

Kazakhstan's economy was adversely affected by the global financial crisis, with the real GDP growth rate sharply declining from 8.9% in 2007 to 1.2% in 2009. The global financial crisis resulted in, among other things, lower liquidity levels across the banking sector, tighter credit conditions for Kazakhstan companies generally and, through mid-2009, weakened global demand for, and an overall decline in prices of, crude oil and other commodities. Weaknesses in the global financial markets also put downward pressure on the Tenge. A lack of availability of wholesale debt financing, volatility of deposits and significant losses caused a destabilization of Kazakhstan's banking sector in 2008 and 2009, which led to a Government bail-out program in 2009.

Following the most acute stage of the global financial crisis, the Kazakhstan economy returned to higher levels of growth in the last quarter of 2009, driven primarily by rising commodity prices, which resulted in a growth of extractive industries and related manufacturing, a good grain harvest and a continued fiscal stimulus. Following real GDP growth of 8.9%, 3.3 % and 1.2 % in 2007, 2008 and 2009, respectively, Kazakhstan had real GDP growth of 7.3% in 2010, 7.4% in 2011 and 4.8% in 2012. Growth rates in 2010, 2011 and 2012 were driven by rising commodity prices and fiscal measures. The decrease in real GDP growth in 2012 was a consequence of a decrease in external demand and decreased oil production, which, including gas condensate, was 79.2 million tonnes in 2012, as compared to 80.1 million tonnes, 79.7 million tonnes and 76.5 million tonnes in 2011, 2010 and 2009, respectively.

In the years following the global financial crisis, Kazakhstan's economy has been primarily driven by increasing exports of oil and gas. However, other sectors have also been growing at a moderate rate. Sectors closely associated with exports of oil and gas, such as construction and oil extraction and oil transportation services have grown the fastest, and there has also been growth in the real estate, financial services and trade sectors.

While the oil and gas sector continues to represent the biggest portion of Kazakhstan's industrial output (by sector) and is a key source of revenue for Kazakhstan and an important area of foreign direct investment, the non-oil sector has gained in importance for the economy of Kazakhstan overall in recent years.

GDP growth between 2015 and 2019 was largely driven by the expansion of the volume of production in the mining sector and processing sector. Kazakhstan's real GDP growth decreased from 4.2% in 2014 to 1.2% in 2015, remaining stable at 1.1% in 2016 and increasing to 4. % in 2017 and 2018 and 4.5% in 2019.

From 2014 to 2018, Kazakhstan's production of natural gas increased year on year. In 2019, Kazakhstan's production of natural gas was 34.0 billion cubic meters, representing a decrease of 0.31% as compared to 2018. Exports in 2017 amounted to U.S.$53.8 billion (33.0% of total GDP for the year) and increased to U.S.$67.1 billion (37.4% of total GDP for the year) in 2018. In 2019, exports amounted to U.S.$65.9 billion (36.3 % of total GDP for the year). In 2015, 2016, 2017, 2018 and 2019, Kazakhstan's unemployment rate was 5.1%, 5.0%, 4.9%, 4.9% and 4.8%, respectively. The inflation rate for 2015, 2016, 2017, 2018 and 2019 was 13.6%, 8.5%, 7.1%, 5.3% and 4.9%, respectively.

Kazakhstan's economy was materially affected by the COVID-19 pandemic and the related disruption to global trade, supply chains and commodity markets. Real GDP contracted by 2.5% in 2020. Economic activity subsequently recovered, with real GDP increasing by 4.3% in 2021, 3.2% in 2022, 5.1% in 2023, 5.0% in 2024 and 6.5% in 2025.

In 2025, Kazakhstan's nominal GDP amounted to approximately KZT 159.6 trillion, or U.S.$306.0 billion based on the average annual exchange rate published by the NBK. Economic growth in 2025 was broad-based, with the highest growth rates recorded in transportation and warehousing, construction, mining and quarrying, wholesale and retail trade and manufacturing.

Although the oil and gas sector remains an important component of Kazakhstan's industrial production, exports, Government revenue and foreign investment, non-oil sectors have also contributed materially to economic growth in recent years. In particular, construction, transportation, trade, manufacturing, agriculture and information and communication services have supported the expansion of economic activity.

In 2025, Kazakhstan's exports of goods amounted to approximately U.S.$79.0 billion, compared to imports of approximately U.S.$64.8 billion, resulting in a trade surplus of approximately U.S.$14.2 billion. Crude oil continued to account for the largest share of Kazakhstan's exports. The unemployment rate, calculated in accordance with the methodology of the International Labour Organization, was 4.6% in 2025. Annual inflation increased from 8.6% in 2024 to 12.3% in 2025.

As at January 1, 2026, Kazakhstan's total external debt amounted to approximately U.S.$181.8 billion, equivalent to approximately 59.4% of Kazakhstan's nominal GDP for 2025. Of this amount, approximately U.S.$89.9 billion represented intercompany debt under direct investment, while approximately U.S.$16.0 billion related to the general government sector.

According to the latest available data, Kazakhstan's real GDP increased by 3.0% in the first quarter of 2026 compared to the corresponding period of 2025, while the short-term economic indicator increased by 5.1% in the six months ended June 30, 2026 compared to the corresponding period of 2025. Annual inflation amounted to 10.3% in June 2026, and the unemployment rate was 4.5% in the first quarter of 2026.

Constitution, Government and Political Parties

Constitution

Kazakhstan's current constitution (the "**Constitution**") was adopted by a national referendum held on March 15, 2026 and entered into force on July 1, 2026, replacing the Constitution adopted in 1995. The Constitution establishes Kazakhstan as a democratic, secular, law-bound and social State with a presidential form of government. State power is exercised in accordance with the principle of separation into legislative, executive and judicial branches and their interaction.

The Constitution establishes and sets out the powers and functions of the President, the Kurultai, the Government, the Constitutional Court, the courts and local state administration and self-government bodies. It provides, among other things, for equality before the law and the courts, protection against discrimination, judicial protection of rights and freedoms, protection of privacy and personal data and the right to own property.

The Kurultai

Under the Constitution, the Kurultai is the highest representative body of Kazakhstan and exercises legislative power. It consists of 145 deputies elected for a five-year term under a system of proportional representation in a single nationwide constituency. The Parliament formed under the Constitution of 1995 ceased to exercise its powers on July 1, 2026.

The first election of deputies to the Kurultai was held on August 23, 2026. According to the final results published by the Central Election Commission, the Adilet party secured 110 seats, the Auyl party secured 10 seats, the Respublica party secured 9 seats, and the Ak Zhol Democratic Party and the Nationwide Social Democratic Party each secured 8 seats. The Adilet party therefore holds a constitutional majority in the Kurultai. The first Kurultai commenced its powers upon the opening of its first session on August 28, 2026. On August 31, 2026, following the consent of the Kurultai, President Tokayev appointed Erlan Karin as Vice-President of Kazakhstan and reappointed Olzhas Bektenov as Prime Minister. Following the reappointment of Olzhas Bektenov as Prime Minister on August 31, 2026, the President appointed Deputy Prime Ministers and ministers by separate decrees dated September 3, 2026.

The President

Under the Constitution, the President is the head of State and Kazakhstan's highest ranking official, determines the principal directions of domestic and foreign policy and represents Kazakhstan within the country and in international relations. The President is the symbol and guarantor of the unity of the people and State power, the inviolability of the Constitution and human and civil rights and freedoms and is the Supreme Commander-in-Chief of the Armed Forces. The current President of Kazakhstan is Kassym-Jomart Tokayev.

The President has significant appointment and dismissal powers. Following consultations with the factions of political parties represented in the Kurultai, the President submits a candidate for Prime Minister to the Kurultai and, with the consent of a majority of all Kurultai deputies, appoints the Prime Minister. On the recommendation of the Prime Minister, the President determines the structure of the Government and appoints its members, and independently appoints the Ministers of Foreign Affairs, Defence and Internal Affairs. The President also appoints the heads of a number of other state bodies and, with the consent of the Kurultai, appoints the Vice-President and certain members of constitutional bodies.

The President may dissolve the Kurultai after consultations with the Chairman of the Kurultai and the Prime Minister, subject to the restrictions set out in the Constitution. The President appoints the *akims* of the capital, oblasts and cities of national status with the consent of the relevant *maslikhat* deputies and may dismiss such *akims* at the President's discretion.

Executive Branch

The Government exercises executive power, heads the system of executive bodies and directs their activities. It is a collegial body accountable in its activities to the President and the Kurultai and is formed by the President in accordance with the Constitution. The Prime Minister submits proposals concerning the structure and composition of the Government to the President within ten days following the Prime Minister's appointment.

The Government develops and implements the principal directions of the State's social and economic policy, defense capability, security and public order; submits the republican budget and a report on its execution to the Kurultai and ensures the implementation of the budget; submits draft laws to the Kurultai and ensures the enforcement of laws; organizes the management of State property; develops measures for the implementation of foreign policy; and directs the activities of ministries and other central and local executive bodies.

Political Parties

The Constitution recognizes ideological and political diversity and provides that public associations are equal before the law. Political party organizations may not be established within state bodies, and foreign political parties, political parties based on religion and certain forms of foreign financing of political parties are prohibited.

Seven political parties participated in the elections to the Kurultai held on August 23, 2026: the Respublica Party, the Nationwide Social Democratic Party, the Democratic Party of Kazakhstan "Ak Zhol", the People's Party of Kazakhstan, the Kazakhstan Green Party "Baitaq", the Adilet Party and the Auyl Party. According to the final results announced by the Central Election Commission on August 25, 2026, five parties passed the 5% electoral threshold and were allocated seats in the 145-member Kurultai. The Adilet Party won 110 seats, the Auyl Party won 10 seats, the Respublica Party won 9 seats, and the Democratic Party of Kazakhstan "Ak Zhol" and the Nationwide Social Democratic Party each won 8 seats. The Adilet Party therefore holds 110 of the Kurultai's 145 seats, representing approximately 75.9% of the total.

Legal System

Kazakhstan has a civil law legal system. The principal legislative act governing civil-law relations is the Civil Code of the Republic of Kazakhstan, which consists of a General Part and a Special Part. The General Part was adopted on December 27, 1994 and entered into force on March 1, 1995, while the Special Part entered into force on July 1, 1999. The Civil Code governs, among other things, the legal status of individuals and legal entities, property rights, transactions and obligations, specific types of contracts, intellectual property, inheritance and private international law.

The legal framework applicable to entrepreneurial activity is principally set out in the Entrepreneur Code of the Republic of Kazakhstan dated October 29, 2015, as amended (the "**Entrepreneur Code**"). The Entrepreneur Code establishes the legal, economic and social conditions for entrepreneurial activity and regulates relations between business entities and the State, including State regulation and support of entrepreneurship and the protection of competition.

The Code of the Republic of Kazakhstan on Subsoil and Subsoil Use dated December 27, 2017, as amended (the "**Subsoil Code**"), regulates the State management and use of subsoil resources, the acquisition, exercise, transfer and termination of subsoil use rights and the conduct of exploration and production activities. The Subsoil Code entered into force on June 29, 2018 and has subsequently been amended on a number of occasions.

Currency transactions are governed principally by the Law of the Republic of Kazakhstan "On Currency Regulation and Currency Control" dated July 2, 2018, as amended. Payments between residents are generally required to be made in Tenge, subject to statutory exceptions. Currency transactions between residents and non-residents may be conducted in Tenge or foreign currency, subject to applicable documentation, monitoring, registration and repatriation requirements. Non-residents may receive and transfer dividends, interest and other income arising from deposits, securities, loans and other currency transactions with residents in accordance with Kazakhstan currency legislation.

Activities in specified natural monopoly sectors are regulated under the Law of the Republic of Kazakhstan "*On Natural Monopolies*" dated December 27, 2018, as amended. Entities providing regulated services in such sectors are subject to tariff regulation, service-quality requirements and State supervision.

The securities market is regulated principally by the Law of the Republic of Kazakhstan "On the Securities Market" dated July 2, 2003, as amended. The Central Securities Depository is the sole organization in Kazakhstan carrying out depositary activities and maintaining the system of registers of holders of securities and digital financial assets under Kazakhstan legislation. Securities and other financial instruments are traded on the Kazakhstan Stock Exchange ("**KASE**"). In addition, the Astana International Exchange ("**AIX**") operates within the Astana International Financial Center (the "**AIFC**"), where a special legal and regulatory regime applies.

The Administrative Procedural and Process-Related Code dated June 29, 2020 regulates administrative procedures conducted by state bodies and proceedings concerning public-law disputes before the administrative courts.

Recent legislative developments include the adoption of the Law "On Digital Assets in the Republic of Kazakhstan" dated February 6, 2023, a new Law "On Public Procurement" dated July 1, 2024, which entered into force on January 1, 2025, a new Tax Code dated July 18, 2025, which generally entered into force on January 1, 2026, and the Law "On Artificial Intelligence" dated November 17, 2025.

Kazakhstan is a party to the following international conventions and treaties related to investment protection and dispute resolution: the New York Convention; Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID) (Washington, D.C., March 18, 1965); Convention Establishing the Multilateral Investment Guarantee Agency (Seoul, October 11, 1985); and Convention for the Protection of Investors' Rights (Moscow, March 28, 1997).

Anti-Corruption, Anti-Money Laundering and Anti-Terrorist Financing

Kazakhstan's anti-corruption framework is principally governed by the Law of the Republic of Kazakhstan "On Combating Corruption" dated November 18, 2015, as amended, together with the relevant provisions of the Criminal Code and the Code on Administrative Offenses. The Law establishes measures for the prevention, identification and investigation of corruption offenses and applies to individuals and legal entities in Kazakhstan.

The principal State policy document in this area is the Anti-Corruption Policy Concept of the Republic of Kazakhstan for 2022–2026, approved by Presidential Decree No. 802 dated February 2, 2022, as amended. The Concept places particular emphasis on the prevention of corruption, transparency and accountability, cooperation between the State and civil society, protection of persons assisting in combating corruption and the development of an anti-corruption culture.

On June 30, 2025, the Agency of the Republic of Kazakhstan for Combating Corruption was reorganized through its merger into the National Security Committee. An Anti-Corruption Service was established within the National Security Committee to perform law-enforcement functions relating to corruption offenses. The functions relating to the formulation and implementation of anti-corruption policy, coordination, prevention and the development of an anti-corruption culture were transferred to the Agency of the Republic of Kazakhstan for Civil Service Affairs.

Kazakhstan's anti-money laundering and counter-terrorist financing framework is principally governed by the Law "On Combating the Legalisation (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction," dated August 28, 2009, as amended. The Agency of the Republic of Kazakhstan for Financial Monitoring is directly subordinate and accountable to the President and is responsible for the State's anti-money laundering and counter-terrorist financing system, as well as for the prevention, detection and investigation of specified economic and financial offenses.

Development Strategy

Kazakhstan's principal long-term development framework is the "Kazakhstan-2050" Strategy, announced in December 2012. Its principal objective is to support the development of a strong and diversified economy and enable Kazakhstan to become one of the world's 30 most developed countries by 2050.

The principal medium-term strategic planning document is the National Development Plan of the Republic of Kazakhstan through 2029, approved by Presidential Decree No. 611 dated July 30, 2024. The National Development Plan sets out priorities relating to the quality of life, human capital, economic diversification and competitiveness, infrastructure, regional development, environmental sustainability and the effectiveness of public administration. It replaced the previous National Development Plan through 2025.

Kazakhstan's environmental and energy-transition policy is also guided by the Strategy for Achieving Carbon Neutrality of the Republic of Kazakhstan through 2060, approved by Presidential Decree No. 121 dated February 2, 2023. The Strategy provides for the gradual transformation and decarbonisation

of the economy, including the energy, industrial, transport, agricultural and waste-management sectors, with the objective of achieving carbon neutrality by 2060.

The Government seeks to promote economic diversification, increase labour productivity, develop manufacturing and infrastructure, expand the use of digital technologies and attract investment into non-extractive sectors, while maintaining Kazakhstan's position as a major producer and exporter of energy and mineral resources.

International Relations

Kazakhstan maintains diplomatic relations with a broad range of States and pursues cooperation through international and regional organizations. Kazakhstan is a member of, among others, the United Nations, the International Monetary Fund, the World Bank Group, the Organization for Security and Co-operation in Europe, UNESCO, the International Atomic Energy Agency, the European Bank for Reconstruction and Development, the Asian Development Bank, the Islamic Development Bank, the World Trade Organization, the Shanghai Cooperation Organization, the Commonwealth of Independent States and the Eurasian Economic Union.

Kazakhstan most recently served as a member of the United Nations Human Rights Council for a three-year term from 2022 to 2024.

Russia

Kazakhstan has historically maintained significant political and economic relations with Russia. The two countries cooperate under a broad range of bilateral agreements and through regional organizations, including the Commonwealth of Independent States and the Eurasian Economic Union (the "**EAEU**"). The members of the EAEU are Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

The Baikonur Cosmodrome is located in Kazakhstan and is used by Russia under a series of bilateral agreements between Kazakhstan and Russia. The Baikonur complex, including the cosmodrome and the city of Baikonur, is leased to Russia until 2050. The annual rent payable by Russia is U.S.$115 million.

Kazakhstan and Russia also cooperate in connection with the Caspian Pipeline Consortium (the "**CPC**"). The CPC pipeline system links the Tengiz oil field in western Kazakhstan with the CPC marine terminal near Novorossiysk on the Russian Black Sea coast. The Tengiz-Novorossiysk pipeline is approximately 1,511 kilometers long and transports more than two-thirds of Kazakhstan's oil exports, together with crude oil from certain Russian fields. The Russian Federation and JSC NC KazMunayGas hold interests in the CPC, together with a number of international oil companies.

Russia remains one of Kazakhstan's largest foreign trade partners. In 2025, Russia accounted for 29.7% of Kazakhstan's total imports and 10.3% of Kazakhstan's total exports, compared to 30.5% and 11.7%, respectively, in 2024. Based on these figures, trade turnover between Kazakhstan and Russia amounted to approximately U.S.$27.4 billion in 2025, compared to approximately U.S.$27.8 billion in 2024.

Russia is Kazakhstan's principal trading partner within the EAEU. In 2025, Russia accounted for 88.6% of Kazakhstan's total trade turnover with the other EAEU member states.

Kazakhstan is not a party to the armed conflict between Russia and Ukraine and has consistently supported its resolution through political and diplomatic means in accordance with the Charter of the United Nations and the fundamental principles of international law. Kazakhstan maintains bilateral relations with both Russia and Ukraine.

The conflict and the sanctions imposed on Russia have affected Kazakhstan through disruptions to established transport, logistics and supply routes and through Kazakhstan's close trade and economic links with Russia. Kazakhstan has not taken sides in the conflict and cooperates with international partners to prevent its territory from being used as a platform for the circumvention of sanctions

imposed on Russia. The European Union has acknowledged the measures taken by Kazakhstan in this regard.

Any further extension or expansion of sanctions against Russia, or the introduction of additional restrictions affecting transport, financial transactions or cross-border trade, could adversely affect Kazakhstan's trade, transit routes, supply chains and broader economic relations with Russia.

China

Political and economic relations between China and Kazakhstan have developed steadily since Kazakhstan's independence. Diplomatic relations between the two countries were established on January 3, 1992. The Kazakhstan-China State border was defined through a series of bilateral agreements, including the agreement dated April 26, 1994, followed by the subsequent demarcation of the border. In 2001, Kazakhstan and China entered into an agreement on cooperation in the use and protection of transboundary rivers. Kazakhstan and China also cooperate within international and regional frameworks, including the United Nations and the Shanghai Cooperation Organization (the "**SCO**").

Cooperation between Kazakhstan and China in the energy sector has expanded since the signing of an intergovernmental agreement on cooperation in the oil and gas sector in September 1997. This cooperation includes the development of oil and gas projects, the transportation of hydrocarbons and the construction and operation of related infrastructure. CNPC Kazakhstan B.V. currently holds an 8.33% participating interest in the Kashagan project, one of the principal offshore oil projects in the Kazakhstan sector of the Caspian Sea.

Oil is transported from Kazakhstan to China through the Kazakhstan-China oil pipeline system. The system includes the Kenkiyak-Atyrau, Kenkiyak-Kumkol and Atasu-Alashankou sections, together with connecting sections of Kazakhstan's existing pipeline network. The Kenkiyak-Kumkol and Atasu-Alashankou pipelines are owned by Kazakhstan-China Pipeline LLP, a joint venture between KazTransOil and China National Oil and Gas Exploration and Development Company Ltd., while the Kenkiyak-Atyrau pipeline is operated through MunaiTas LLP, a joint venture between KazTransOil and CNPC Exploration and Development Company Ltd.

The Central Asia-China Gas Pipeline, comprising parallel Lines A, B and C, crosses Kazakhstan and transports Central Asian gas to China, including gas originating in Kazakhstan. The aggregate length of the three lines within Kazakhstan is approximately 3,915 kilometers. The Kazakhstan section is operated by Asian Gas Pipeline LLP, a joint venture between QazaqGaz and Trans-Asia Gas Pipeline Company Limited.

Kazakhstan and China also cooperate on security matters, including through the SCO and its Regional Anti-Terrorist Structure, and through interaction between their respective law enforcement authorities. Such cooperation includes measures aimed at combating terrorism, extremism, separatism, drug trafficking, organized crime and the unlawful movement of weapons and explosive materials.

In 2015, Kazakhstan and China agreed to coordinate China's Belt and Road Initiative with Kazakhstan's Nurly Zhol infrastructure development program. Cooperation under the Belt and Road Initiative has included investment in railway, road, logistics and border infrastructure. Rail and multimodal routes through Kazakhstan form an important part of the transport corridors connecting China with Europe and other markets.

Economic relations between Kazakhstan and China continue to develop. According to NBK statistics, gross inflows of direct investment from China into Kazakhstan amounted to approximately U.S.$1.19 billion in 2024 and U.S.$2.83 billion in 2025.

China remained one of Kazakhstan's largest foreign trade partners in 2025. China accounted for 19.2% of Kazakhstan's total exports and 29.2% of Kazakhstan's total imports in 2025, compared to 18.3% and 25.3%, respectively, in 2024.

The SCO provides Kazakhstan with a multilateral framework for cooperation with China, Russia and other member states in the areas of regional security, trade, investment, energy, transport, environmental protection and cultural and humanitarian relations. Kazakhstan held the rotating chairmanship of the SCO in 2023–2024. The chairmanship concluded with the meeting of the SCO Council of Heads of State held in Astana on July 4, 2024, at which the member states considered further cooperation across the principal areas of the SCO's activities and approved, among other documents, the SCO Strategy for the Development of Energy Cooperation through 2030.

In June 2025, Chinese President Xi Jinping visited Kazakhstan to participate in the Second China-Central Asia Summit in Astana and held bilateral talks with President Kassym-Jomart Tokayev. The parties discussed the further development of bilateral cooperation, including in trade, investment, energy, transport and logistics, digitalisation and agriculture. Following the bilateral talks, 24 intergovernmental and interdepartmental documents were signed.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, save for the wording in italics, as supplemented, amended or replaced by the relevant Pricing Supplement, will be endorsed on each Definitive Note and attached to or incorporated by reference into each Global Note. The relevant Pricing Supplement (or relevant provisions thereof) will be endorsed upon or attached to each Global Note and Definitive Note. The Terms and Conditions of the Notes applicable to Global Notes will differ from those which would apply to a Definitive Note to the extent described under "Form of Notes".

1. INTRODUCTION

1.1 "Sovereign Wealth Fund "Samruk-Kazyna" JSC (also known as Joint Stock Company Sovereign Wealth Fund Samruk-Kazyna) (the "**Issuer**") has established a Medium Term Note Program (the "**Program**") for the issuance of up to U.S.$1,500,000,000 (one billion five hundred million US dollars) in aggregate principal amount of notes (the "**Notes**"). The Notes are issued pursuant to a fiscal agency agreement dated September 30, 2026 (as may be amended and/or supplemented and/or restated from time to time, the "**Fiscal Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent appointed from time to time in connection with the Notes), as paying agent (the "**Paying Agent**", which expression shall include any successor paying agent appointed from time to time in connection with the Notes) and as transfer agent (the "**Transfer Agent**", which expression shall include any successor transfer agent appointed from time to time in connection with the Notes) and Citicorp International Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**" which expression shall include any successor CMU lodging and paying agent appointed from time to time in connection with the CMU Notes), as transfer agent of the CMU Notes (the "CMU Transfer Agent" which expression shall include any successor CMU Transfer Agent appointed from time to time in connection with the CMU Notes) and as registrar of the CMU Notes (the "**CMU Registrar**" which expression shall include any successor CMU Registrar appointed from time to time in connection with the CMU Notes) and Citibank Europe Plc as Registrar (the "**ICSD Registrar**", which expression includes any successor ICSD Registrar appointed from time to time in connection with the Notes and together with the CMU Registrar, the "**Registrars**" and each a "**Registrar**") and with the benefit of a deed of covenant dated September 30, 2026 (as may be amended and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") and a deed poll dated September 30, 2026 (as may be amended and/or supplemented and/or restated from time to time, the "**Deed Poll**"). In these conditions, references to the "**Agents**" are to the Fiscal Agent, ICSD Registrar, the Paying Agents, the Calculation Agent, the Transfer Agent, the CMU Lodging and Paying Agent, the CMU Transfer Agent and the CMU Registrar, together with any substitute or additional agents appointed from time to time in connection with the Notes and any reference to an "**Agent**" is to any one of them.

1.2 Notes issued under the Program will be issued in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the denominations, issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable Pricing Supplement (the "**Pricing Supplement**") which should be read in conjunction with these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

1.3 All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement.

1.4 Copies of the relevant Pricing Supplement, the Deed of Covenant, the Fiscal Agency Agreement and these Conditions are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out in the Fiscal Agency Agreement.

1.5 The holders of the Notes (the "**Noteholders**") are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them.

1.6 References to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs of these terms and conditions.

1.7 For the purposes of these Conditions, all references to the Fiscal Agent and Paying Agents shall, with respect to a Series of Notes to be held in the Hong Kong Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU**"), be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

2. INTERPRETATION

2.1 In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Agency**" means any agency, authority, central bank, department, committee, government, legislature, ministry, minister, official or public or statutory person (whether autonomous or not) of, or of the government of, any state or supra-national body;

"**Average Representative Market Rate**" shall mean the arithmetic mean of the Representative Market Rates for the last five FX Business Days immediately before (and including) the applicable Rate Calculation Date. In the event that the Calculation Agent is unable to make this calculation due to the unavailability of Representative Market Rates necessary for the calculation, then the Calculation Agent shall take the arithmetic mean of the NBK Rate for the last five days that such NBK Rate was published, provided that each such NBK Rate shall have been published within the 30 days immediately preceding the applicable Rate Calculation Date; failing which the Average Representative Market Rate shall be determined in accordance with the polling procedure set out in the definition of "Representative Market Rate";

"**Business Day**" means:

(a) in the case of Euros, any day on which T2 is open for the settlement of payments in Euro (a "**Target Business Day**");

(b) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in Hong Kong and on which commercial banks in Hong Kong are open for business and settlement of Renminbi payments; or

(c) in the case of a Specified Currency other than Euros or Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre for that currency; or

(d) in the case of a Specified Currency or one or more Business Centre(s) specified in the relevant Pricing Supplement, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres so specified;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

"**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(a) "**Modified Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(b) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(c) "**FRN Convention**", "**Floating Rate Convention**" **or** "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;

"**Calculation Agent**" means Citibank, N.A., London Branch or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Business Day**" shall mean an FX Business Day used to determine the Average Representative Market Rate;

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests

in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity;

"**Change of Control/Status Event**" has the meaning given in Condition 10.7;

"**CMU Notes**" means Notes denominated in any lawful currency which the CMU Services accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service;

"**CMU Service**" or "**CMU**" means the Central Moneymarkets Unit Service operated by the HKMA;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Core Assets Disposal**" means a sale, assignment, conveyance, transfer, grant or otherwise a disposal of shares in (i) JSC NC "KazMunayGas", (ii) National Company "Kazakhstan Temir Zholy" JSC, (iii) National Atomic Company "Kazatomprom" JSC and (iv) any other Subsidiary which is a Material Subsidiary, in each case which would result in such entity ceasing to be the Issuer's Subsidiary;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(a) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(c) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(d) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(e) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

(i) "Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

(ii) "Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(iii) "M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

(iv) "M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(v) "D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

(vi) "D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

(f) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

(i) "Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

(ii) "Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(iii) "M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

(iv) "M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(v) "D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

(vi) "D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

(g) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

(i) "Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

(ii) "Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(iii) "M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

(iv) "M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(v) "D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D1 will be 30; and

(vi) "D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D2 will be 30;

(h) if "Actual/Actual-ICMA" is specified in the applicable Pricing Supplement,

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year,

where:

(1) "**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

(2) "**Determination Date**" means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s);

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**Domestic Relevant Indebtedness**" means any Relevant Indebtedness, which on issue, was offered or placed in the Republic of Kazakhstan and was not quoted, listed or purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market outside the Republic of Kazakhstan, irrespective of the jurisdiction of incorporation, residence or location of any investor;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Euro Exchange Date**" means the date on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Fiscal Agent and the Noteholders that replacement Notes denominated in Euros are available for exchange;

"**Extraordinary Resolution**" has the meaning given in the Fiscal Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**FX Business Day**" shall mean, solely for the purposes of determining the Representative Market Rate, a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for business in Astana, Kazakhstan;

"**Group**" means the Issuer and its Subsidiaries taken as a whole and references to a member of the Group means any of the Issuer or any of its consolidated Subsidiaries from time to time;

"**Guarantee**" means any guarantee or indemnity in respect of any Relevant Indebtedness, Public External Indebtedness or Indebtedness for Borrowed Money, as the case may be, or any arrangement having a similar effect;

"**HKMA**" means the Hong Kong Monetary Authority appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) or its successors;

"**IFRS**" means the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

"**IFRS Fiscal Period**" means any fiscal period for which the Group has produced financial statements in accordance with IFRS which have been audited by independent accountants of recognised international standing;

"**Indebtedness for Borrowed Money**" means, any indebtedness of any Person for or in respect of:

(a) moneys borrowed;

(b) amounts raised by acceptance under any acceptance credit facility;

(c) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments;

(d) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with IFRS, be treated as finance or capital leases;

(e) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service;

(f) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables or other assets on a "with recourse" basis) having the commercial effect of a borrowing (but excluding any amounts raised under prepayment facilities by the Issuer or any of its Subsidiaries in respect of advance payments received from customers in the ordinary course of business);

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (other than any derivative transaction entered into for hedging purposes and not for speculative purposes) (and, when calculating the value of any derivative transaction, only the mark-to-market value (or, if any actual amount is due as a result

of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement and, where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate and where SOFR Lag or SOFR Observation Shift is specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR or where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement) the fourth U.S. Government Securities Business Day prior to the last day of each Interest Period;

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement;

"**ISDA Definitions**" means (a) if "**2006 ISDA Definitions**" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended and updated as of the Issue Date of the first Tranche of the Notes; or (b) if "**2021 ISDA Definitions**" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as of the Issue Date of the first Tranche of the Notes;

"**ISDA Determination**" has the meaning given in the relevant Pricing Supplement;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Material Adverse Effect**" means a material adverse effect or change in or affecting (i) the condition (financial or otherwise), the results of operations, business affairs or business prospects of the Issuer or the Group taken as a whole, or (ii) the Issuer's ability to perform its obligations under the Fiscal Agency Agreement, Deed of Covenant or the Notes, whether or not arising in the ordinary course of business;

"**Material Subsidiary**" means a Subsidiary of the Issuer:

(a) which, for the most recent IFRS Fiscal Period, accounted for more than 10 per cent. of the consolidated revenues of the Group; or which, as of the end of the most recent IFRS Fiscal Period, was the owner of more than 10 per cent. of the consolidated assets of the Group, each as set out in the most recent available consolidated financial statements of the Group for such IFRS Fiscal Period (with effect from the date of issuance of such statements); or

(b) to which are transferred substantially all of the assets and undertakings of a Subsidiary of the Issuer which immediately prior to such transfer was a Material Subsidiary (with effect from the date of such transaction);

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Non-recourse Acquisition Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any assets or properties, **provided that**: (a) any Security Interest given by the Issuer in connection therewith is limited solely to such assets or properties; (b) the Persons providing such financing expressly agree to limit their recourse to the assets or properties whose acquisition, construction or development is financed and any revenues derived from such assets or properties as the principal source of repayment for the moneys advanced; and (c) there is no other recourse to the Issuer or any of its Material Subsidiaries in respect of any default by any Person under the financing;

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement or, following the occurrence of a Change of Control/Status Event, the sixtieth day after notice thereof is given by the Issuer pursuant to Condition 7;

"**Participating Member State**" means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(a) if the currency of payment is Euros, any day which is:

(i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or, as the case may be, the CMU Lodging and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a Target Business Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not Euros, any day which is:

(i) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or, as the case may be, the CMU Lodging and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Renminbi Notes, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre and which, if the currency of payment is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively;

"**Permitted Security Interest**" means, without duplication:

(a) any Security Interest existing on the Issue Date; or

(b) any Security Interest created or existing in respect of Domestic Relevant Indebtedness; or

(c) any Security Interest granted to secure a -Non-recourse Acquisition Financing; or

(d) any Security Interest arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by a Security Interest permitted by any of -the above exceptions, provided that, unless otherwise permitted under sub-paragraphs (a) or (c) above, the Relevant Indebtedness thereafter secured by such Security Interest does not exceed the amount of the original Relevant Indebtedness and such Security Interest is not extended to cover any property not previously subject to such Security Interest; or

(e) for the avoidance of doubt, any Security Interest created or existing in respect of any indebtedness that is not Relevant Indebtedness;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other legal entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality;

"**Preferred Stock**" as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person;

"**Public External Indebtedness**" means any present or future indebtedness of any Person denominated or payable, or which at the option of the relevant creditor or holder thereof may be payable, in a currency other than the lawful currency of the Republic of Kazakhstan which is in the form of, or represented by, notes, debentures, bonds or other similar capital market

instruments and which is ordinarily quoted, listed or purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(a) in relation to Euros, it means the principal financial centre of such Participating Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer or its designee;

(b) in relation to Renminbi, it means Hong Kong; and

(c) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer or its designee;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**QIB**" means a "qualified institutional buyer" as defined in Rule 144A under the Securities Act;

"**QP**" means a qualified purchaser within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act, as amended;

"**Rate Calculation Date**" shall mean the third FX Business Day preceding each Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions.

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and the relevant Pricing Supplement;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, four (or if the Principal Financial Centre is Helsinki, five) major banks selected by the Issuer or its designee in the market that is most closely connected with the Reference Rate and, in the case of any Series of Notes denominated in Tenge, "**Reference Banks**" shall mean Bank CenterCredit JSC, ForteBank JSC, JSC Halyk Bank, Alatau City Bank JSC, JSC Kaspi Bank and Citibank Kazakhstan JSC or their legal successors, or any other person named as such in the relevant Pricing Supplement;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement;

"**Reference Rate**" means the rate specified as such in the applicable Pricing Supplement;

"**Registrar**" means the U.S. Registrar or the Registrar, as the case may be;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Indebtedness**" means any present or future indebtedness in the form of, or represented by, notes, debentures, bonds or other similar capital market instruments and which is ordinarily quoted, listed or purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market;

"**Relevant Screen Page**" means the page, section or other part of a particular information service specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Renminbi**" and "**CNY**" refers to the lawful currency of the People's Republic of China;

"**Renminbi Notes**" means Notes denominated in Renminbi;

"**Representative Market Rate**" shall mean, with respect to any Calculation Business Day, the Tenge / U.S. Dollar daily official (market) foreign exchange rate for the previous FX Business Day, expressed as the amount of Tenge per one U.S. Dollar and as reported by the National Bank of Kazakhstan (the "**NBK**") and published on its website (https://www.nationalbank.kz/en/exchangerates/ezhednevnye-oficialnye-rynochnye-kursy-valyut or any successor page thereto) (the "**NBK Rate**"), as determined by the Issuer or its designee. In the event that the NBK Rate is unavailable for any Calculation Business Day, then the Issuer will poll the Representative Market Rate by polling the Reference Banks on the immediately following FX Business Day for the Tenge / U.S. Dollar exchange rate at noon Astana time on such Calculation Business Day for the professional market and provide such obtained Tenge / U.S. Dollar exchange rate to the Calculation Agent, whereby the Calculation Agent will determine the Representative Market Rate by taking the arithmetic mean of the polled exchange rates, **provided that** at least two quotations are obtained; and provided further that, if fewer than two quotations are obtained, the Representative Market Rate shall be the last NBK Rate published prior to the relevant Calculation Business Day;

"**Reserved Matter**" means any proposal whereby: (a) the principal amount of, or interest on, or additional amounts in respect of the Notes is to be reduced or cancelled or the rate of interest on the Notes is to be reduced; or (b) the status of the Notes under Condition 5 is to be amended; (c) the currency of payment of the Notes or the due date or date for any payment in respect of the Notes is to be changed; or (d) the provisions contained in the Fiscal Agency Agreement concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or the definition of "Extraordinary Resolution" or the definition of "outstanding" is to be modified; or (e) this definition of Reserved Matter is to be amended; or (f) the Deed of Covenant is to be modified or cancelled;

"**Screen Rate Determination**" has the meaning given in the relevant Pricing Supplement;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York (currently, being

https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index), or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current Benchmark;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Interest Payment Date**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Fiscal Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**") whose assets, liabilities, equity, income, expenses and cash flows are, in accordance with applicable IFRS, consolidated with those of the first Person in the consolidated financial statements of such Person;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**Tenge**" means the lawful currency for the time being of the Republic of Kazakhstan;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

2.2 In these Conditions:

(a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 and any other amount in the nature of interest payable pursuant to these Conditions;

(c) references to Notes being "**outstanding**" shall be construed in accordance with the Fiscal Agency Agreement; and

(d) if an expression is stated in Condition 2.1 to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes.

3. FORM, DENOMINATION AND TITLE

3.1 The Notes are issued in registered form, without interest coupons, in the Specified Denomination(s) shown in the relevant Pricing Supplement or integral multiples thereof, **provided that**:

(a) the Specified Denomination(s) shall not be less than €100,000 or its equivalent in the relevant Specified Currency, with integral multiples of €1,000 or its equivalent in the relevant Specified Currency in excess thereof (in the case of Notes denominated in Renminbi, the Specified Denomination shall not be less than CNY1,000,000 or its equivalent in the relevant Specified Currency, with integral multiples of CNY10,000);

(b) interests in the Rule 144A Notes shall be held in amounts of not less than U.S.$200,000 or its equivalent in the relevant Specified Currency, with integral multiples of U.S.$1,000 or its equivalent in the relevant Specified Currency in excess thereof.

3.2 Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

3.3 In these Conditions, "**Noteholder**" means the person in whose name a Note is registered, "holder" shall be read accordingly, and capitalised terms have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not **applicable to the Notes.**

4. TRANSFERS OF NOTES

4.1 One or more Notes may be transferred, in whole or in part in the authorised denominations set out in the applicable Pricing Supplement and subject to the minimum transfer amounts specified therein, upon the surrender (at the Specified Office of the Registrar or any Transfer Agent) of the relevant Note or Notes, together with the form of transfer endorsed on such Note or Notes (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent (as applicable) may reasonably require, including for the purposes of establishing title to the relevant Note, and the identity of the person making the request. In the case of a transfer of part only of a holding of a Note, a new Note shall be issued to the transferee in respect of the part transferred and a further new Note in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

4.2 In the case of an exercise of Noteholders' option in respect of, or a partial redemption of, a holding of Notes, a new Note shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. New Notes shall only be issued against surrender of the existing Notes to the Registrar or any Transfer Agent. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Note representing the enlarged holding shall only be issued against surrender of the Note representing the existing holding.

4.3 Each new Note to be issued pursuant to Conditions 4.1 or 4.2 shall be available for delivery within five business days of receipt of the form of transfer or Put Option Notice and surrender

of the Note for exchange. Delivery of the new Note(s) shall be made at the Specified Office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Option Notice or Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Put Option Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and such insurance as it may specify. In this Condition 4.3, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the Specified Office of the relevant Transfer Agent or the Registrar (as the case may be).

4.4 Transfer of Notes on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and security as the Registrar or the relevant Transfer Agent may require).

4.5 No Noteholder may require the transfer of a Note to be registered:

(a) during the period of 15 days ending on the due date for redemption of, or payment of any Interest Amount in respect of, that Note;

(b) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 10.3, 10.4 or 10.5; or

(c) after any such Note has been called for redemption, including partial redemption.

4.6 As specified in the Fiscal Agency Agreement, if, at any time, the Issuer determines that any beneficial owner of Notes, or any account for which such owner purchased Notes, who is required to be a QIB and a QP is not a QIB and a QP, the Issuer may (a) require such beneficial owner to sell its Notes, or may sell such Notes on behalf of such beneficial owner, to a non U.S. person who purchases in an offshore transaction pursuant to Regulation S or to a person who is a QIB who is also a QP and who is otherwise qualified to purchase such Notes in a transaction exempt from registration under the Securities Act or (b) require the beneficial owner to sell such Notes, or may sell such Notes on behalf of such beneficial owner at a price equal to the lesser of (i) the purchase price paid by the beneficial owner for such Notes, (ii) 100 per cent. of the principal amount thereof and (ii) the fair market value thereof. The Issuer also has the right to refuse to honour a transfer of an interest in a Note to a U.S. person who is not a QIB and a QP.

5. STATUS

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 6.1) unsecured obligations of the Issuer. The Notes will at all times rank pari passu among themselves and at least pari passu in right of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6. NEGATIVE PLEDGE AND COVENANTS

6.1 So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement) the Issuer shall not create or permit to subsist any Security Interest other than a Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other security for the

Notes as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of Noteholders.

6.2 So long as any Note remains outstanding, the Issuer will not, and will procure that its Subsidiaries will not, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, conduct a Core Assets Disposal to any Person, except a Core Assets Disposal to the Issuer or a Subsidiary (each, a "**Transferee Subsidiary**"), **provided**, **however**, **that** after giving effect to such disposal and any related transactions, the Transferee Subsidiary remains a Subsidiary of the Issuer and no Event of Default (as defined in Condition 13) nor any event which, with the giving of notice or lapse of time or the satisfaction of any other condition, would be an Event of Default has occurred and is continuing.

6.3 So long as any Notes are outstanding:

(a) The Issuer will not, directly or indirectly, in a single transaction or a series of related transactions, enter into any reorganisation (whether by way of a merger, accession, division, separation or transformation, as these terms are construed by applicable legislation or otherwise), participate in any other type of corporate reconstruction, or sell, lease, transfer, convey or otherwise dispose of all or substantially all of the assets of the Group (taken as a whole) (in each case, a "**Reorganisation**") unless in each case:

(i) either (A) the Issuer will be the surviving or continuing Person; or (B) the surviving or continuing Person will assume the performance and observation of all of the obligations and conditions of these Conditions, the Fiscal Agency Agreement and the Deed of Covenant to be performed by the Issuer; and

(ii) immediately prior to and immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing.

(b) For purposes of the foregoing, the transfer (by lease, assignment, sale, conveyance or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Material Subsidiaries, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Group (on a consolidated basis taken as a whole), will be deemed to be the transfer of all or substantially all of the properties and assets of the Group (on a consolidated basis taken as a whole).

(c) For the avoidance of doubt, any Subsidiary may consolidate with, merge with or otherwise enter into any transaction comprising a Reorganisation with the Issuer or another Subsidiary of the Issuer.

6.4 So long as any Note remains outstanding, the Issuer shall post on its website:

(a) not later than 180 days after the end of the Issuer's financial year, copies (in English) of the consolidated annual financial statements for such financial year, audited by an internationally recognised firm of accountants as may be nominated by the Issuer, prepared in accordance with IFRS consistently applied with the corresponding financial statements for the preceding period; and

(b) not later than 120 days following the end of the first six months of the Issuer's financial year, its unaudited interim condensed consolidated financial statements (in English) for such period.

6.5 So long as any Notes are outstanding and are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish upon the request of a Noteholder or a beneficial owner of an interest therein to such Noteholder or the beneficial

owner or to a prospective purchaser of Notes designated by such Noteholder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A under the Securities Act, if at the time of such request the Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3 2(b) thereunder.

7. FIXED RATE NOTE PROVISIONS

7.1 This Condition 7 is applicable to the Notes only if the relevant Pricing Supplement specifies the Fixed Rate Note Provisions as being applicable.

7.2 The Notes bear interest on the outstanding principal amount from the Interest Commencement Date at the rate(s) per annum equal to Rate(s) of Interest payable in arrear on each Interest Payment Date in each year and on the Maturity Date if such Maturity Date does not fall on an Interest Payment Date, subject as provided in Condition 11. Unless otherwise specified in the relevant Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Pricing Supplement, amount to the Broken Amount(s) so specified.

7.3 If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. In these Conditions "**sub unit**" means, with respect of any currency other than the Euro or U.S. Dollar, the lowest amount of such currency that is available as legal tender in the country of such currency, and with respect to Euros and U.S. Dollars means one cent.

In the case of Renminbi Notes, if Interest Payment Date adjustment is specified as applying in the relevant Pricing Supplement:

(a) each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards; and

(b) where (x) there is not numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day, then such Interest Payment Date shall be adjusted in accordance with the Modified Following Business Day Convention.

8. FLOATING RATE NOTE PROVISIONS

8.1 This Condition 8 is applicable to the Notes only if the relevant Pricing Supplement specifies the Floating Rate Note Provisions as being applicable.

8.2 The Rate of Interest payable from time to time in respect of the Notes shall be determined in the manner specified in the relevant Pricing Supplement.

8.3 Each Floating Rate Note bears interest on its outstanding principal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 8. Such Interest Payment Date(s) is/are either as specified in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, Interest Payment Date shall mean each

date which falls the number of months or other period specified in the applicable Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

8.4 If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (a) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (b) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (c) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (d) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

8.5 The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

8.6 Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, **provided that** in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any Reference Banks and seeking quotations from Reference Banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this Condition, "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) if the Pricing Supplement specifies either "**2006 ISDA Definitions**" or "**2021 ISDA Definitions**" as the applicable ISDA Definitions:

(i) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;

(ii) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Pricing Supplement;

(iii) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;

(iv) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:

(A) Compounding with Lookback is specified as the Compounding Method in the applicable Pricing Supplement, then (I) Compounding with Lookback is the Overnight Rate Compounding Method and (II) Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement;

(B) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement, then (I) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (II) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (III) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Pricing Supplement; or

(C) Compounding with Lockout is specified as the Compounding Method in the applicable Pricing Supplement, then (I) Compounding with Lockout is the Overnight Rate Compounding Method, (II) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Pricing Supplement and (III) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement; and

(v) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (I) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (II) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Pricing Supplement;

(vi) references in the relevant ISDA Definitions to:

(A) "**Confirmation**" shall be deemed to be references to the applicable Pricing Supplement;

(B) "**Calculation Period**" shall be deemed to be references to the relevant Interest Accrual Period;

(C) "**Termination Date**" shall be deemed to be references to the Maturity Date; and

(D) "**Effective Date**" shall be deemed to be references to the Interest Commencement Date; and

(b) if the Pricing Supplement specifies "**2021 ISDA Definitions**" as the applicable ISDA Definitions:

(i) Administrator/Benchmark Event shall be disapplied; and

(ii) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "**Temporary Non-Publication Fallback - Alternative Rate**" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "**Calculation Agent Alternative Rate Determination**" in the definition of "**Temporary Non-Publication Fallback - Alternative Rate**" shall be replaced by "**Temporary Non-Publication Fallback - Previous Day's Rate**".

8.7 Screen Rate Determination

(a) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be either:

(i) the offered quotation; or

(ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as of 11.00 am (Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(b) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or Compounded SOFR Index, as follows:

(i) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Pricing Supplement:

(A) SOFR Lag:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i-USBD}xn_i}{360}\right)-1\right) X \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

(I) "**SOFR*i*-xUSBD**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

(II) "**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

(III) "**d**" means the number of calendar days in the relevant Interest Period;

(IV) "**d*o***" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

(V) "**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

(VI) "**ni**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(B) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i\ x\ n_i}{360}\right)-1\right)\ X\ \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

(I) "**SOFRi**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

(II) "**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

(III) "**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

(IV) "**d**" means the number of calendar days in the relevant SOFR Observation Period;

(V) "**do**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

(VI) "**i**" means a series of whole numbers ascending from one to do, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

(VII) "**ni**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Condition 8.7(b)(i):

(A) "**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated SOFRRATE or any successor page or service;

(B) "**Reuters Page USDSOFR=**" means the Reuters page designated "**USDSOFR=**" or any successor page or service;

(C) "**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(I) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(II) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(III) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 8.7(c) shall apply; and

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(ii) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

calculated by the Calculation Agent as follows:

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being

rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

(A) "**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, **provided that**:

(I) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 8.7(b)(ii) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean five U.S. Government Securities Business Days; or

(II) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 8.7(c) shall apply;

(B) "**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

(C) "**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the first day of such Interest Period;

(D) "**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

(E) "**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

(F) "**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

(G) "**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

If the Notes become due and payable in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of

Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

(c) For the purpose of this Condition 8.7(b):

(i) If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(ii) In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Fiscal Agent and any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Fiscal Agency Agreement and these Conditions as may be required to give effect to this Condition 8.7(c). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Fiscal Agent or any of the Agents (if required). Further, none of the Fiscal Agent, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 8.7(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (A) will be conclusive and binding absent manifest error, (B) will be made in the sole discretion of the Issuer or its designee, as applicable, and (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) The following defined terms shall have the meanings set out below for purpose of this Condition 8.7(c):

(A) "**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; **provided that** if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

(B) "**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(I) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component)

announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(II) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(III) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

(C) "**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(I) the sum of:

(1) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(2) the Benchmark Replacement Adjustment;

(II) the sum of:

(1) the ISDA Fallback Rate; and

(2) the Benchmark Replacement Adjustment; or

(III) the sum of:

(1) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for

U.S. dollar-denominated Floating Rate Notes at such time; and

(2) the Benchmark Replacement Adjustment;

(D) "**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(I) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(II) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(III) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

(E) "**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

(F) "**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(I) in the case of sub-paragraph (I) or (II) of the definition of "**Benchmark Event**", the later of:

(1) the date of the public statement or publication of information referenced therein; and

(2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(II) in the case of sub-paragraph (III) of the definition of "**Benchmark Event**", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

(G) "**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time, including the 2021 ISDA Interest Rate Derivatives Definitions (as amended or supplemented from time to time);

(H) "**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

(I) "**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

(J) "**Reference Time**" with respect to any determination of the Benchmark means (I) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement), or (II) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

(K) "**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

(L) "**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

8.8 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

8.9 The Calculation Agent will, as soon as reasonably practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, determine the Rate of Interest for the relevant Interest Period and calculate the Interest Amount payable in respect of each

Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention.

8.10 If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as reasonably practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

8.11 The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and quotation system (if any) by which the Notes have than been admitted to listing, trading and quotation as soon as reasonably practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders by the Issuer in accordance with Condition 19. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

8.12 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

9. ZERO COUPON NOTE PROVISIONS

9.1 This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

9.2 If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(a) the Reference Price; and

(b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. REDEMPTION AND PURCHASE

10.1 Final Redemption: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed by the Issuer at their Final Redemption Amount as specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date as specified in the applicable Pricing Supplement, subject as provided in Condition 11.

10.2 Redemption for Taxation Reasons: The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(a) at any time (if neither the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable); or

(b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 19 (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(i) the Issuer certifies to the Fiscal Agent that it has or will become obliged to pay additional amounts as provided or referred to in Condition 12 as a result of any change in, or amendment to, the laws or regulations of Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided**, **however**, **that** no such notice of redemption shall be given earlier than:

(A) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(B) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (I) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (II) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.2.

10.3 **Redemption at the Option of the Issuer (Call Option)**: If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole (but not in part) on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(a) If Make-Whole Amount is specified in the applicable Pricing Supplement as the Optional Redemption Amount (Call), the Optional Redemption Amount (Call) per Note

shall be equal to the higher of (i) the principal amount of the Note; and (ii) the sum of the then present values of the remaining scheduled payments of principal and Remaining Term Interest (assuming for this purpose the Notes are to be redeemed at their principal amount on the Make-Whole Reference Date), in each case discounted to the relevant Optional Redemption Date (Call) on either an annual or a semi-annual basis as specified in the applicable Pricing Supplement (based on the Day Count Fraction specified in the applicable Pricing Supplement) at the Reference Dealer Rate plus any applicable Redemption Margin specified in the applicable Pricing Supplement, all as determined by the Determination Agent; in each case together with interest accrued to (but excluding) the relevant Optional Redemption Date (Call).

(b) In this Condition:

(i) "**Determination Agent**" means an investment banking, accountancy, appraisal or financial advisory firm with international standing that has (in the reasonable opinion of the Issuer) appropriate expertise relevant to the determination required to be made under this Condition 10.3 selected by the Issuer.

(ii) "**Make-Whole Reference Date**" means the earliest of (i) the Maturity Date, (ii) the Par Call Period Commencement Date (if applicable), and (iii) such other date (if any) specified as such in the applicable Pricing Supplement.

(iii) "**Reference Bond**" means the government security specified in the applicable Pricing Supplement, or (if such security is no longer in issue or, in the determination of the Determination Agent, with the advice of the Reference Dealers, is no longer appropriate by reason of illiquidity or otherwise), such other government security with a maturity date as near as possible to the Make-Whole Reference Date, as the Determination Agent may, with the advice of the Reference Dealers, determine to be appropriate by way of substitution for the original Reference Bond.

(iv) "**Reference Dealers**" means each of three banks selected by the Issuer which are (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues; and

(v) "**Reference Dealer Rate**" means with respect to the Reference Dealers and any Optional Redemption Date (Call) the average of the three quotations of the mid-market yield to maturity (expressed on the same basis, whether annual or semi-annual, as the discounting basis specified in the applicable Pricing Supplement)of the Reference Bond specified in the applicable Pricing Supplement at the Quotation Time specified in the applicable Pricing Supplement on the Determination Date specified in the applicable Pricing Supplement and quoted in writing to the Determination Agent by the Reference Dealers.

(vi) "**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to the Make-Whole Reference Date determined on the basis of the rate of interest applicable to such Note from and including the relevant Optional Redemption Date (Call).

10.4 **Redemption at the Option of the Issuer (Issuer Maturity Par Call)**: If Issuer Maturity Par Call is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole (but not in part) at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date (the "**Par Call Period Commencement Date**") to (but excluding) the Maturity Date, at the Final

Redemption Amount specified in the applicable Pricing Supplement plus accrued interest (if any) to such date.

10.5 **Clean-up Call**: In the event that at least 80 per cent. of the aggregate principal amount of any series of Notes have been redeemed or purchased, the Issuer may, at any time thereafter, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 19 (which notice shall be irrevocable) and to the Fiscal Agent, redeem all (but not less than all) of the Notes outstanding at a redemption price equal to 100 per cent. of the principal amount of such Notes outstanding together with interest accrued to, but excluding, the date of such redemption.

10.6 **Redemption at the Option of Noteholders (Put Option)**: If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10.6, the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10.6, may be withdrawn; **provided**, **however**, **that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10.6, the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

10.7 **Redemption at the Option of Noteholders (Change of Control Put Option)**: If a Change of Control/Status Event (as defined below) occurs, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving notice to the Issuer as provided in this Condition 10.7 at any time during the Redemption Period, redeem such Note on the applicable Optional Redemption Date (Put) at 100 per cent. of its principal amount together (if applicable) with interest accrued and unpaid to (but excluding) the applicable Optional Redemption Date (Put).

(a) Promptly upon becoming aware that a Change of Control/Status Event has occurred, and in any event within 30 days thereof, the Issuer shall give notice (a "**Change of Control/Status Notice**") to the Noteholders in accordance with Condition 19 specifying the nature of the Change of Control/Status Event and the procedure for exercising the put option contained in this Condition 10.7.

(b) To exercise the put option pursuant to this Condition 10.7, a holder must deposit the certificate representing the Note(s) to be redeemed with the Paying Agent at its Specified Office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the Redemption Period. An Exercise Notice, once given, shall be irrevocable. For so long as the Notes are represented by one or more Global Notes, the put option may be exercised by the delivery of an Exercise Notice in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC (as applicable), and no deposit of any certificate shall be required.

For the purpose of this Condition 10.7:

(a) "**Change of Control/Status Event**" will occur:

(i) if at any time the Republic of Kazakhstan ceases to own, directly or indirectly, 100 per cent. of the issued share capital of the Issuer or otherwise ceases to control, directly or indirectly, the Issuer. For the purpose of this Condition 10.7, the Republic of Kazakhstan will be deemed to "control" the Issuer if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove the majority of the members of the board of directors or other governing body of the Issuer or otherwise controls, or has the power to control, the affairs and policies of the Issuer; or

(ii) upon any change to such laws the result of which is that the Issuer ceases to be a national management holding;

(b) "**Redemption Date**" means, in respect of any Note, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with this Condition 10.7; and

(c) "**Redemption Period**" means the period from and including the date on which a Change of Control/Status Event occurs (whether or not the Issuer has given a Change of Control/Status Notice in respect of such event) to and including the date falling 60 days after the date on which such Change of Control/Status Notice is given, provided that if no Change of Control/Status Notice is given, the Redemption Period shall not terminate.

10.8 The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 10.1 to 10.7.

10.9 Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(a) the Reference Price; and

(b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10.9 or, if none is so specified, a Day Count Fraction of 30E/360.

10.10 The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.

10.11 All Notes which are redeemed pursuant to Conditions 10.1 to 10.7 or purchased pursuant to Condition 10.10 by the Issuer or any of its Subsidiaries shall be either cancelled forthwith, held or, to the extent permitted by law, resold. All Notes so cancelled shall be forwarded to the Fiscal Agent.

11. PAYMENTS

11.1 Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Transfer Agent or of the Registrar by cheque drawn in the currency in which the payment is due (and, in the case of any Series of Notes denominated in Tenge, in U.S. Dollar), or by transfer to an account denominated in that currency (or, if that currency is Euros, any other account to which Euros may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

11.2 Payments of interest shall, subject to Condition 11.5, be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in the relevant currency (and, in the case of any Series of Notes denominated in Tenge, in U.S. Dollar) by cheque drawn on a bank and mailed by uninsured post to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. The holder of such Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of such Notes as a result of a cheque posted in accordance with this Condition 11 arriving after the due date for payment or being lost in the post. Upon application by the holder to the Specified Office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

11.3 Amounts of interest and principal due in respect of any Series of Notes denominated in Tenge, will be calculated by the Calculation Agent for payment in U.S. Dollars by dividing the relevant Tenge amounts by the Average Representative Market Rate on the applicable Rate Calculation Date. The Calculation Agent will, on each Rate Calculation Date, notify the Issuer, the Fiscal Agent and the Paying Agents of the amounts of interest and principal (stated in both Tenge and U.S. Dollars) payable on any Interest Payment Date, the Maturity Date or any other date on which principal or interest becomes payable under these Conditions, as applicable, as well as the applicable Average Representative Market Rate.

11.4 All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

11.5 If the due date for payment of any amount in respect of any Note is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

11.6 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Noteholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

11.7 This Condition 11.7 shall apply to all Renminbi Notes:

(a) Payments of Principal and Interest

Payments of amounts due (whether principal, interest or otherwise) in Renminbi in respect of Renminbi Notes will be made by credit or transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong and provided further that no payment

will be made by transfer to an account in, or by cheque mailed to an address in, the United States.

(b) Payments of U.S. dollar Equivalent

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of the Renminbi Notes when due in Renminbi in Hong Kong, the Issuer may, on giving not less than five business days' or more than 30 calendar days' (or such other period as may be specified in the relevant Pricing Supplement) irrevocable notice to Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. dollar Equivalent of any such Renminbi denominated amount.

Payments of the U.S. dollar Equivalent of the relevant Renminbi amount, determined in accordance with this Condition 11.7(b), will be made by credit or transfer to a U.S. dollar account (or any other account to which U.S. dollars may be credited or transferred) specified by the payee or, at the option of the payee, by a U.S. dollar cheque, provided, however, that no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States.

For the purposes of these Conditions, "**U.S. dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date.

For the purpose of this Condition 11.7:

"**CNHFIX Spot Rate**" means, for a Rate Calculation Date, the CNY/USD official fixing rate, expressed as the amount of CNY per one USD, for settlement in two business days reported by the Treasury Markets Association which appears on the Reuters Screen Page CNHFIX at approximately 11.15 a.m. (Hong Kong time). In the event that no such quotation appears on the relevant Reuters Screen Page or any successor page or service thereto at the relevant time on the relevant Rate Calculation Date (or, if different, the day on which rates for the Rate Calculation Date would, in the ordinary course, be published or announced by the relevant price source), the Spot Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the CNY exchange market in Hong Kong.

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"**Illiquidity**" means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNY Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general CNY exchange

market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after September 30, 2026 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after September 30, 2026 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Rate Calculation Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and London.

"**Rate Calculation Date**" means the day which is three Rate Calculation Business Days before the due date of the relevant amount under these Conditions.

"**Spot Rate**" means the CNHFIX Spot Rate or the TRADCNY3 Spot Rate, as specified in the relevant Pricing Supplement.

"**TRADCNY3 Spot Rate**" means, for a Rate Calculation Date, the spot CNY/USD exchange rate for the purchase of U.S. dollars with Renminbi, for settlement in two business days, in the over-the-counter Renminbi exchange market in Hong Kong as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to the Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to the Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available CNY/USD official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the People's Republic of China, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 11.7 by the Calculation Agent, will (in the absence of gross negligence or wilful default) be binding on the Issuer, the Agents and all Noteholders.

12. TAXATION

12.1 All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by Kazakhstan or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or

deduction had been required, except that no such additional amounts shall be payable in respect of any Note presented for payment:

(a) by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Kazakhstan other than the mere holding of such Note; or

(b) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note on the last day of such period of 30 days; or

(c) by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by surrendering the relevant Note to another Paying Agent in a Member State of the European Union.

If the Issuer becomes subject at any time to any taxing jurisdiction other than Kazakhstan, references in these Conditions to Kazakhstan shall be construed as references to Kazakhstan and such other jurisdiction. Notwithstanding any other provision contained herein, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and neither the Issuer nor any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

13. EVENTS OF DEFAULT

If any of the following events (each, an "**Event of Default**") occurs and is continuing:

13.1 the Issuer fails to pay any amount of principal in respect of the Notes when the same becomes due and payable either at maturity, by declaration or otherwise or the Issuer is in default with respect to the payment of interest or any additional amount payable in respect of any of the Notes and such default continues for a period of at least seven days in the case of principal or at least 14 days in the case of interest or additional amounts; or

13.2 the Issuer defaults in the performance or observance of any of its other obligations under the Notes or the Deed of Covenant and such default is incapable of remedy or, if capable of remedy, remains unremedied for 30 days after notice of such default has been given to the Issuer at the Specified Office of the Fiscal Agent by any holder of Notes; or

13.3 (i) (A) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; (B) any such Indebtedness for Borrowed Money becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness for Borrowed Money; or (C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity in respect of any Indebtedness for Borrowed Money, provided that (x) the amount of Indebtedness for Borrowed Money referred to in (A) to (B) above and/or the amount payable under any guarantee referred to in (C) above individually or in the aggregate exceeds U.S.$300,000,000 (or its equivalent in any other currency or currencies), (y) no Event of Default shall arise under this Condition 13.3(i) in respect of any Indebtedness for Borrowed Money owed by any member of the Group to the Issuer, provided that such Indebtedness for

Borrowed Money remains beneficially owned within the Group and has not been assigned or transferred to, or secured in favour of, any Person that is not a member of the Group, and (z) no Event of Default shall arise under this Condition 13.3(i) in respect of any Indebtedness for Borrowed Money owed to the Republic of Kazakhstan or any Agency thereof, if this has been caused solely by a failure of any such Agency to perform obligations in respect of such Indebtedness for Borrowed Money, and such default is remedied, or the circumstances causing it are capable of remedy and are remedied, in each case, within 18 months of its or their occurrence; or (ii) (A) any Public External Indebtedness of the Republic of Kazakhstan (x) becomes due and payable prior to the due date for payment thereof by reason of default by the Republic of Kazakhstan, or (y) is not repaid at maturity as extended by the period of grace, if any, applicable thereto; or (B) any guarantee given by the Republic of Kazakhstan in respect of Public External Indebtedness of any other Person is not honoured when due and called upon; provided that the aggregate amount of the relevant Public External Indebtedness or liability under such guarantee in respect of which one or more of the events mentioned in this Condition 13.3(ii) shall have occurred equals or exceeds U.S.$300,000,000 or its equivalent in other currencies; or

13.4 any final and non-appealable unsatisfied arbitration award, judgment, decree or order rendered or granted against the Issuer or any of its Material Subsidiaries (x) in the amount exceeding U.S.$300,000,000 (or its equivalent in any other currency or currencies), or (y) which has, on its own or when taken together with any other unsatisfied judgments, decrees, orders or arbitration awards, a Material Adverse Effect on (a) the condition (financial or otherwise), business, operations, prospects, results of operations, general affairs or profitability of the Issuer or the Group; (b) the ability of the Issuer to perform or comply with its obligations under the Deed of Covenant, the Fiscal Agency Agreement and the Notes; or (c) the validity, legality or enforceability of the Deed of Covenant, the Fiscal Agency Agreement and the Notes or the rights or remedies of the Noteholders thereunder, in each case of (x) and (y) which continue(s) to remain unsatisfied and unstayed for a period of 60 days after the date thereof or, if later, the date therein specified for payment; or

13.5 a secured party takes possession, or a receiver, manager or other similar officer is appointed, of all or substantially all of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or

13.6 (A) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (B) an administrator or liquidator or other similar officer of the Issuer or any of its Material Subsidiaries or all or substantially all of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (and such appointment shall have remained in force undischarged or unstayed for a period of 45 days), (C) the Issuer or any of its Material Subsidiaries takes any action for a general readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness for Borrowed Money or (D) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business; or (i) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (other than a solvent reorganisation of the Issuer or any Material Subsidiary); or (ii) any event occurs which under the laws of the Republic of Kazakhstan has an analogous effect to any of the events referred to in (i) above; or

13.7 the Issuer fails to comply in any material respect with any applicable laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority for any purpose to enable it lawfully to exercise its rights or perform or comply with its obligations under the Notes or the Deed of Covenant or to ensure that those obligations are legally binding and enforceable or that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings

with, any such authority in connection therewith are obtained and maintained in full force and effect and in each case such failure has a Material Adverse Effect; or

13.8 the validity of the Notes or the Deed of Covenant is contested by the Issuer, or the Issuer shall deny any of its obligations under the Notes or the Deed of Covenant, or it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Notes or the Deed of Covenant, or any of such obligations are or become unenforceable or invalid; or

13.9 (a) all or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government; or (b) the Issuer or any of its Material Subsidiaries is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues; and in each case such event has a Material Adverse Effect and continues unremedied for a period of 60 days; or

13.10 the Republic of Kazakhstan takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an agreement or composition with or for the benefit of its creditors or a moratorium is declared in respect of the payment of any class of obligations of the Republic of Kazakhstan (such payment being due in a currency other than the lawful currency for the time being of the Republic of Kazakhstan),

then the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

No delay or omission of any Noteholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

14. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

15. REPLACEMENT OF NOTES

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders (and, if the Notes are then admitted to listing, trading or quotation by any listing authority, stock exchange or quotation by any listing authority, stock exchange or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such

listing authority stock exchange or quotation system), subject to all applicable laws and listing authority stock exchange or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16. AGENTS

16.1 In acting under the Fiscal Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer. The Agents do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

16.2 The initial Agents and their respective initial Specified Offices are listed in the Fiscal Agency Agreement. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time, by giving to the relevant Agent concerned at least 60 days' prior written notice (which notice shall expire at least 30 days before or after any due date for payment in respect of the Notes), to vary or terminate the appointment of any Agent and to appoint a successor Fiscal Agent or Calculation Agent and additional or successor agents; **provided**, **however**, **that**:

(a) the Issuer shall at all times maintain a Fiscal Agent, CMU Lodging and Paying Agent, Registrar, CMU Registrar, CMU Transfer Agent and a Transfer Agent;

(b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and

(c) the Issuer shall maintain such other agents as may be required by any other stock exchange on which the Notes may be listed and/or admitted to trading.

Notice of any such change or any change of any Specified Offices shall promptly be given to the Noteholders.

17. MEETINGS OF NOTEHOLDERS; MODIFICATION; WAIVER AND ENFORCEMENT

17.1 The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions or the Fiscal Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Noteholders holding not less than 20 per cent. in principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing a clear majority of the aggregate principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented; **provided**, **however**, **that** any proposals relating to any Reserved Matter may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than -two-thirds or, at any adjourned meeting, one-third of the principal amount of the outstanding Notes form a quorum. The Noteholders may sanction by Extraordinary Resolution the waiver of any or all past or existing Events of Default and rescind any declaration that the Notes are immediately due and repayable as a result of any such Event of Default (including any failure to pay any principal and/or interest following such declaration); provided, however, that any proposal for any waiver of any Event of Default (or related rescission of a declaration that the Notes are immediately due and repayable) arising from a matter (including any modification of any provisions of these Conditions or the Fiscal Agency Agreement) a proposal to effect which would be a Reserved Matter shall itself be a Reserved

Matter. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present at the meeting(s) or not.

17.2 A resolution in writing will take effect as if it were an Extraordinary Resolution if it is signed (i) by or on behalf of all Noteholders who for the -time being are entitled to receive notice of a meeting of Noteholders under the Fiscal Agency Agreement or (ii) if such Noteholders have been given at least 21 days' notice of such resolution, by or on behalf of Persons holding two-thirds of the aggregate principal amount of the outstanding Notes. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. The Fiscal Agency Agreement also provides that, subject to the terms therein, a resolution approved by an Electronic Consent (as defined below) communicated through the electronic communications systems of the relevant clearing system by or on behalf of not less than *two thirds* in aggregate principal amount of the Notes outstanding shall take effect as an Extraordinary Resolution. Subject to the terms stated in the Fiscal Agency Agreement, for so long as the Notes are in the form of one or more Global Notes registered in the name of any nominee for one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system and where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), the Issuer shall be entitled to rely upon approval of such resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than two-thirds in principal amount of the Notes outstanding ("**Electronic Consent**"). For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with Condition 17.1, unless that meeting is or shall be cancelled or dissolved.

17.3 The Notes, the Fiscal Agency Agreement and the Deed of Covenant may be amended without the consent of the Noteholders to correct a manifest error or to make any modification which is in the opinion of the Issuer of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter.

17.4 Any Noteholder may, at its own expense, institute against the Issuer such proceedings as it may think fit to enforce the terms of the Deed of Covenant and the Notes, provided that the Issuer shall not be obliged to take any action if to do so would be contrary to any applicable law or regulation.

18. FURTHER ISSUES AND CONSOLIDATION

18.1 The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Fiscal Agency Agreement, create and issue further notes having the same terms and conditions as the Notes of a particular Series in all respects (or in all respects except for the issue price, the issue date and the first payment of interest) so as to form a single series with the Notes of the particular Series, **provided that**, in case the Notes were sold or the further notes are sold in reliance of Rule 144A of the Securities Act, unless such further notes are fungible with the original Notes for U.S. federal income tax purposes, such further notes will be issued with a separate CUSIP and ISIN.

18.2 The Issuer may, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), from time to time on any Interest Payment Date occurring on or after the Redenomination Date (as defined in Condition 22) on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 19, without the consent of the Noteholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euros, **provided** such other Notes have been redenominated in Euros (if not originally

denominated in Euros) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

19. NOTICES

Notices required to be given to the Noteholders pursuant to these Conditions shall be valid if published in a leading daily newspaper of general circulation in Europe and so long as the Notes are listed on any stock exchange, in a leading daily newspaper with general circulation in the city or cities where the stock exchange(s) on which the Notes are listed. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

For avoidance of doubt, so long as the Note is held by or on behalf of a common depositary for Euroclear, Clearstream, Luxembourg, the CMU or any other clearing system (an "**Alternative Clearing System**"), notices to Noteholders may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, the CMU or (as the case may be) such Alternative Clearing System rather than in the manner specified in this Condition 19 (*Notices*) and shall be deemed to be given to Noteholders with the same effect as if they had been given to such Noteholder in accordance with this Condition 19 (*Notices*).

20. CURRENCY INDEMNITY

20.1 If any sum due from the Issuer in respect of the Notes or any order, award or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, award judgment, claim or proof.

20.2 This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005%, being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. REDENOMINATION

22.1 This Condition 22 is applicable to the Notes only if it is specified in the relevant Pricing Supplement as being applicable.

22.2 If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Fiscal Agent, the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

22.3 Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

(a) the Notes shall be deemed to be redenominated into Euros in the denomination of Euros 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euros at the rate for conversion of such currency into Euros established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); **provided**, **however**, **that**, if the Issuer determines, with the agreement of the Fiscal Agent that the then market practice in respect of the re denomination into Euros 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange or quotation system (if any) by which the Notes have then been admitted to listing, trading or quotation and the Paying Agents of such deemed amendments;

(b) if Notes have been issued in definitive form:

(i) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 22) shall remain in full force and effect; and

(ii) new Notes denominated in Euros will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Paying Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and

(c) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euros, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euros by cheque drawn on, or by credit or transfer to a Euros account (or any other account to which Euros may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of any Member State of the European Communities.

22.4 Following redenomination of the Notes pursuant to this Condition 22, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes held by the relevant holder.

22.5 If the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second Target Business Day before the first day of the relevant Interest Period.

23. GOVERNING LAW, JURISDICTION AND ARBITRATION

23.1 The Notes and the arbitration agreement in Condition 23.2, including any non-contractual obligations arising out of or in connection with the Notes, are governed by, and shall be construed in accordance with, English law.

23.2 Save for any Dispute (as defined below) solely between the Issuer and any Noteholder(s) resident in Kazakhstan, which shall be resolved by the courts of the Republic of Kazakhstan, the Issuer agrees that any claim, dispute or difference of whatever nature arising under, out of or in connection with the Notes (including a claim, dispute or difference regarding their existence, termination or validity or any non-contractual obligations arising out of or in connection with the Notes) (a "**Dispute**"), shall be referred to and finally settled by arbitration in accordance with the LCIA Rules (the "Rules") as in force at the date of the Fiscal Agency Agreement and as modified by this Condition, which Rules shall be deemed incorporated into this Condition. The number of arbitrators shall be three, one of whom shall be nominated by the claimant(s), one by the respondent(s) and the third of whom, who shall act as Chairman, shall be nominated by the two party-nominated arbitrators, provided that if the third arbitrator has not been nominated within 30 days of the nomination of the second party-nominated arbitrator, such third arbitrator shall be appointed by the LCIA Court. The parties may nominate and the LCIA Court may appoint arbitrators from among the nationals of any country, whether or not a party is a national of that country. The seat of arbitration shall be London, England and the language of arbitration shall be English. Sections 45 and 69 of the Arbitration Act 1996 shall not apply.

Where disputes involving a common issue of law or fact arise:

(i) under the Deed of Covenant;

(ii) under the Deed Poll; and/or

(iii) under the Notes,

23.3 which, in the reasonable opinion of the first arbitral tribunal to be appointed in relation to any such disputes (whether such disputes arise under the Notes or under the Deed of Covenant or the Deed Poll) are so closely connected that it is just for them to be resolved in the same proceedings ("**Related Disputes**"), that arbitral tribunal shall have the power to order that the proceedings to resolve such Related Disputes shall be consolidated (whether or not proceedings to resolve the other Related Disputes have yet been instituted or any other arbitral tribunals have yet been constituted). The first arbitral tribunal shall determine whether to order such consolidation on the application of either the claimant(s) or the respondent(s) to any party to any of the Related Disputes referred to above, and in making such determination shall take account of (i) the likelihood and consequences of inconsistent decisions if consolidation is not ordered, (ii) any failure on the part of the party seeking consolidation to make a timely application and (iii) the likely consequences of consolidation in terms of cost and time. If the first arbitral tribunal makes an order for consolidation, it will immediately, to the exclusion of any other arbitral tribunals, have jurisdiction to resolve finally each Related Dispute which is a subject of the order for consolidation, and the parties to each Related Dispute which is a subject of such order for consolidation shall be treated as having consented to that Related Dispute being finally decided by such first arbitral tribunal and having waived any objection on the basis of such order for consolidation to the validity and/or enforceability of any arbitral award made by such first arbitral tribunal following the order for consolidation, unless the LCIA Court decides that any member of such arbitral tribunal would not be suitable or impartial.

23.4 The Issuer agrees that the process by which any proceedings are commenced in the English courts in support of, or in connection with, an arbitration commenced pursuant to Condition 23.2 may be served on it by being delivered to Law Debenture Corporate Services Limited

8th Floor, 100 Bishopsgate, London, EC2N 4AG. If such Person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder, appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 14 days, any Noteholder shall be entitled to appoint such a Person by written notice to the Issuer. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

23.5 The Issuer agrees that any award made pursuant to Condition 23.2 in relation to a Dispute may be enforced in a court of competent jurisdiction of which the Issuer is or may be subject. To the extent that the Issuer may in any jurisdiction claim for itself or its assets, property or revenues (irrespective of their use or intended use) immunity from jurisdiction, suit, enforcement, execution, attachment (whether in aid of execution, before the making of a judgment or award or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets, property or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction. For the avoidance of doubt, the waiver of immunity contained in this Condition 23.5 applies solely in respect of any such award, action or proceeding (including any proceedings to enforce, recognize or execute any judgment or arbitral award in any jurisdiction) in connection with any Dispute, and shall not constitute a general waiver of immunity in respect of unrelated proceedings.

24. RIGHTS OF THIRD PARTIES

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

"SOVEREIGN WEALTH FUND "SAMRUK-KAZYNA" JSC

Issue of [Aggregate Nominal Amount of Tranche]
[Title of Notes] (the "**Notes**") under the U.S.$1,500,000,000 Medium Term Note Program (the "**Program**")

[THE OFFER OF THE NOTES IN THE UNITED KINGDOM IS MADE PURSUANT TO AN EXCEPTION TO THE PROHIBITION ON A PUBLIC OFFER UNDER THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 (THE "**POATRS**"). ACCORDINGLY, THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED HEREIN.]

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PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 the ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.

[MIFID II product governance / Professional investors and ECPs only target market - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target

market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO PERSONS WHO ARE NOT PROFESSIONAL CLIENTS AT THE AIFC** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to or for the benefit of any persons resident or having their usual residence at the AIFC and/or the Republic of Kazakhstan, or to any person located within the territory of the AIFC and/or the Republic of Kazakhstan who are not a professional client as defined in the AIFC COB 2.3.]

[UK MIFIR product governance / Professional investors and ECPs only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014, as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

PART A- CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the base offering memorandum dated September 30, 2026 (the "**Base Offering Memorandum**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Offering Memorandum in order to obtain all relevant information. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Offering Memorandum. The Base Offering Memorandum has been published on [insert website].

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) ("**Professional Investors**") only.

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Program or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Program, the Notes, the Issuer and its subsidiaries (the "Group") or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This Pricing Supplement, together with the Base Offering Memorandum, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement and

confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

[Include whichever of the following apply or specify as "**Not Applicable**" (N/A). Note that the numbering should remain as set out below, even if "**Not Applicable**" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]

1.	Issuer:	"Sovereign Wealth Fund "Samruk-Kazyna" JSC
2.	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●]
	[(iii)] Date on which the Notes will be consolidated and form a single Series	The Notes will be consolidated and form a single series with [●] on [the Issue Date] [Not Applicable]:
3.	Specified Currency or Currencies:	[●]
4.	Aggregate Nominal Amount of Notes:	
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
5.	Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued interest from [●]]
6.	(i) Specified Denomination(s):	[●] (Note: No Notes may be issued which have a minimum denomination of less than €100,000 (or CNY1,000,000 in the case of Notes denominated in Renminbi) (or nearly equivalent amount in other currencies))
	(ii) Calculation Amount: [●]	
7.	[(i)] Issue Date:	[Specify / Closing Date / Not Applicable]
	[(ii)] Interest Commencement Date:	[●]
8.	Maturity Date:	[●]
9.	Interest Basis:	[[●]% Fixed Rate] [●] month [EURIBOR] [[●] +/- [●]% Floating Rate] [Zero Coupon] (further particulars specified below at paragraphs 13 to 15)
10.	Redemption/Payment Basis:	[Redemption at par]
11.	Put/Call Options:	[Investor Put] [Issuer Call]

		[(further particulars specified below at paragraphs 17 to 19)]
12.	Status of the Notes:	[Senior]
13.	Date [Board] approval for issuance of Notes obtained:	[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●]% per
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with Business Day Convention/ not adjusted]
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[Actual/365] / [Actual/Actual (ISDA)] / [Actual / 365 (Fixed)] / [Actual / 360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis]
	(vi) Determination Date(s):	[●] in each year [Not Applicable]
15.	Floating Rate Note Provisions:	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Interest Period(s):	[[●] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
	(ii) Specified Interest Payment Dates:	[[●] in each year [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
	(iii) First Interest Payment Date:	[●]
	(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
	(v) Business Center(s):	[Not Applicable/[●]]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]

(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent]):	[●]
(viii) Screen Rate Determination:	
- Reference Rate:	[[●] month EURIBOR]/[SOFR Benchmark]
- Interest Determination Date(s):	[●]
- Relevant Screen Page:	[●]
(ix) ISDA Determination:	[●]
- Floating Rate Option:	[●]
- Designated Maturity:	[●]
- Reset Date:	[●]
(x) Margin(s):	[+/-][●]% per annum
(xi) Minimum Rate of Interest:	[●]% per annum
(xii) Maximum Rate of Interest:	[●]% per annum
(xiii) Day Count Fraction:	[●]
(xiv) SOFR Benchmark	[Not Applicable/Compounded Daily SOFR/Compounded SOFR Index] (*Only applicable where the Reference Rate is SOFR*)
(xv) Compounded Daily SOFR	[Not applicable/SOFR Lag/SOFR Observation Shift] (*Only applicable in the case of Compounded Daily SOFR*)
(xvi) Lookback Days	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Lag*)
(xvii) SOFR Observation Shift	[Not Applicable/[●] U.S. Government Securities Business Days Day(s)] (*Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index*)
(xviii) SOFR IndexStart	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
(xix) SOFR IndexEnd	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)

	(xx) Fallback provisions	[Benchmark Discontinuation (SOFR) (Condition 8.7(c))/specify other if different from those set out in the Conditions]
16.	Zero Coupon Note Provisions:	[Applicable/Not Applicable]
	(i) [Amortization/Accrual] Yield:	[●]% per annum
	(ii) Reference Price:	[●]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option:	[Applicable/Not Applicable (except as specified in Condition 10.3) Redemption for Taxation Reasons, Condition 10.4 – Issuer Maturity Par Call and Condition 10.5 – Clean-up Call]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount/[●] per Note of [●] specified denomination]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
18.	Put Options:	[Applicable/Not Applicable (except as specified in Condition 10.6) Change of Control Put Option]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount/[●] per Note of [●] specified denomination] / [Redemption at Par, payable in U.S. dollars (subject to further particulars specified below at paragraph 21)]
19.	Final Redemption Amount of each Note:	[●]
20.	Early Redemption Amount:	Early Redemption Amount(s) per Calculation Amount payable

[PROVISIONS RELATING TO CONVERSION OF PAYMENT AMOUNTS

21.	Conversion of Payment Amounts	[All amounts of interest, principal and other amounts in respect of the Notes will be calculated by the Calculation Agent (as defined in the Conditions) for payment in U.S. dollars by dividing the relevant Tenge amounts by the Average Representative Market Rate on the applicable Rate Calculation Date (each as defined in the Conditions).]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Registered Global Notes exchangeable for Definitive Notes in the limited circumstances specified in the Global Note.] [Global CMU Notes exchangeable for Definitive CMU Note Certificates in the limited circumstances specified in the Global CMU Note.]
23.	Principal Financial Center(s):	[Not Applicable/[●].]
24.	Additional Financial Center(s):	[Not Applicable/[●].]

THIRD PARTY INFORMATION

[(Relevant third party information) has been extracted from [●]. the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.] / [Not Applicable].

Signed on behalf of the Issuer:

By: ……..

Duly authorized

PART B - OTHER INFORMATION

1 LISTING

(i) Admission to trading:	[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be (i) admitted to trading on the London Stock Exchange's International Securities Market (the "**ISM**"), (ii) admitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the Kazakhstan Stock Exchange (the "**KASE**") and (iii) included in the official list of and be admitted to trading on the Astana International Exchange Limited (the "**AIX**") with effect from [●]. [Not Applicable.]
(ii) Estimate of total expenses related to admission to trading:	[●]

2 RATINGS

Ratings:	The Notes to be issued have been rated: [S & P: [●]] [Moody's: [●]] [[Fitch: [●]] [*Note: Entity names of the relevant rating agencies to be confirmed*] [*Brief explanation of meaning of the ratings to be included if previously published by the rating provider*] [Each of] [Fitch] [and] [Moody's] is established in the United Kingdom and is registered under Regulation (EU) № 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). [S&P is not established in the UK but the rating it has given to Notes is endorsed by S&P Global Ratings UK Limited which is established in the UK and registered under the UK CRA Regulation.]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

If applicable a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest is to be included. This may be satisfied by the inclusion of the following statement:

"Save as discussed in [Subscription and Sale], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer:	[See ["**Use of Proceeds**"] in Base Offering Memorandum] / [Give details]

	Estimated net proceeds:	[●]

[5. Fixed Rate Notes only – YIELD]

Indication of yield:	[●]
	[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. OPERATIONAL INFORMATION

Legal Entity Identifier code:	[●]
ISIN (Regulation S Notes):	[●]
ISIN (Rule 144A Notes):	[●]
Common Code (Regulation S Notes):	[●]
Common Code (Rule 144A Notes):	[●]
Rule 144A Notes CUSIP number:	[●]
CMU Instrument Number:	[●] / [Not Applicable]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. or DTC and the CMU Service and the relevant identification number(s):	[Not Applicable/[●]]
Names and addresses of additional Paying Agent(s) (if any):	[●]

7. DISTRIBUTION

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated:	
(A) Names of Managers:	[Not Applicable/give names]
(B) Stabilization Manager(s) (if any):	[Not Applicable/give names]
(iii) If non-syndicated, name of Dealer:	[Not Applicable/give names]
(iv) U.S. Selling Restrictions:	[Reg. S Compliance Category [2/3]; [Rule 144A;] TEFRA not applicable]

8. HONG KONG SFC CODE OF CONDUCT:

(i) Rebates:	[Applicable/Not Applicable]
(ii) Contact email addresses of the Overall Coordinators where	[●]

underlying investor information in relation to omnibus orders should be sent:	
(iii) Marketing and Investor Targeting Strategy:	[As indicated in the Base Offering Memorandum/ [●]]

SUMMARY OF THE PROVISIONS RELATING TO NOTES IN GLOBAL FORM

The Global Notes

Each Series of Notes will be evidenced on issue by, in the case of Regulation S Notes, a Regulation S Global Note deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg and, in the case of Rule 144A Notes, a Rule 144A Global Note deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC or, in the case of CMU Notes, registered in the name of a sub-custodian for the CMU.

Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time or, in the case of CMU Notes, through the CMU. See "*—Book Entry Procedures for the Global Notes*". By acquisition of a beneficial interest in a Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person and that, prior to the expiration of 40 days after completion of the distribution of the Series of which such Notes are a part as determined and certified to the Fiscal Agent or, in the case of CMU Notes, the CMU Lodging and Paying Agent by the relevant Dealer (or in the case of a Series of Notes sold to or through more than one relevant Dealer, by each of such relevant Dealers as to the Notes of such Series sold by or through it, in which case the Fiscal Agent shall notify each such relevant Dealer when all relevant Dealers have so certified), (the "**distribution compliance period**"), it will not offer, sell, pledge or otherwise transfer such interest except to a person whom the seller reasonably believes to be a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S. See "*Transfer Restrictions*". Beneficial interests in a Rule 144A Global Note may only be held through DTC at any time. See "*—Book Entry Procedures for the Global Notes*". By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that if it is a U.S. person, it is a QIB that is also a QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only in accordance with the procedures and restrictions contained in the Fiscal Agency Agreement. See "*Transfer Restrictions*".

Beneficial interests in each Global Note will be subject to certain restrictions on transfer set forth therein and in the Fiscal Agency Agreement and, with respect to a Rule 144A Global Note, as set forth in Rule 144A, and the Rule 144A Notes will bear the legends set forth thereon regarding such restrictions set forth under "*Transfer Restrictions*".

Any beneficial interest in a Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note will, upon transfer, cease to be an interest in that Regulation S Global Note and become an interest in the corresponding Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in that Rule 144A Global Note for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Note that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note will, upon transfer, cease to be an interest in that Rule 144A Global Note and become an interest in that Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Note for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes but the Registrar, or, in the case of the CMU Notes, the CMU Registrar, may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes in definitive form (the "**Definitive Notes**"). The Notes are not issuable in bearer form.

Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes. The following is a summary of those provisions:

- *Payments*. Payments of principal and interest in respect of Notes evidenced by a Global Note will be made against presentation for endorsement by the Fiscal Agent or, in the case of the CMU Notes, the CMU Lodging and Paying Agent, and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note to or to the order of the Fiscal Agent or, in the case of the CMU Notes, the CMU Lodging and Paying Agent, or such other Paying Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes.

- *Record Date*. Condition 11.2, which defines "**Record Date**", shall be amended in relation to Global Notes to the effect that Record Date shall mean the close of business on the Payment Business Date immediately preceding the relevant Interest Payment Date.

- *Notices*. So long as any Notes are evidenced by a Global Note and such Global Note is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Terms and Conditions of the Notes provided that (i) for so long as the Notes are listed on the ISM of the London Stock Exchange and the rules of the ISM so require, notices will also be published in accordance with guidelines of the ISM and (ii) for so long as the Notes are listed on the Hong Kong Stock Exchange and the rules of the Hong Kong Stock Exchange so require, notices will also be published in accordance with guidelines of the Hong Kong Stock Exchange, as applicable.

- *Meetings*. The holder of each Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll or any proxy appointed by it at, a meeting of Noteholders and in any such meeting as having one vote in respect of each Calculation Amount worth of Notes held.

- *Cancellation*. Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the applicable Global Note.

- *Redemption at the Option of the Issuer*. Any Call Option provided for in the Terms and Conditions of the Notes shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

- *Redemption at the Option of Noteholders*. So long as a Global Note is held by, or on behalf of a common depositary for, Euroclear, Clearstream, Luxembourg, the CMU or any other clearing system, the exercise of the option of the Noteholders provided for in Condition 10.6 and Condition 10.7 will be subject to the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg, the CMU or such Alternative Clearing System, as the case may be.

Exchange for Definitive Notes

Exchange

Registration of title to Notes initially represented by a Rule 144A Global Note in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless such depositary notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Rule 144A Global Note or ceases to be a "**clearing agency**" registered under the United States Securities Exchange Act of 1934, as amended, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary and the Registrar has received a notice from

the registered holder of a Rule 144A Global Note requesting an exchange of a specified amount of the Rule 144A Global Note for Definitive Notes.

Registration of title to Notes initially represented by a Regulation S Global Note in a name other than the nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of CMU Notes, a sub-custodian for the CMU, will only be permitted if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

On or after the Exchange Date, the holder of the relevant Global Note may surrender such Global Note to or to the order of the Registrar or any Transfer Agent or, in the case of CMU Notes, the CMU. In exchange for the relevant Global Note, as provided in the Fiscal Agency Agreement, the Registrar or, in the case of the CMU Notes, the CMU Registrar, will deliver, or procure the delivery of, an equal aggregate amount of duly executed and authenticated Definitive Notes in or substantially in the form set out in the relevant schedule to the Fiscal Agency Agreement.

The Registrar or, in the case of the CMU Notes, the CMU Registrar, will not register the transfer of, or exchange of interests in, a Global Note for Definitive Notes for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

"**Exchange Date**" means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent or, in the case of the CMU Notes, the CMU Registrar or the CMU Transfer Agent, is located.

Delivery

In such circumstances, the relevant Global Note shall be exchanged in full for Definitive Notes and the Issuer will, at the cost of the Issuer (but against such indemnity and/or security as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Notes to be executed and delivered to the Registrar or, in the case of the CMU Notes, the CMU Registrar, for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note must provide the Registrar or, in the case of the CMU Notes, the CMU Registrar, with a written order containing instructions and such other information as the Issuer and the Registrar or, in the case of the CMU Notes, the CMU Registrar, may require to complete, execute and deliver such Notes and, in the case of a Rule 144A Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB that is also a QP. Definitive Notes issued in exchange for a beneficial interest in a Rule 144A Global Note shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

Legends

The holder of a Definitive Note may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent or, in the case of the CMU Notes, the CMU Registrar or the CMU Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Definitive Note bearing the legend referred to under "*Transfer Restrictions*" or upon specific request for removal of the legend on a Rule 144A Definitive Note, the Issuer will deliver only Rule 144A Definitive Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the

restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

Book Entry Procedures for the Global Notes

For each Series of Notes evidenced by both a Regulation S Global Note and a Rule 144A Global Note, custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg and the CMU, as the case may be, to facilitate the initial issue of the Notes and cross market transfers of the Notes associated with secondary market trading. See "*— Book Entry Ownership*" and "*— Settlement and Transfer of Notes*".

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Notes directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**") through organizations which are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a "**banking organization**" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "**clearing corporation**" within the meaning of the New York Uniform Commercial code and a "**clearing agency**" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerized book entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in Rule 144A Global Notes directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organizations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Rule 144A Global Notes as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*Exchange for Definitive Notes*", DTC will surrender the relevant Rule 144A Global Notes for exchange for individual Rule 144A Definitive Notes (which will bear the legend applicable to transfers pursuant to Rule 144A).

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the services is open to all members of the Hong Kong Capital Markets Association, "authorized institutions" under the Banking Ordinance and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike the European clearing systems), the HKMA does not, as part of this service, provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of the CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

The Regulation S Global Note representing Regulation S Notes of any Series will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

The Rule 144A Global Note representing Rule 144A Notes of any Series will have a CUSIP number, unless otherwise agreed, and will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC system.

CMU

The Global CMU Note representing CMU Notes of any Series will have an ISIN, a Common Code and a CMU Instrument number and will be registered in the name of a sub-custodian for the CMU, which, in the case of any Global CMU Note which is lodged with a sub-custodian for or registered with the CMU, will be the Hong Kong Monetary Authority.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a Note evidenced by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Note, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant clearing system

with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant clearing system or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Note held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Fiscal Agent or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

CMU

In respect of any Tranche of CMU Notes, reference to "held by a depositary or common depositary" will be construed to mean reference to "held by a sub-custodian for the CMU".

In relation to any Tranche of CMU Notes represented by one or more Global CMU Notes, references in the Conditions to "Noteholder" are references to the person in whose name the relevant Global CMU Note is for the time being registered in the CMU register, which in the case of any Global CMU Note which is lodged with a sub-custodian for or registered with the CMU will be the Hong Kong Monetary Authority.

If a Global CMU Note cleared through the CMU is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global CMU Note are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) directed or deemed by the CMU as entitled to receive payments in respect of the CMU Notes represented by such Global CMU Note and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global CMU Note are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of the CMU Notes represented by such Global CMU Note must look solely to the CMU Lodging and Paying Agent (as defined in the Conditions) for his or her share of each payment so made by the Issuer in respect of such Global CMU Note.

Payments of principal and interest in respect of CMU Notes will be made to the person(s) for whose account(s) interests in the relevant Registered Note(s) are credited as being held with the CMU in accordance with the CMU Rules at the relevant time. So long as the Global CMU Note is held in the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in such Global CMU Note are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means a day on which the CMU is operating and open for business. So long as the CMU Notes are represented by a Global CMU Note, and such CMU Notes are held on behalf of the CMU, notices to the holders of such CMU Notes of that Series may be given by delivery of the relevant notice to the Persons shown in a CMU Issue Position Report (as defined in the CMU Rules) issued by the Hong Kong Monetary Authority on the business day preceding the date of dispatch of such notice. Any such notice shall be deemed to have been given to the holders of such CMU Notes on the second day after the day on which the said notice was given to the CMU and/or the alternative clearing system, as the case may be.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase,

but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within a clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Rule 144A Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading Between Euroclear and Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading Between DTC Participants

Secondary market sales of book entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to U.S. corporate debt obligations in DTC's Same Day Funds Settlement system in same day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading Between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When book entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Rule 144A Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in a Regulation S Global Note (subject to the certification procedures provided in the Fiscal Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Rule 144A Global Note will instruct the Registrar to decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Rule 144A Global Note of the relevant class and increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Note. Book entry interests will be delivered

free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading Between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

When book entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in a Rule 144A Global Note (subject to the certification procedures provided in the Fiscal Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Note who will in turn deliver such book entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by a Regulation S Global Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by a Rule 144A Global Note.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interest in Global Notes among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any Agent will have the responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Pre issue Trades Settlement

It is expected that the delivery of Notes will be made against payment therefor on the relevant closing date, which could be more than three business days following the date of pricing. Under Rule 15c6-l under the Exchange Act, trades in the U.S. secondary market generally are required to settle within one business day (T+1), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the U.S. on the date of pricing or the next succeeding business days until one day prior to the relevant closing date will be required, by virtue of the fact that the Notes initially will settle beyond T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes between the relevant date of pricing and the relevant closing date should consult their own advisers.

Payment, Settlement and Transfer in the AIX and the AIX CSD

Notes offering will be made through the book-building platform of the trading system of the AIX in accordance with the AIX Business Rules and relevant AIX Market Notice. The payment and settlement will be made through the settlement system of the Astana International Exchange Central Securities Depository ("AIX CSD") in accordance with the rules and procedures of the AIX CSD (the "AIX CSD Rules"), in particular delivery of the Notes through the system of the AIX CSD and the account of AIX CSD at Euroclear, on or about the relevant Closing Date.

In order to participate in such offering of Notes, take delivery of Notes and trade Notes on the AIX, investors are required to have an account opened with a brokerage company admitted as an AIX Trading

Member and an AIX CSD Participant. Notes will be held on behalf of investors in the relevant AIX Trading Member's custodial account at AIX CSD.

The Issuer expects that custodial and depositary links have been established between Euroclear and the AIX CSD, with AIX CSD maintaining an account with Euroclear, to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading.

After Notes are issued and lodged in the AIX CSD, any trading of such Notes between investors on the secondary market will take place electronically through the AIX trading platform, and settlement/recording will be handled by the AIX CSD, in line with AIX Business Rules and the AIX CSD Rules. Distributions of interest and other payments with respect to book-entry interests in the Notes held through AIX CSD will be credited to the cash accounts of AIX Trading Members in accordance with the relevant AIX CSD Rules.

Redenomination

If the Notes are redenominated pursuant to Condition 22, then following redenomination if Definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in denominations in excess of €100,000 (or CNY1,000,000 in the case of Notes denominated in Renminbi) as determined by the Fiscal Agent and such other denominations as the Fiscal Agent shall determine and notify to the Noteholders.

TAXATION

The following is a general description of certain material tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Memorandum and is subject to any change in law that may take effect after such date.

United States Federal Income Taxation

*The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership, disposition and retirement of Notes by a holder thereof. This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Program, and additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note may be provided, as appropriate. This summary only applies to holders that acquire Notes as part of the initial distribution at their initial offering price and that hold the Notes as capital assets for U.S. federal income tax purposes. This overview does not discuss all aspects of U.S. federal income taxation that may be applicable to all members of a class of holders subject to special treatment under United States federal income taxation (except as may be specifically set forth below), such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, tax-exempt organizations, dealers or traders in securities or currencies, persons that mark their securities to market, holders that will hold Notes through a partnership or other pass through entity, holders that will hold a Note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes, controlled foreign corporations, passive foreign investment companies, accrual basis tax payers subject to specific rules for the taxable year of inclusion under Section 451(b) of the Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar, U.S. Holders holding Notes in connection with a trade or business conducted outside the United States or certain expatriates and long-term residents of the United States. Moreover, this summary does not address the U.S. federal estate and gift tax, the "net investment income" tax imposed under Section 1411 of the Code or alternative minimum tax consequences of the acquisition, ownership or retirement of Notes and does not include any description of the tax laws of any non-U.S., U.S. State or local governments.*

This summary is based on the Code, existing and proposed U.S. Treasury Regulations, administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein. Any special U.S. federal income tax considerations relevant to a particular issue of the Notes will be provided in a supplement to this Base Offering Memorandum.

For purposes of this description, a "**U.S. Holder**" is a beneficial owner of the Notes who for U.S. federal income tax purposes is (i) a citizen or resident of the United States; (ii) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (1) that validly elects to be treated as a "**United States person**" for U.S. federal income tax purposes ("**U.S. person**") or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control.

If a partnership (or any other entity or arrangement treated as a partnership) for U.S. federal income tax purposes holds Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership

should consult its own tax advisor concerning the U.S. federal income tax consequences of the acquisition, ownership or disposition of Notes by the partnership.

A Non-U.S. Holder is a beneficial owner of Notes that is neither a U.S. Holder nor a partnership (or any other entity treated as a partnership) for U.S. federal income tax purposes nor an entity that is disregarded for U.S. federal income tax purposes and is owned by a U.S. person.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Holders

Classification of the Notes

The determination of whether an obligation represents debt, equity or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the appropriate characterization of the Notes, and no rulings have been or will be sought from the Internal Revenue Service ("**IRS**") with respect to the appropriate characterization of the Notes for U.S. federal income tax purposes. To the extent it is required to take a position, the Issuer intends to take the position that the Notes are characterized as debt for U.S. federal income tax purposes. Additional alternative characterizations may also be possible. Further possible characterizations, if applicable, may be discussed in any supplemental offering memorandum or series memorandum. Prospective purchasers of the Notes should consult their own tax advisers about the consequences in the event the Notes are treated as any other characterization for U.S. federal income tax purposes and the consequences of acquiring, owning or disposing of Notes. The remainder of this discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes.

Interest

Except as set forth below, interest paid on a Note, whether payable in U.S. dollars or a currency other than U.S. dollars (a "**foreign currency**"), including any additional amounts, will be includible in a U.S. Holder's gross income as ordinary interest income at the time it is received or accrued, in accordance with the U.S. Holder's usual method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortizable bond premium, subject to the discussion below. In addition, interest and original issue discount ("**OID**"), if any, accrued with respect to the Notes (as described below under "— *Original Issue Discount*") on the Notes will generally be treated as income from sources outside the United States for U.S. federal income tax purposes. For purposes of calculating the U.S. Holder's foreign tax credit limitation, interest on the Notes should generally constitute "passive category income" or, in the case of certain U.S. Holders, "general category income". The U.S. federal income tax rules relating to foreign tax credits and limitations thereof are complex and may vary depending on the facts and circumstances of each U.S. Holder. Accordingly, U.S. Holders should consult their own tax advisers regarding the availability of a foreign tax credit for foreign taxes, if any, withheld under such U.S. Holder's particular situation.

Pre-Issuance Accrued Interest

If a portion of the price paid for a Note is attributable to an amount of interest accrued prior to the date the Note is issued (the "**pre-issuance accrued interest**"), a portion of the first interest payment on the Notes equal to the amount of the pre-issuance accrued interest may be treated as a non-taxable return of the pre-issuance accrued interest. This discussion assumes that the first interest payment on Notes with pre-issuance accrued interest will be so treated, and references to interest in the remainder of this discussion exclude pre-issuance accrued interest. This discussion assumes that in determining the issue price of a Note, there will be excluded an amount equal to the pre-issuance accrued interest. Pre-issuance accrued interest not included in income should not form part of any amortizable bond

premium (as described below under "— *Amortizable Bond Premium*"). A U.S. Holder's tax basis in a Note will be reduced by any non-taxable return of pre-issuance accrued interest. This discussion does not otherwise address the treatment of pre-issuance accrued interest, and U.S. Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest, including the potential recognition of foreign currency exchange gain or loss upon receipt of otherwise non-taxable return of pre-issuance accrued interest with respect to Foreign Currency Notes.

Foreign Currency Denominated Qualified Stated Interest

Except as set forth below, if any payment of "qualified stated interest" (as defined below), including any additional amounts, is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Note**"), the amount of income recognized by a U.S. Holder will be the U.S. dollar value of the foreign currency, including the amount of any applicable withholding tax thereon, regardless of whether the foreign currency is converted into U.S. dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. dollar value using the spot rate of exchange on the date of receipt. Generally, a U.S. Holder that uses the accrual method of tax accounting will determine the U.S. Dollar value of accrued interest income using the average rate of exchange for the accrual period (or, in the case of an accrual period that spans two taxable years of the U.S. Holder, the part of the period within the applicable taxable year) or, at the U.S. Holder's election, at the spot rate of exchange on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years of the U.S. Holder, the last day of the period within the applicable taxable year) or the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognize U.S. source foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date of payment is received differs from the rate applicable to an accrual of that interest, regardless of whether the payment is converted to U.S. dollars at such time. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the debt security.

Original Issue Discount

U.S. Holders of Notes issued with OID, including Zero Coupon Notes, with a term of over one year (an "**Original Issue Discount Note**"), will be subject to special tax accounting rules, as described in greater detail below. Additional rules applicable to Original Issue Discount Notes that are denominated in or determined by reference to a currency other than the U.S. Dollar are described under Foreign Currency Discount Notes below.

The following discussion does not address the application of the U.S. Treasury Regulations governing OID to, or address the U.S. federal income tax consequences of, an investment in Notes that are contingent payment debt instruments. In the event the Issuer issues contingent payment debt instruments, the relevant supplemental offering memorandum will describe certain U.S. federal income tax consequences thereof.

For U.S. federal income tax purposes, a Note (including a Zero Coupon Note), other than a Note with a term of one year or less (a "**Short Term Note**"), will be treated as issued with OID if the excess of the Note's stated redemption price at maturity over its issue price equals or exceeds a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of a Note that provides for payments other than qualified stated interest before maturity, its "weighted average maturity")). A Note's "weighted average maturity" is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. The "issue price" of each Note in a particular offering will be the first price at which a substantial amount of that particular offering is sold (other

than to an underwriter, broker, agent or wholesaler). The "stated redemption price at maturity" of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the Issuer) at least annually at a single fixed rate or a variable rate (in the circumstances described below under "— *Variable Rate Debt Instruments*"). Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between payments. Notice will be given if it is determined that a particular Note will bear interest that is not qualified stated interest. In the case of a Note issued with *de minimis* OID, a U.S. Holder must include such de minimis OID in income as stated principal payments on the Note are made, unless such U.S. Holder makes the election described below under "— *Election to Treat All Interest as Original Issue Discount*". The amount of such includible income with respect to each principal payment will equal the product of the total amount of the Note's de minimis OID and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note.

U.S. Holders of Original Issue Discount Notes with a maturity upon issuance of more than one year must, in general, include OID in income in advance of the receipt of some or all of the related cash payments. The amount of OID includible in income by the initial U.S. Holder of an Original Issue Discount Note is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which such U.S. Holder held such Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. The "accrual period" for an Original Issue Discount Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of the Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "yield to maturity" of a Note is the discount rate that causes the present value of all payments on the Note as at its original issue date to equal the issue price of such Note. The "adjusted issue price" of a Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition or bond premium, as described below) and reduced by any payments made on such Note (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will generally have to include in income increasingly greater amounts of OID in successive accrual periods.

Certain of the Notes may be redeemed prior to their maturity at the Issuer's option and/or at the option of the holder. Original Issue Discount Notes containing such features may be subject to rules that differ from the general rules discussed herein. Persons considering the purchase of Original Issue Discount Notes with such features should carefully examine the relevant Pricing Supplement and should consult their own tax advisors with respect to such features since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the Notes.

In the case of an Original Issue Discount Note that is a Floating Rate Note (as described below under "— *Variable Rate Debt Instruments*"), both the "yield to maturity" and "qualified stated interest" will be determined solely for purposes of calculating the accrual of OID as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index or if the principal amount of the Note is indexed in any manner. Persons considering the purchase of Floating Rate Notes should carefully examine the

relevant Pricing Supplement and should consult their own tax advisors regarding the U.S. federal income tax consequences of the holding and disposition of such Notes.

Election to Treat All Interest as Original Issue Discount

U.S. Holders may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their own tax advisors about this election.

Acquisition Premium

A U.S. Holder that purchases an Original Issue Discount Note for an amount that is greater than its adjusted issue price but less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the Original Issue Discount Note at an "acquisition premium". If the U.S. Holder does not make the election described above under "*Election to Treat All Interest as Original Issue Discount***,**" under the acquisition premium rules, the daily portions of OID which the U.S. Holder must include in its gross income with respect to such Original Issue Discount Note will be reduced by an amount equal to the daily portion of the OID for such day multiplied by the acquisition premium fraction. The numerator of the "acquisition premium fraction" is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the adjusted issue price of the Note, and the denominator is the sum of the daily portions of OID for such Note for all days after the date of purchase and ending on the stated maturity date (i.e., the total OID remaining on the Note).

If the Note is denominated in, or determined by reference to, a foreign currency, the acquisition premium is computed in units of the foreign currency and the amortizable bond premium will reduce OID in units of the foreign currency. Gain or loss recognized that is attributable to changes in exchange rates between the time the acquisition premium offsets OID and the time of the acquisition of the Note is generally taxable as ordinary income or loss.

Amortizable Bond Premium

A U.S. Holder that purchases Notes for an amount in excess of its principal amount (or, in the case of an Original Issue Discount Note, in excess of the sum of all amounts payable on the Note after the acquisition date (other than payments of qualified stated interest)), may elect to treat the excess as "amortizable bond premium". If a U.S. Holder makes this election, it will reduce the amount required to be included in income for each accrual period with respect to interest on the Note by the amount of amortizable bond premium allocable, based on the Note's yield to maturity, to that accrual period. Special rules may limit the amortization of bond premium with respect to Notes subject to early redemption.

If the amortizable bond premium allocable to an accrual period exceeds interest income from the Note for such accrual period, such excess is first allowed as a deduction to the extent of interest included in income in respect of the Note in previous accrual periods and is then carried forward to the next accrual period. If the amortizable bond premium allocable and carried forward to the accrual period in which the Note is sold, retired or otherwise disposed of exceeds interest income for such accrual period, a U.S. Holder would be allowed an ordinary deduction equal to such excess.

If the Note is denominated in, or determined by reference to, a foreign currency, the amortizable bond premium is computed in units of the foreign currency and the amortizable bond premium will reduce interest income in units of the foreign currency. Gain or loss recognized that is attributable to changes in exchange rates between the time the amortized bond premium offsets interest income and the time of the acquisition of the Note is generally taxable as ordinary income or loss. If a U.S. Holder makes an election to amortize the bond premium, it will apply to all debt instruments, other than debt instruments

the interest on which is excludible from gross income, that the U.S. Holder owns at the beginning of the first taxable year to which the election applies, and to all debt instruments that the U.S. Holder thereafter acquires, and the U.S. Holder may not revoke it without the consent of the IRS.

Variable Rate Debt Instruments

Generally, a Note that provides for interest at a variable rate (a "**Floating Rate Note**") will qualify as a "variable rate debt instrument" under U.S. Treasury Regulations governing the accrual of OID if: (a) its issue price does not exceed the total non-contingent principal payments due under the Floating Rate Note by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date or (ii) 15% of the total non-contingent principal payments; (b) it does not provide for stated interest other than stated interest that pays or compounds at least annually at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate; and (c) each qualified floating rate or objective rate taken into account in stated interest that is in effect at any time during the term of the Note is set at a current value of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first day on which the value is in effect and no later than one year following that first day).

A "qualified floating rate" is any variable rate where: (a) variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Notes are denominated; or (b) the rate is equal to such a rate multiplied by either a fixed multiple that is greater than 0.65 but not more than 1.35, or a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Floating Rate Notes together will constitute a single qualified floating rate. Two or more qualified floating rates will be presumed to meet the requirements of the previous sentence if the values of all rates on the issue date are within 25 basis points of each other. A variable rate is not a qualified floating rate if it is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield on the Note.

An "objective rate" is a rate that: (a) is not a qualified floating rate; and (b) is determined using a single fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the Issuer or a related party. Despite the foregoing, a variable rate of interest on Floating Rate Notes will not constitute an objective rate if it is reasonably expected that the average value of such rate during the first half of the Floating Rate Notes' term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Floating Rate Notes' term. A "qualified inverse floating rate," is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, and the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds in the currency in which the Floating Rate Notes are denominated.

Generally, if a Floating Rate Note provides for stated interest (payable unconditionally at least annually) at a fixed rate for an initial period of one year or less followed by a variable rate that is either a single qualified floating rate or a single objective rate, and the value of the variable rate on the Floating Rate Notes' issue date is intended to approximate the fixed rate, then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be. If the Notes pay interest at a single objective rate or a single qualified floating rate, the amount of OID, if any, is determined by using a fixed rate equal to, in the case of a qualified floating rate or qualified inverse floating rate, the value as at the issue date, of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for such Floating Rate Note.

If a Floating Rate Note that is a variable rate debt instrument does not provide for stated interest at a single qualified floating rate or single objective rate, or at a single fixed rate (other than at a single fixed rate for an initial period), the amount of qualified stated interest and the amount and accrual of OID on the Note are generally determined by: (a) determining a fixed rate substitute for each variable rate provided under the Floating Rate Note (generally, the value of each variable rate as at the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the yield that is reasonably expected for the Note); (b) constructing the equivalent fixed rate debt instrument (using the fixed rate substitutes described above); (c) determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument (by applying the general OID rules as described above under "*Original Issue Discount*"); and (d) making the appropriate adjustment for actual variable rates during the applicable accrual period.

If a Floating Rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than a single fixed rate for an initial period), a U.S. Holder generally must determine the amount of interest and OID accruals by using the method described in the preceding paragraph with the modification that the Floating Rate Note is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or qualified inverse floating rate, if the Note provides for a qualified inverse floating rate) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Note as at the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for a qualified floating rate (or qualified inverse floating rate) rather than a fixed rate.

A Floating Rate Note that does not qualify as a variable rate debt instrument will be treated as a contingent payment debt obligation. Certain consequences of the treatment of such a Note for U.S. federal income tax purposes will be more fully described in the relevant Pricing Supplement.

Short Term Notes

In the case of Short Term Notes, all payments (including all stated interest) will be included in the stated redemption price at maturity and, thus, U.S. Holders generally will be taxable on the discount in lieu of any stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a Short Term Note, unless the U.S. Holder elects to compute this discount using tax basis instead of issue price. Such election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS. Under the OID regulations, in general, individuals and certain other cash method U.S. Holders of a Short Term Note are not required to include accrued discount in their income currently unless the U.S. Holder elects to do so (but may be required to include any stated interest in income as it is received). U.S. Holders that report income for U.S. federal income tax purposes on the accrual method and certain other U.S. Holders are required to accrue discount on such Short Term Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder that is not required, and does not elect, to include discount in income currently, any gain realized on the sale, exchange or retirement of the Short Term Note will generally be ordinary income to the extent of the discount accrued on a straight-line basis (unless an election is made to accrue the OID under the constant yield method) through the date of sale, exchange or retirement. In addition, a U.S. Holder that does not elect to include currently accrued discount in income may be required to defer deductions for a portion of the U.S. Holder's interest expense with respect to any indebtedness incurred or continued to purchase or carry such Notes in an amount not exceeding the deferred income until the deferred income is realized.

Market Discount

A Note, other than a Short Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of an Original

Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity. If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the "stated redemption price at maturity" (as defined above) is decreased by the amount of any payments previously made on the Note that were not qualified stated interest.

Any gain recognized on the sale, retirement or other disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Note. This election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year for which the election is made. This election may not be revoked without the consent of the IRS.

A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently may be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of income from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Market discount on a Market Discount Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognize U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognize, upon the sale or retirement of the Market Discount Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Foreign Currency Discount Notes

OID for any accrual period on an Original Issue Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined for any accrual period in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described under "*Foreign Currency Denominated Qualified Stated Interest*" above. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), a U.S. Holder will recognize foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Sale, Exchange or Retirement

A U.S. Holder's adjusted tax basis in a Note generally will be its U.S. dollar cost (as defined herein) increased by the amount of any OID and any market discount included in the U.S. Holder's income

with respect to the Note and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The U.S. dollar cost of a Note purchased with a foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder generally will recognize gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis of the Note. The amount realized does not include the amount attributable to accrued but unpaid interest or OID, which will be taxable as interest income to the extent not previously included in income. The amount realized on a sale, exchange or retirement for an amount in foreign currency will be the U.S. dollar value of such amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale.

Except with respect to (i) gains or losses attributable to changes in exchange rates (as described in the next paragraph), (ii) gain on the disposition of a Short Term Note (see "— *Short Term Notes*"), and (iii) gain attributable to market discount (see "-*Market Discount*") gain or loss recognized on the sale, exchange or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held for more than one year at the time of such sale. The deductibility of capital losses is subject to limitation. Gain or loss realized by a U.S. Holder on the sale, exchange or retirement of a Note generally will be U.S. source income or loss. Prospective investors should consult their tax advisors as to the foreign tax credit implications of such sale, exchange or retirement of Notes.

Gain or loss recognized by a U.S. Holder on the sale, exchange or retirement of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss; however, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest (including OID)). The rules governing debt instruments denominated in foreign currency are complex and prospective investors should consult their own advisers regarding the application of the rules in their particular circumstances.

Reportable Transaction Reporting

Under certain U.S. Treasury Regulations, U.S. Holders that participate in "reportable transactions" (as defined in the regulations) must attach to their U.S. federal income tax returns a disclosure statement on IRS Form 8886. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amount for other non-individual U.S. Holders), and to disclose its investment by filing IRS Form 8886 with the IRS. A penalty of up to U.S. $10,000 in the case of a natural person and U.S.$50,000 in all other cases may be imposed in any taxable year on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the ownership or disposition of the Notes, or any related transaction, including without limitation, the disposition of any foreign currency received as interest or as proceeds from the sale, exchange or retirement of the Notes.

Foreign Asset Reporting

U.S. Holders who are individuals and certain specified entities are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held

in accounts maintained by financial institutions, in which case the accounts may be reportable if maintained by a non-U.S. financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the Notes.

Non-U.S. Holders

Under U.S. federal income tax law currently in effect, subject to the discussion below under the caption "— U.S. Backup Withholding and Information Reporting," payments of interest (including OID) on a Note to a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless the income is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States.

Subject to the discussion below under the caption "— U.S. Backup Withholding and Information Reporting," any gain realized by a Non-U.S. Holder upon the sale, exchange or retirement of a Note generally will not be subject to U.S. federal income tax, unless (i) the gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements apply to certain payments of principal of, and interest and accruals of OID on, an obligation and to proceeds of the sale or redemption of an obligation, to certain non-corporate holders of Notes that are U.S. persons. Information reporting generally will apply to payments of principal of, and interest and accruals of OID on, an obligation, and to proceeds from the sale or redemption of, an obligation made within the United States, or by a U.S. payor or U.S. middleman (including certain U.S.-connected payors or middleman), to a holder (other than an exempt recipient, including a corporation, a payee that is not a U.S. person that provides an appropriate certification and certain other persons). The payor will be required to withhold backup withholding on payments made within the United States, including payments of accrued OID, or by a U.S. payor or U.S. middleman, on a Note to a holder of a Note that is a U.S. person, other than an exempt recipient, such as a corporation, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a U.S. payor or U.S. middleman, of principal and interest to a holder of a Note that is not a U.S. person will not be subject to backup withholding tax and information reporting requirements if an appropriate certification is provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect. The backup withholding tax rate is currently 24%.

Backup withholding is not an additional tax. Holders generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

Certain ERISA and Code Considerations

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the United States Internal Revenue Code of 1986, as amended ("**Code**"), impose certain requirements on:

- employee benefit plans that are subject to Part 4 of Subtitle B of Title I of ERISA;
- individual retirement accounts ("**IRAs**")or other plans and arrangements subject to Section 4975 of the Code;

- entities (including certain insurance company general accounts) with underlying assets that are deemed "plan assets" (within the meaning of United States Department of Labor regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**")) by reason of any such plan's or arrangement's investment therein (all of the foregoing collectively referred to as "**Plans**"); and

- persons who are fiduciaries with respect to Plans.

Governmental, not for profit, church (if no election has been made under Section 410(d) of the Code) and non-United States plans ("**Non-ERISA Arrangements**") are not subject to Part 4 of Subtitle B of Title I of ERISA or Section 4975 of the Code but may be subject to laws that are substantially similar (each, a "**Similar Law**").

The following discussion summarizes certain aspects of ERISA, the Code and Similar Laws that may affect the decision by a Plan or Non-ERISA Arrangement to invest in the Notes. The following discussion is general in nature and is not intended to be a complete discussion of applicable laws and regulations pertaining to an investment in the Notes by a Plan or Non-ERISA Arrangement. The following discussion is not intended to be legal advice. The following discussion is based on applicable law and regulations in effect as at the date of this Base Offering Memorandum; and the Issuer does not undertake any obligation to update this summary as a result of changes in applicable law or regulations. Fiduciaries of Plans and Non-ERISA Arrangements should consult their own legal counsel before purchasing the Notes. References herein to the purchase, holding or disposition of Notes also refer to the purchase, holding or disposition of any beneficial interest in the Notes.

Fiduciary Considerations

Before investing in the Notes, the fiduciary of a Plan should consider whether an investment will satisfy the applicable requirements set forth in Part 4 of Title I of ERISA, including whether the investment:

- will satisfy the prudence and diversification standards of ERISA;

- will be made solely in the interests of the participants and beneficiaries of the Plan;

- is permissible under the terms of the Plan and its investment policies and other governing instruments; and

- is for the exclusive purpose of providing benefits to the participants and beneficiaries of the Plan and for defraying the reasonable expenses of administering the Plan.

The fiduciary of a Plan should consider all relevant facts and circumstances, including the limitations imposed on transferability, whether the Notes will provide sufficient liquidity in light of the foreseeable needs of the Plan, that the Notes are unsecured and unsubordinated, and the tax consequences of the investment. The fiduciary of a Non-ERISA Arrangement should consider whether an investment in the Notes satisfies its obligations imposed under Similar Laws and whether an investment is consistent with the terms of the governing instruments of the Non-ERISA Arrangement.

Prohibited Transactions

Section 406 of ERISA and Section 4975 of the Code may prohibit certain transactions involving the assets of a Plan and those persons who have specified relationships with the Plan, called "parties in interest" under Section 406 of ERISA and "disqualified persons" under Section 4975 of the Code (collectively, "**parties in interest**"). Parties in interest who engage in a non-exempt prohibited transaction may be subject to excise taxes, and the transaction may be subject to rescission. Similar Law may include prohibitions applicable to Non-ERISA Arrangements that are similar to the prohibited transaction rules contained in ERISA and the Code. A fiduciary considering an investment in the Notes should consider whether the investment, including the holding or disposition of the Notes, may constitute or give rise to such a prohibited transaction for which an exemption is not available.

With respect to Plans subject to ERISA, the Plan Assets Regulation provides that when a Plan acquires an equity interest in an entity, the Plan's assets include the interest in the equity and, unless one of certain exceptions in the Plan Assets Regulation applies, an undivided interest in each of the underlying assets of the entity in which the investment is made. The Plan Assets Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. While there is np clear guidance as to the meaning of "equity interest" for purposes of ERISA, to the extent it is required to take a position, the Issuer intends to take the position that the Notes are characterized as debt for United States federal income tax purposes. However, no assurance can be given as to the treatment of the Notes as indebtedness for purposes of ERISA and the Plan Assets Regulation.

Without regard to whether the Notes may be treated as indebtedness under ERISA's Plan Assets Regulation, the Issuer and other members of the Group, the Dealers, any Agent, the Fiscal Agent or the Registrar or any of their respective current and future affiliates (collectively, the "**Covered Parties,**" and, individually, a "**Covered Party**") may be parties in interest with respect to many Plans, and the purchase, holding or disposition of the Notes by, on behalf of, or with the assets of, any such Plan could give rise to a prohibited transaction under ERISA or the Code. For example, a purchase of the Notes may be deemed to represent a direct or indirect sale of property, extension of credit or furnishing of services between one or more Covered Parties and an investing Plan, which would be prohibited if a Covered Party is a party in interest with respect to the Plan unless exemptive relief is available.

A prospective purchaser, subsequent purchaser or transferee of the Notes that is, or is acting on behalf of, or with the assets of, a Plan may wish to consider the exemptive relief available under the following ERISA prohibited transaction class exemptions, or PTCEs: (a) the in-house asset manager exemption (PTCE 96-23); (b) the insurance company general account exemption (PTCE 95-60); (c) the bank collective investment fund exemption (PTCE 91-38); (d) the insurance company pooled separate account exemption (PTCE 90-1); and (e) the independent qualified professional asset manager exemption (PTCE 84-14). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code may provide limited exemptive relief for the purchase and sale of the Notes, provided that a Covered Party does not have or exercises any discretionary authority or control over, or render any investment advice with respect to, the assets of the Plan involved in the transaction, and provided further that the Plan pays no more, and receives no less than, adequate consideration (as defined in the exemption) in connection with the transaction (the so-called "**service provider exemption**").

There can be no assurance, however, that any of these administrative or statutory exemptions or any other exemption will be available or satisfied with respect to a transaction involving the Notes or with respect to any particular Plan. Purchasers should consult their own legal counsel to determine whether any purchase will constitute a prohibited transaction and whether exemptive relief is available.

Each purchaser or holder of a Note, including each fiduciary who causes an entity, a Plan or Non-ERISA Arrangement to purchase or hold a Note, shall be deemed to have represented and warranted on each day such purchaser or holder holds such Note that either:

- it is neither a Plan nor a Non-ERISA Arrangement, and it is not purchasing or holding the Note on behalf of, or with the assets of, any Plan or Non-ERISA Arrangement; or

- its purchase, holding and subsequent disposition of the Note will not constitute or result in (a) a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any provision of Similar Law, or (b) a breach of fiduciary or other duty or applicable law.

Each purchaser, holder, subsequent purchaser or transferee of a Note will have exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the Note does not violate ERISA, the Code or any Similar Law. Nothing contained herein shall be construed as a representation that an investment in the Notes would meet any or all of the relevant legal requirements with respect to investments by, or that an investment in the Notes is appropriate for, Plans or Non-ERISA Arrangements, whether generally or as to any particular Plan or Non-ERISA Arrangement.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA IMPLICATIONS OF AN INVESTMENT IN THE NOTES AND DOES NOT PURPORT TO BE COMPLETE. PRIOR TO MAKING AN INVESTMENT IN THE NOTES, PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR LEGAL AND OTHER ADVISORS CONCERNING THE IMPACT OF ERISA AND THE CODE (AND, PARTICULARLY IN THE CASE OF NON-ERISA ARRANGEMENTS, ANY ADDITIONAL LEGAL CONSIDERATIONS), AS APPLICABLE. THE SALE OF NOTES TO A PLAN IS NOT A REPRESENTATION THAT THE NOTES ARE A SUITABLE INVESTMENT FOR PLANS GENERALLY OR ANY PARTICULAR PLAN, OR THAT THE NOTES SATISFY ALL LEGAL REQUIREMENTS APPLICABLE TO PLANS GENERALLY OR ANY PARTICULAR PLAN.

Kazakhstan Taxation

Kazakhstan Tax Considerations

On July 18, 2025, the President of Kazakhstan signed the Tax Code, which generally came into force on January 1, 2026.

The following summary of certain Kazakhstan taxation matters is based on the Tax Code as at the date of this Base Offering Memorandum and is subject to any changes in the laws, interpretation and application thereof, while such changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Investors should consult their own professional advisers with respect to the tax consequences of their acquisition, holding and disposal of the Notes, including their eligibility for the benefits of double tax treaties, under the laws of their country of citizenship, residence, domicile or incorporation, and seek separate Kazakhstan tax advice, as necessary.

Subject to the foregoing, this section outlines the main Kazakhstan tax consequences of the acquisition, ownership and disposal of the Notes under the Tax Code. In general, Kazakhstan tax legislation with respect to the taxation of securities and financial instruments is not well developed and, in many cases, the exact scope of Kazakhstan tax compliance rules and enforcement mechanisms are unclear or subject to different interpretations.

Generally, Kazakhstan resident legal entities are subject to corporate income tax ("**CIT**") and Kazakhstan resident individuals are subject to personal income tax ("**PIT**") in accordance with the Tax Code, respectively, and Kazakhstan non-resident legal entities with no permanent establishment and individuals with no fixed base in Kazakhstan are subject to withholding tax in accordance with the Tax Code.

As further explained below, certain tax benefits apply to payments under the Notes subject to the Notes being regarded as agency bonds under the Kazakhstan laws. Further, no duties should be levied in Kazakhstan with respect to payments under the Notes or transfers of the Notes.

Under the AIFC Law, interests paid on the securities and capital gains derived from sale of the securities will be exempt until January 1, 2066 from taxation in Kazakhstan provided that such securities are included in the official securities list of the AIX at the time the interests are accrued and at the date of their sale, respectively. The provisions of the AIFC Law in terms of tax benefits are broader than the provisions of the Tax Code, which gives more flexibility and advantages to holders of the securities.

General Tax Treatment under the Tax Code

The Kazakhstan tax legislation does not provide clear guidance on the treatment of transactions performed "on-exchange" such that Kazakhstan tax authorities may interpret the rules in a manner that is inconsistent with the information set out below.

Under the Tax Code, the term "interest" includes, inter alia, interest on debt securities which are payments in the form of a discount or coupon (taking into account the discount on debt securities or premium on the value of the initial placement and (or) acquisition cost) made to the holder of debt securities or another person who is a related party for the payer of interest on such securities.

Additionally, the Tax Code stipulates the following definitions applicable to debt securities:

- debt securities – securities certifying the obligation of the Issuer (debtor) to repay the principal amount of debt under the terms of issuance of such securities, including government issued securities and bonds;

- discount on debt securities – the positive difference between the nominal value and the price of the initial placement (excluding coupon) or the acquisition price (excluding coupon) of debt securities;

- coupon on debt securities – the amount paid (or payable) by the issuer in excess of the nominal value of debt securities in accordance with the terms of issuance; and

- premium on debt securities – the positive difference between the price of the initial placement (excluding coupon) or the acquisition price (excluding coupon) and the nominal value of debt securities, where the terms of issuance provide for the payment of a coupon.

The Issuer, as a national investment holding company, qualifies as a "financial agency" under Code No. 171-VIII "Budget Code of the Republic of Kazakhstan" of the Republic of Kazakhstan, dated March 15, 2025 (fully implemented on March 12, 2026). Debt securities issued by financial agencies in Kazakhstan are classified as "Agency Bonds" which are the subject of special taxation rules for residents and non-residents of Kazakhstan, as outlined below.

If the Issuer loses its status as a financial agency such that the Notes no longer qualify as agency bonds, holders of the Notes may still avail of the tax treatment applicable to Listed Securities outlined below.

Taxation of residents

Gains from disposal of the Notes

The Tax Code introduces a separate category of "tax-privileged securities" for the purposes of taxation of gains from disposals of such securities by Kazakhstan resident legal entities and individuals. Such tax-privileged securities include, among others:

- Agency Bonds;

- listed securities satisfying all of the following conditions: (i) the securities are included in the official list of the stock exchange as at the date of realization, (ii) realization is conducted through an open trade method and (iii) realization is conducted on a stock exchange operating in the territory of the Republic of Kazakhstan, being KASE and AIX ("**Listed Securities**"); and

- debt securities issued by a Kazakhstan resident legal entity (other than the abovementioned securities) which meet all of the following conditions: (i) on the date of disposal of the debt securities, the taxpayer has held such debt securities for more than three years, (ii) such resident legal entity issuer is not a subsoil user, (iii) the property of persons (a person) being subsoil

users in the value of assets of such resident legal entity issuer on the date of such disposal, does not exceed 50 % (hereinafter, the "**Long-term Debt Securities**").

As a result of a debt security's disposal (redemption), a Kazakhstan resident legal entity should calculate the difference (excluding the coupon) between the selling price (redemption value) and the initial (acquisition) value (tax base cost), taking into account the amortization of the discount and/or premium as at the sale date. A Kazakhstan resident legal entity's differences from the disposals of each category of tax-privileged securities within a tax period (calendar year) must be aggregated to determine whether the aggregate result is positive (i.e. gain) or negative (i.e. loss). A negative result (i.e. loss) is not taken into account in the taxpayer's CIT calculations. A positive result (i.e. gain), however, must be included in the taxpayer's aggregate annual income. The applicable CIT rate is 20 %, being the rate applicable to general business activities under the Tax Code. Certain types of activity are subject to different rates, including: agricultural production (3%), agricultural cooperatives (6%), social sphere organizations (5% for 2026, 10% from 2027), and banking/gambling activities (25%).

As a result of a debt security's disposal (redemption), a Kazakh resident individual should calculate the difference between the selling price (redemption value) and the initial value (tax base cost). A Kazakhstan resident individual's differences from the disposals of all tax-privileged securities within a tax period (calendar year) must be aggregated to determine whether the result is positive (i.e. gain) or negative (i.e. loss). A negative result (i.e. loss) is not taken into account in the taxpayer's PIT calculation. A positive result, however, must be included in the taxpayer's annual income. The applicable PIT rate is 10 % (or 15 % on taxable income exceeding the statutory threshold of 8,500 times monthly calculation index (MCI)).

Tax benefits applicable to gains derived from disposal of the Notes (applicable to exchange and non-exchange transactions)

If the aggregate amount of a Kazakhstan resident legal entity's differences from disposal operations with all agency bonds in a calendar year is positive (i.e. gain) and such gain is included in the Kazakhstan resident legal entity's gross annual income, the Kazakhstan resident legal entity should be eligible to apply the tax benefit (reduction of taxable income) to such gain derived from the disposal of agency bonds, including the Notes. A similar benefit may be applied to other categories of tax-privileged securities, including Listed Securities (applicable in case the Notes no longer qualify as agency bonds) or Long-term Debt Securities (applicable in case the Notes no longer qualify as agency bonds and the sale of the Notes is conducted over-the-counter).

Additionally, the Tax Code stipulates a separate benefit for Kazakhstan resident legal entities in terms of reduction of taxable income for gains derived from the disposal of securities issued by the national managing holding established as part of measures to optimize the system of management of development institutions, financial organizations, and the development of the national economy. Such securities should also qualify as tax-privileged securities for resident legal entities, and the corresponding gain calculation mechanism should apply to them. Because the Issuer qualifies as such national managing holding, gains derived from the disposal of the Notes may reduce the taxable income of the Kazakhstan resident legal entity in case the legal entity's aggregate amount of differences from the disposals of this category of tax-privileged securities is positive. This benefit is available until January 1, 2031.

If the aggregate amount of a Kazakhstan resident individual's differences from disposal operations with all tax-privileged securities (including agency bonds) in a calendar year is positive (i.e. gain) and such gain is included in the Kazakhstan resident individual's annual income, the Kazakhstan resident individual should be eligible to apply the tax benefit (reduction of income subject to tax) to such gain derived from the disposal of agency bonds, including the Notes. A similar benefit may be applied to other categories of tax-privileged securities, including Listed Securities (applicable in case the Notes no longer qualify as agency bonds) or Long-term Debt Securities (applicable in case the Notes no longer qualify as agency bonds and the sale of the Notes is conducted over-the-counter).

Interest

Kazakhstan resident legal entities are required to include interest income on securities in their aggregate annual income, which is subject to CIT at the rate of 20 %, with differentiated rates applying to certain activities under the Tax Code.

Kazakhstan resident individuals are obliged to include interest income on securities in their annual income, which is subject to PIT at the rate of 10 % (or 15 % on taxable income exceeding the statutory threshold of 8,500 times MCI). A resident individual's taxable income in the form of interest consists of interest paid (or payable), except for the discount on debt securities, which is recognized by an individual upon their disposal, including redemption, as a gain from disposal.

Tax benefits applicable to interest income on the Notes

A Kazakhstan resident legal entity should be eligible to apply the tax benefit (reduction of taxable income) to interest income received on agency bonds, including the Notes. The similar benefit may be applied to interest on debt securities that, as at the date such interest is accrued, are included in the official list of a stock exchange operating in the territory of the Republic of Kazakhstan which are KASE and AIX (applicable in case the Notes no longer qualify as agency bonds).

Additionally, the Tax Code stipulates a separate benefit for Kazakhstan resident legal entities in terms of reduction of taxable income for interest on securities issued by the national managing holding established as part of measures to optimize the system of management of development institutions, financial organizations, and the development of the national economy. Because the Issuer qualifies as such national managing holding, interest on the Notes may reduce the taxable income of the Kazakhstan resident legal entity. This benefit is available until January 1, 2031.

A Kazakhstan resident individual should be eligible to apply the tax benefit (reduction of income subject to tax) to interest on debt securities issued by entities registered under the laws of the Republic of Kazakhstan and interest on securities that, as at the date such interest is accrued, are included in the official list of a stock exchange operating in the territory of the Republic of Kazakhstan which are KASE and AIX.

Taxation of Non-Residents

Non-resident persons should not become resident in Kazakhstan for tax purposes solely by reason of the acquisition, ownership or disposal of the Notes.

Generally, withholding tax applies in respect of income derived by non-residents from sources in Kazakhstan if such non-residents do not operate through a permanent establishment in Kazakhstan. The obligation to calculate, withhold, remit and report the withheld tax lies with the payer of taxable income, which acts as a tax agent in this case.

The assessment, declaration, withholding and remittance to the Kazakhstan state budget of WHT on gains realized on post-issuance transactions should generally be fulfilled by a buyer of the Notes, who is regarded as a tax agent, whether such buyer is a resident or non-resident for Kazakhstan tax purposes. To fulfil its tax agent obligations, a non-resident should register with the Kazakhstan tax authorities. Individuals, who act as buyers of the Notes, should not be regarded as tax agents with regard to the taxable gain of non-residents if the transaction takes place on a stock exchange.

Obligations on assessment, declaration, withholding and remittance to the Kazakhstan state budget of withholding tax on interest should rest with the Issuer as the Kazakh tax agent in this case.

Gains from disposals of the Notes

As a general rule, a gain derived from the disposal of securities is subject to withholding tax at the rate of 15% (or 20 % if the holder of securities is registered in a Country with Favorable Tax Regime, as

defined below). Disposals in this section refer to various types of title transfers such as sale, exchange and gratuitous transfer.

The Tax Code does not set out the procedure for determining non-resident's income in the form of gains arising from the disposal (redemption) of debt securities. If the procedure for determining resident's income in the form of gains arising from the disposal of debt securities established for residents is applied, a gain should be measured as the difference (excluding the coupon) between the selling price (redemption value) and the initial (acquisition) value (tax base cost), taking into account the amortization of the discount and/or premium as at the sale date. If a seller fails to provide a buyer with documents confirming the initial value of the securities, which are in possession of the seller (the tax base cost of the seller), the buyer must apply any resulting income tax on a gross basis (i.e., on the entire purchase price).

The Tax Code defines a "Country with Favorable Tax Regime" as either a foreign country or a territory, which meets one of the following criteria:

- profit tax rate in such country or territory is less than 10%; or
- such country or territory has laws on confidentiality of financial information or laws, which allow keeping confidential information about the actual owner of property or income or the actual owners, participants, founders or shareholders of a legal entity (except for a foreign country or a territory which has entered into an international treaty with the Republic of Kazakhstan, which provides for exchange of information on tax matters between the competent authorities, save for the cases when the foreign country or territory does not ensure exchange of information on tax matters between the competent authorities). Foreign country or territory is regarded as failed to ensure exchange of information with the competent Kazakhstan authority for tax purposes if one of the following conditions is met: (1) the Kazakhstan competent authority receives an official refusal of a foreign competent authority for provision of information, even though such exchange is envisaged by the relevant international agreement; (2) the competent foreign authority failed to provide the requested information within the period exceeding two years after the delivery of the request by the Kazakhstan competent authority.

The list of Countries with Favorable Tax Regime is approved by Decree No. 492 of the Minister of Finance of the Republic of Kazakhstan, dated September 12, 2025 (the list of Countries with Favorable Tax Regime is valid as at the date of this Base Offering Memorandum). The following jurisdictions are currently included in the list of Countries with a Favorable Tax Regime: Principality of Andorra, Antigua and Barbuda, Commonwealth of The Bahamas, Barbados, Kingdom of Bahrain, Belize, Negara Brunei Darussalam, Republic of Vanuatu, Republic of Guyana, Republic of Guatemala, Grenada, Republic of Djibouti, Dominican Republic, Commonwealth of Dominica, Kingdom of Spain (in respect of the territories of The Canary Islands only), People's Republic of China (in respect of the territories of the special administrative regions of Macau and Hong Kong only), Republic of Colombia, Union of the Comoros, Republic of Costa Rica, Malaysia (in respect of the territory of Labuan enclave only), Republic of Liberia, Republic of Lebanon, Republic of Mauritius, Islamic Republic of Mauritania, Republic of Portugal (in respect of the territory of the islands of Madeira only), Republic of Maldives, Republic of the Marshall Islands, Principality of Monaco, Republic of Malta, Mariana Islands, Kingdom of Morocco (in respect of the territory of the city of Tangier only), Republic of the Union of Myanmar, Republic of Nauru, Kingdom of the Netherlands (in respect of the territories of the islands of Aruba and dependent territories of the Antilles islands only), Federal Republic of Nigeria, New Zealand (in respect of the territories of the Cook Islands and Niue only), Republic of Palau, Republic of Panama, Independent State of Samoa, Republic of San Marino, Republic of Seychelles, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Saint Lucia, United Kingdom (in respect of the following territories only: Anguilla; Bermuda; the British Virgin Islands; Gibraltar; the Cayman Islands; Montserrat; the Turks and Caicos Islands, Isle of Man, the Channel Islands (Guernsey, Jersey, Sark and Alderney), South Georgia and the South Sandwich Islands, Chagos Island), United States (in respect of the following territories only: The Virgin Islands of the United States, Guam, Commonwealth of Puerto

Rico, State of Wyoming), Republic of Suriname, United Republic of Tanzania, Kingdom of Tonga, Republic of Trinidad and Tobago, Republic of Fiji, Republic of the Philippines, Republic of France (in respect of the following territories only: Kerguelen Islands, French Polynesia, French Guiana), Montenegro, Democratic Socialist Republic of Sri Lanka and Jamaica.

Tax benefits applicable to gains derived from disposal of the Notes (applicable to exchange and non-exchange transactions)

Gains derived by non-resident legal entities and non-resident individuals from the sale of Agency Bonds, including the Notes, should not be subject to taxation in Kazakhstan.

Gains derived by non-resident individuals from the sale of Listed Securities (applicable in case the Notes no longer qualify as Agency Bonds) should not be subject to taxation in Kazakhstan. Gains derived by non-resident legal entities and non-resident individuals from disposal of Long-term Debt Securities (applicable in case the Notes no longer qualify as Agency Bonds and (in relation to non-resident individuals) the sale of the Notes is conducted over-the-counter) should not be subject to taxation in Kazakhstan.

Non-resident individuals and non-resident legal entities who are residents of Countries with a Favorable Tax Regime or are registered in such countries should be eligible to apply the exemption for Agency Bonds. Individual residents / citizens of Countries with a Favorable Tax Regime should be eligible to claim the exemption on Listed securities (applicable in case the Notes no longer qualify as agency bonds).

Interest

The general rule under the Tax Code requires that interest on debt securities be subject to withholding tax at the rate of 10 % (or 20 % if the holder is registered in a Country with Favorable Tax Regime) on the gross amount of without allowance for any deductions.

Tax benefits applicable to interest income on the Notes

Under the Tax Code, interest income received by non-resident legal entities and non-resident individuals on Agency Bonds such as the Notes should not be subject to taxation in Kazakhstan.

In addition, interest income of non-resident legal entities and non-resident individuals received in respect of the Notes should not be subject to taxation in Kazakhstan if the Notes (i) are included in the official list of the stock exchange functioning in the territory of Kazakhstan (i.e. KASE or AIX) at the time of interest accrual, and (ii) the Notes meet the trading criteria established by the Kazakhstan Government, including having a minimum volume issued through public trading and in circulation of at least KZT 1 billion.

The Tax Code also stipulates that amounts of accrued interest on debt securities paid upon their purchase by resident buyers should be regarded as non-resident's Kazakh-source income but should not be subject to tax in Kazakhstan.

Non-resident individuals and non-resident legal entities who are residents of Countries with a Favorable Tax Regime or are registered in such countries should be eligible to apply the abovementioned exemptions.

Treaty Protection in the Absence of Exemption

If the exemptions envisaged by the Tax Code are not available, non-resident holders of the Notes, who are residents in the countries with which Kazakhstan has a tax treaty, may be entitled to apply tax exemptions or a reduced tax rate (on interest) under such treaty, if certain conditions are met. However, the tax treaty protection in respect of gains from the disposal of the Notes could be achieved in Kazakhstan through income tax refund only, i.e., after income tax is already paid to the Kazakhstan

state budget. Thus, the relevant investors should file an income tax refund claim along with documents prescribed by the Kazakhstan tax legislation to the respective tax authority within the established timeframe. In practice, however, this process may prove to be administratively burdensome and time-consuming with no guarantee of the outcome.

In addition, non-resident holders of the Notes who are residents of the countries with which Kazakhstan has tax treaties may be entitled to a reduced rate of WHT on interest, if certain conditions are met.

In particular, depending on the country of residence and satisfaction of certain other conditions, the interest WHT rate under most of Kazakhstan's tax treaties which are in effect as at the date of this Base Offering Memorandum is 10% Under these treaties, reduction of the interest WHT may only be available to beneficial owners of interest (i.e. a recipient of interest shall have the rights of possession, use, disposal of the relevant income and shall not act as an intermediary (such as an agent or nominee holder)) and if the Tax Code and tax treaty requirements are met. Since the Tax Code establishes a 10% WHT rate on debt securities interest, and most of Kazakhstan's tax treaties also provide for a 10% rate, the application of a treaty will generally be relevant only in specific cases where a treaty grants preferential treatment to certain organizations or institutions.

In order to avail themselves of this relief, eligible holders have to provide the Issuer with a document issued by the competent authority of their country of tax residence confirming tax residence in a treaty jurisdiction. The document should be provided within the deadlines established by the Kazakhstan tax legislation and meet the requirements of the Tax Code. In particular, to be valid in Kazakhstan, a stamp of the competent authority and signature of the authorized official in the document, which confirms tax residence, should be apostilled or legalized by a holder's home country's competent authority. A signature and a stamp of a foreign notary should also be apostilled or legalized.

Apostille or legalization of the aforementioned signatures and stamps are not required, inter alia, if: (i) the relevant document is published on the official website of the competent authority, or (ii) other authentication procedures, which are envisaged by international agreements to which Kazakhstan is a party, are met.

In addition, for legal holders of the Notes, the Issuer will need to have available the list of the legal holders of the Notes containing the information required by the Kazakhstan tax legislation. Depending on how a contract for keeping records and proof of ownership over the Notes is structured, the list of the legal holders of Notes should be provided to the Issuer either by the Kazakhstan Central Securities Depository or an organization which is entitled to conduct depository activity on a foreign security market.

If a legal holder of the Notes is a resident of the tax treaty state with which the tax treaty is modified by a Multilateral Instrument (the "**MLI**") of the Organization for Economic Co-operation and Development, the legal holder of the Notes may be requested to provide documents confirming the satisfaction of MLI requirements. If the above document and other required documents are not made available to the Issuer prior to March 31 of the year following the year when interest are paid, and/or if the list of the legal holders of Notes is not provided to the Issuer (as required above), then the Issuer should apply WHT at a standard 10% rate (or 20 % rate if the recipient is registered in a Country with Favorable Tax Regime), as applicable, and account for the withheld amounts to the relevant authority. (provided the local tax exemptions do not apply).

In certain cases, the holders/beneficial owners of the Notes who are eligible for a lower WHT rate under the tax treaty should later be able to claim a refund of overpaid tax either from the Kazakhstan state budget or from the Issuer under certain conditions.

VAT and Stamp Duties

No Kazakhstan VAT or stamp duty should be payable by holders of the Notes in connection with the sale purchase of the Notes and with the interest received on the Notes in the manner contemplated in the Base Offering Memorandum.

TRANSFER RESTRICTIONS

Rule 144A Notes

Each purchaser of a beneficial interest in a Rule 144A Note, by accepting delivery of this Base Offering Memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB that is also a QP, (b) not a broker dealer which owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers, (c) not a participant directed employee plan, such as a 401(k) plan, (d) acquiring such interest for its own account or for the account of one or more QIBs each of which is also a QP, (e) not formed, reformed, recapitalized or operated for the specific purpose of investing in Notes and/or other securities of the Issuer, (f) if it is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996 with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder, (g) it is not a partnership, common trust fund, corporation, special trust, pension fund or retirement plan, or other entity in which partners, beneficiaries, beneficial owners, participants, shareholder or other equity owners, as the case may be, are U.S. persons, may designate the particular investment to be made, or the allocation thereof, unless each such partner, beneficiary, beneficial owner, participant, shareholder or other equity owner that is a U.S. person is both a QIB and a QP, (h) it has not invested more than 40% of its assets in the Notes (or beneficial or economic interests therein) and/or other securities of the Issuer after giving effect to the purchase of the Notes (or beneficial or economic interests therein) and (i) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.

(2) It will (a) along with each account for which it is purchasing, hold and transfer beneficial interests in the relevant Rule 144A Note in a principal amount that is not less than U.S.$200,000 and (b) provide notice of these transfer restrictions to any subsequent transferees. In addition, it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book entry depositaries.

(3) It understands that the Rule 144A Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB that is also a QP purchasing for its own account or for the account of one or more QIBs each of which is also a QP, each of which is purchasing not less than U.S.$200,000 in principal amount of the Rule 144A Notes or (b) to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the U.S.

(4) It understands that the Issuer has the power to compel any beneficial owner of Rule 144A Notes that is a U.S. person and is not a QIB and a QP to sell its interest in the Rule 144A Notes or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honor the transfer of an interest in the Rule 144A Notes to a U.S. person who is not a QIB and a QP.

(5) It understands that its purchase and holding of the Rule 144A Notes or any interest therein constitutes a representation and warranty by it that at the time of its purchase and throughout the period in which it holds such Notes or any interest therein that either (i) it is not, and is not acquiring such Notes or any interest therein with assets of (and for so long as it holds such Note or any interest therein will not be and will not be acting on behalf of), a pension, profit sharing or other employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), individual retirement accounts, Keogh

plans and other plans that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and entities deemed to hold the plan assets of the foregoing (each a "**Benefit Plan**") or any other plan subject to a law, regulation or rule that is substantially similar to Section 406 of ERISA or Section 4975 of the Code or (ii) the acquisition and holding of the Notes or any interest therein will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any such other substantially similar applicable law.

(6) It understands that the Rule 144A Notes (and any individual Note Certificates issued in respect thereof), unless otherwise agreed between the Issuer and the Fiscal Agent in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "**QIB**") AND A QUALIFIED PURCHASER ("**QUALIFIED PURCHASER**") WITHIN THE MEANING OF SECTION 2(a)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, EACH OF WHICH IS ALSO A QUALIFIED PURCHASER AND IN AN AMOUNT FOR EACH ACCOUNT OF NOT LESS THAN U.S.$200,000 PRINCIPAL AMOUNT OF NOTES WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT OR (2) TO NON U.S. PERSONS WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE FISCAL AGENT OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

EACH BENEFICIAL OWNER HEREOF REPRESENTS THAT (1) IT IS A QIB THAT IS ALSO A QUALIFIED PURCHASER; (2) IT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN; (4) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS ALSO A QUALIFIED PURCHASER; (5) IT WAS NOT FORMED, REFORMED, RECAPITALISED OR OPERATED FOR THE SPECIFIC PURPOSE OF INVESTING IN NOTES AND/OR OTHER SECURITIES OF THE ISSUER; (6) IF IT IS AN INVESTMENT COMPANY EXCEPTED FROM THE INVESTMENT COMPANY ACT PURSUANT TO SECTION 3(C)(1) OR SECTION 3(C)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(D) THEREOF RELYING ON SECTION 3(C)(1) OR 3(C)(7) WITH RESPECT TO ITS HOLDERS THAT ARE U.S. PERSONS) AND WAS FORMED ON OR BEFORE APRIL 30, 1996, IT HAS RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 WITH RESPECT TO ITS TREATMENT AS A QP IN THE MANNER REQUIRED BY

SECTION 2(A)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES PROMULGATED THEREUNDER; (7) IT IS NOT A PARTNERSHIP, COMMON TRUST FUND, CORPORATION, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN, OR OTHER ENTITY IN WHICH PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS, PARTICIPANTS, SHAREHOLDER OR OTHER EQUITY OWNERS, AS THE CASE MAY BE, ARE U.S. PERSONS, MAY DESIGNATE THE PARTICULAR INVESTMENT TO BE MADE, OR THE ALLOCATION THEREOF, UNLESS EACH SUCH PARTNER, BENEFICIARY, BENEFICIAL OWNER, PARTICIPANT, SHAREHOLDER OR OTHER EQUITY OWNER THAT IS A U.S. PERSON IS BOTH A QIB AND A QP; (8) IT HAS NOT INVESTED MORE THAN 40% OF ITS ASSETS IN THE NOTES (OR BENEFICIAL OR ECONOMIC INTERESTS THEREIN) AND/OR OTHER SECURITIES OF THE ISSUER AFTER GIVING EFFECT TO THE PURCHASE OF THE NOTES (OR BENEFICIAL OR ECONOMIC INTERESTS THEREIN); (9) IT, AND EACH ACCOUNT FOR WHICH IT HOLDS RULE 144A NOTES, WILL HOLD AND TRANSFER AT LEAST U.S.$200,000 IN PRINCIPAL AMOUNT OF RULE 144A NOTES; (10) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES AND (11) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES. THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A PERSON WHO IS NOT A QIB THAT IS ALSO A QUALIFIED PURCHASER, THE ISSUER MAY (A) SELL ITS INTEREST IN THIS NOTE TO A PERSON (I) WHO IS A QIB WHO IS ALSO A QUALIFIED PURCHASER AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) TO A NON U.S. PERSON PURCHASING THIS NOTE IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100% OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER OF AN INTEREST IN THIS NOTE TO A U.S. PERSON WHO IS NOT A QIB AND A QUALIFIED PURCHASER. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

EACH BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN REPRESENTS AND WARRANTS THAT AT THE TIME OF PURCHASE OF THIS NOTE AND THROUGHOUT THE PERIOD IT HOLDS THIS NOTE OR ANY INTEREST HEREIN THAT EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")), SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, ("**CODE**"), APPLIES, OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY OR ANY OTHER PLAN SUBJECT TO A LAW, REGULATION OR RULE THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR (B) THE ACQUISITION AND HOLDING OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW.

THE ISSUER MAY COMPEL EACH BENEFICIAL HOLDER HEREOF TO CERTIFY PERIODICALLY THAT SUCH HOLDER IS A QIB AND A QUALIFIED PURCHASER.

(7) It acknowledges that the Issuer, the Registrar, the Dealers and their respective affiliates and others will rely upon the trust and accuracy of the above acknowledgements, representations

and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer and the Dealers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts who are QIBs that are also QPs, it represents that it has sole investment discretion with respect to each such account, and that it has full power to make the above acknowledgements, representations and agreements on behalf of each such account.

(8) It understands that Rule 144A Notes will be evidenced by Rule 144A Global Note. Before any interest in Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Fiscal Agency Agreement) as to compliance with applicable securities laws.

(9) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Regulation S Notes outside the United States and each subsequent purchaser of Regulation S Notes in resales, throughout the period that it holds such Note, by accepting delivery of this Base Offering Memorandum and the Regulation S Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (a) it is not a U.S. person, and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that the Regulation S Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB that is also a QP purchasing for its own account or for the account of one or more QIBs each of which is also a QP, each of which is purchasing not less than U.S.$200,000 (or the equivalent in another currency) in principal amount of the Rule 144A Notes or (b) to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that Regulation S Notes will be evidenced by a Regulation S Global Note. Before any interest in a Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Fiscal Agency Agreement) as to compliance with applicable securities laws.

(4) It acknowledges that the Issuer, the Registrar, the Dealers and their respective affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the Dealers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

(5) It understands that its purchase and holding of the Regulation S Notes or any interest therein constitutes a representation and warranty by it that at the time of its purchase and throughout the period in which it holds such Notes or any interest therein that either (a) it is not, and is not

acquiring such Notes or any interest therein with assets of (and for so long as it holds such Note or any interest therein will not be and will not be acting on behalf of), a Benefit Plan or any other plan subject to a law, regulation or rule that is substantially similar to Section 406 of ERISA or Section 4975 of the Code or (b) the acquisition and holding of such Notes or any interest therein will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any substantially similar applicable law.

FORM OF THE NOTES

The Notes of each Series will be in registered form, without interest coupons attached. The Notes will be issued either outside the United States in reliance on Regulation S or both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

The Regulation S Notes of each Tranche will initially be represented by a Regulation S Global Note or Global CMU Note. Prior to expiry of the distribution compliance period (as defined in "*Summary of the Provisions Relating to the Notes in Global Form*") applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note or Global CMU Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 4 (Transfers of Notes) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or, in the case of a Global CMU Note, through the CMU, and such Regulation S Global Note or Global CMU Note will bear a legend regarding such restrictions on transfer.

The Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to QIBs that are also QPs. The Rule 144A Notes of any Tranche will initially be represented by a Rule 144A Global Note.

Global Notes will either be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or, in the case of Global CMU Notes, registered in the name of a sub-custodian for the CMU, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Global Notes or Global CMU Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Notes shall, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 11 (Payments)) as the registered holder of the Global Notes. None of the Issuer, any Agent, the Fiscal Agent or the Registrar shall have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Notes in definitive form shall, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 11 (Payments)) immediately preceding the due date for payment in the manner provided in that Condition.

CMU

If a Global CMU Note cleared through the CMU is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global CMU Note are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) directed or deemed by the CMU as entitled to receive payments in respect of the CMU Notes represented by such Global CMU Note and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global CMU Note are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of the CMU Notes represented by such Global CMU Note must look solely to the CMU Lodging and Paying Agent (as defined in the Conditions) for his or her share of each payment so made by the Issuer in respect of such Global CMU Note.

Payments of principal and interest in respect of CMU Notes will be made to the person(s) for whose account(s) interests in the relevant Registered Note(s) are credited as being held with the CMU in accordance with the CMU Rules at the relevant time. So long as the Global CMU Note is held in the

CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in such Global CMU Note are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means a day on which the CMU is operating and open for business. So long as the CMU Notes are represented by a Global CMU Note, and such CMU Notes are held on behalf of the CMU, notices to the holders of such CMU Notes of that Series may be given by delivery of the relevant notice to the Persons shown in a CMU Issue Position Report (as defined in the CMU Rules) issued by the Hong Kong Monetary Authority on the business day preceding the date of dispatch of such notice. Any such notice shall be deemed to have been given to the holders of such CMU Notes on the second day after the day on which the said notice was given to the CMU and/or the alternative clearing system, as the case may be.

Transfer of Interests

Interests in a Global Note or Global CMU Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note or Global CMU Note, as the case may be. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg or, in the case of a Global CMU Note, the CMU, in each case to the extent applicable. Notes are also subject to the restrictions on transfer set forth herein and will bear a legend regarding such restrictions. See "*Transfer Restrictions*".

General

Pursuant to the Fiscal Agency Agreement (as defined in "*Terms and Conditions of the Notes*"), the Fiscal Agent or, in the case of Global CMU Notes, the CMU Lodging and Paying Agent, shall arrange that, where a further Tranche of Notes or CMU Notes, as the case may be, is issued which is intended to form a single Series with an existing Tranche of Notes or CMU Notes, as the case may be, the Notes or CMU Notes, as the case may be, of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number or CMU Instrument Number which are different from the common code, ISIN, CUSIP, CINS and CMU Instrument Number assigned to Notes or CMU Notes, as the case may be, of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes or CMU Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg, the CMU and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 13 (*Events of Default*).

SUBSCRIPTION AND SALE

*Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Limited, Guotai Junan Securities (Hong Kong) Limited or Standard Chartered Bank and any other Dealer (as the case may be) appointed under the terms of the Program Agreement (as defined below). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a program agreement dated September 30, 2026 (as from time to time supplemented, amended or restated, the "**Program Agreement**") and made between the Issuer and the Dealers. Any such agreement will, inter alia, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Program Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Program or in relation to a particular Tranche of Notes.*

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that it will not offer, sell or deliver any Notes, (a) as part of their distribution at any time, or (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each Dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this and the preceding paragraph have the meanings given to them by Regulation S under the Securities Act. The Program Agreement provides that the Dealers may directly or through their respective U.S. broker dealer affiliates only, arrange for the offer and resale of Notes within the United States only to QIBs that are QPs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Base Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014, as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and

will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of any Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Kazakhstan

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, with the Issuer and each other Dealer that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Kazakhstan except in compliance with the laws of Kazakhstan.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to or for the benefit of any persons resident or having their usual residence at the AIFC and/or the Republic of Kazakhstan, or to any person located within the territory of the AIFC and/or the Republic of Kazakhstan who are not a professional client as defined in the AIFC COB 2.3.

Hong Kong

Each Dealer represents and agrees, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong, other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks).

Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealer(s) accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering may include institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Base Offering Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors on or prior to the launch of the relevant CMI Offering.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order

constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealer(s) named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealer(s) may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that the Base Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, with the Issuer and each other Dealer that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Dubai International Financial Centre (DIFC)

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (Version 21/01-23) ("MKT") Module of the Dubai Financial Services Authority (the "DFSA") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, with the Issuer and each other Dealer that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Base Offering Memorandum.

Each Dealer has acknowledged and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that (i) no action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of this Base Offering Memorandum, any Pricing Supplement or any other offering material, in any country or jurisdiction where action for that purpose is required and (ii) it, to the best of its knowledge and belief, shall comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Offering Memorandum, any Pricing Supplement or any other offering material, and neither the Issuer nor any other Dealer shall have responsibility therefor.

Other Relationships

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business. Certain of the Dealers and their respective affiliates may have positions, deal or make markets in the Notes issued under the Program, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their respective affiliates routinely hedge their credit exposures to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Program. Any such positions could adversely affect future trading prices of Notes issued under the Program. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Listing and Trading

Application has been made for Notes issued during the period of 12 months from the date of this Base Offering Memorandum to be admitted to trading on the ISM. The Notes are not admitted to the Official List of the FCA.

Application has also been made to the Hong Kong Stock Exchange for the listing of the Program by way of debt issues to Professional Investors only and/or will be made to the Hong Kong Stock Exchange for permission to deal in and for the listing of the Notes to be issued under the Program by way of debt issues to Professional Investors only during the period of 12 months after the date of this Base Offering Memorandum on the Hong Kong Stock Exchange. It is expected that each Tranche of Notes which is to be admitted for trading on ISM or such other stock exchanges or markets, as applicable, will be admitted separately as and when issued, subject only to the issue of the Global Note(s) representing the Notes of that Tranche.

However, Notes may be issued pursuant to the Program which will not be listed on any stock exchange outside of Kazakhstan or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

In addition, unless otherwise agreed with the relevant Dealer(s) and provided for in the Pricing Supplement, the Issuer will use its reasonable endeavors to cause all Notes issued under the Program to be submitted to the "Bonds" category of the "Debt Securities" sector of the "Main" platform of the official list of the KASE and/or to the official list of and be admitted to trading on the AIX.

Legal Entity Identifier

The Legal Entity Identifier is 213800N83GBAZJ4ER974.

Authorizations

The establishment of the Program was authorized by a duly convened meeting of the Board of Directors of the Issuer held on September 3, 2026. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes, and in particular, each Tranche will require a specific authorization by the Issuer's Board of Directors.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and/or DTC. The appropriate common code and the International Securities Identification Number and/or (where applicable) the CUSIP number in relation to the Notes of each Series will be specified in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Use of Proceeds

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. These may include the provision of funding to the Issuer's subsidiary companies, which in turn may use such funding to support activities across various economic sectors, including investment and export development, trade finance, and the refinancing of existing debt obligations.

Commissions, fees and expenses may be deducted from the gross proceeds of each Tranche of Notes, as set out in the applicable Pricing Supplement.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), during the 12 months preceding the date of this Base Offering Memorandum, which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer or of the Group, taken as a whole.

No Material Adverse or Significant Change

There has been no significant change in the financial performance or financial position of the Group since June 30, 2026 (the end of the last financial period for which financial information has been published), and there has been no material adverse change in the financial performance or financial position of the Group since December 31, 2025 (the date of the last published audited financial statements).

No Material Contracts

Neither the Issuer nor either of its subsidiaries has entered into any material contracts outside the ordinary course of its business which could result in it being under an obligation or entitlement that is material to the Issuer's ability to make payments under the Notes.

Independent Auditors

The consolidated financial statements of the Group as at December 31, 2025, and for the year then ended, included in this Base Offering Memorandum, have been audited by PwC, independent auditors, as stated in their report appearing herein. The consolidated financial statements of the Group as at December 31, 2024 and 2023, and for the years then ended, included in this Base Offering Memorandum, have been audited by EY, independent auditors, as stated in their reports appearing herein. The unaudited interim condensed consolidated financial statements of the Group as at and for the six-month period ended June 30, 2026, included in this Base Offering Memorandum, have been reviewed by PwC, independent auditors, as stated in their reports appearing herein.

The current independent auditor of the Group is, PwC, acting as auditors under license № 0000005 dated October 21, 1999, issued by the Ministry of Finance of the Republic of Kazakhstan. See also "*Presentation of Financial and Other Information*".

The Issuer's previous independent auditors were EY, acting as auditors under license № 0000003 dated July 15, 2005 issued by the Ministry of Finance of the Republic of Kazakhstan. EY is a member of the Chamber of Auditors of Kazakhstan, the professional body which oversees audit firms in Kazakhstan. The business address of EY is Esentai Tower, 77/7, Al-Farabi Ave., Almaty 050060, Kazakhstan.

As the Notes have not been and will not be registered under the Securities Act, neither PwC nor EY has filed and neither would be required to file a consent under the Securities Act. Each of PwC and EY are independent auditors with respect to the Group and each of PwC and EY have consented to the inclusion of their respective audit reports in this Base Offering Memorandum.

Website

The website of the Issuer is https://sk.kz/. The information on https://sk.kz/ does not form part of this Base Offering Memorandum.

Documents Available for Inspection

For the period of 12 months following the date of this Base Offering Memorandum, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent:

(a) the constitutional documents of the Issuer;

(b) the Consolidated Financial Statements including, such PwC's independent auditor's report on the 2025 Financial Statements, EY's independent auditor's reports on the 2024 and 2023 Financial Statements, as well as the PwC's review report on the Interim Consolidated Financial Statements;

(c) the Fiscal Agency Agreement (which contains the forms of the Notes in global and definitive form);

(d) the Deed of Covenant;

(e) a copy of this Base Offering Memorandum together with any supplements to this Base Offering Memorandum or any further offering memorandum; and

(f) any Pricing Supplement relating to Notes which are listed on any stock exchange (in the case of any Notes which are not listed on any stock exchange outside of Kazakhstan, copies of the relevant Pricing Supplement will only be available for inspection by the relevant Noteholders or otherwise in accordance with the rules of the KASE).

In addition, this Base Offering Memorandum, together with any supplements to this Base Offering Memorandum, will be published on the HKExnews website established by the Hong Kong Stock Exchange.

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Financial Statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC

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[1] In certain instances in the following financial statements and related notes and auditor reports the Issuer is incorrectly referred to as the "National Wealth Fund Samruk-Kazyna JSC" rather than the ""Sovereign Wealth Fund "Samruk-Kazyna" JSC". Any such references to the "National Wealth Fund Samruk-Kazyna JSC" or "Sovereign Wealth Fund Samruk-Kazyna JSC" should be read as references to the ""Sovereign Wealth Fund "Samruk-Kazyna" JSC".

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed consolidated financial statements
(unaudited)

As at June 30, 2026 and
for the three and six months then ended

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Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholder, Board of Directors and Management of Sovereign Wealth Fund Samruk-Kazyna JSC:

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sovereign Wealth Fund Samruk-Kazyna JSC and its subsidiaries (together – the "Group") as at 30 June 2026 and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 condensed consolidated financial statements 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.

PricewaterhouseCoopers LLP
34 Al-Farabi Ave., Building A, 4th floor, Almaty,
Kazakhstan, A25D5F6
T: +7 (727) 330 32 00, F: +7 (727) 244 68 68

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers LLP

Approved and signed by:

Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of Finance of the Republic of Kazakhstan №0000005 dated 21 October 1999)

Auditor in charge
(Qualified Auditor's Certificate №МФ-0000315 dated 28 December 2015)

Almaty, Kazakhstan
10 September 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of tenge	Note	June 30, 2026 (unaudited)	December 31, 2025 (audited)
Assets			
Non-current assets			
Property, plant and equipment	7	**20,385,817**	19,373,491
Intangible assets	8	**2,326,069**	2,386,965
Exploration and evaluation assets		**233,223**	236,473
Investments in joint ventures and associates	9	**7,144,627**	7,244,036
Amounts due from credit institutions	10	**24,558**	28,680
Loans issued and net investment in finance lease	11	**328,278**	323,035
Financial investments in debt and equity instruments	12	**971,819**	887,041
Other non-current financial assets	14	**439,526**	422,889
Other non-current assets	14	**2,729,762**	2,258,789
Deferred tax assets		**194,371**	140,073
		34,778,050	33,301,472
Current assets			
Inventories	13	**1,268,924**	1,054,675
VAT receivable		**621,563**	564,430
Income tax prepaid		**209,529**	241,416
Trade accounts receivable	14	**1,617,966**	1,289,194
Amounts due from credit institutions	10	**844,941**	1,886,552
Loans issued and net investment in finance lease	11	**517,499**	41,647
Financial investments in debt and equity instruments	12	**1,284,332**	1,299,915
Other current financial assets	14	**348,316**	167,552
Other current assets	14	**298,040**	366,637
Cash and cash equivalents	15	**4,411,789**	3,604,029
		11,422,899	10,516,047
Assets classified as held for sale or distribution to the Shareholder	6	**464,372**	425,394
		11,887,271	10,941,441
Total assets		**46,665,321**	44,242,913

The accounting policies and explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	Note	June 30, 2026 (unaudited)	December 31, 2025 (audited)
Equity and liabilities			
Equity attributable to the Shareholder			
Share capital		**5,797,566**	5,797,566
Currency translation reserve		**1,561,871**	1,822,636
Revaluation reserve of investments at fair value through other comprehensive income		**31,815**	26,402
Hedging reserve		**(46,002)**	(44,306)
Other capital reserves		**(17,003)**	(17,003)
Retained earnings		**14,341,299**	13,362,381
		21,669,546	20,947,676
Non-controlling interests		**6,140,053**	6,232,606
Total equity		**27,809,599**	27,180,282
Non-current liabilities			
Borrowings	17	**7,539,966**	6,716,384
Loans from the Government of the Republic of Kazakhstan	18	**1,125,107**	1,085,386
Provisions		**428,619**	455,929
Lease liabilities	19	**451,919**	399,227
Employee benefit liabilities		**149,082**	131,738
Other non-current financial liabilities	20	**75,734**	40,601
Other non-current liabilities	20	**376,110**	306,996
Deferred tax liabilities		**2,551,853**	2,561,190
		12,698,390	11,697,451
Current liabilities			
Borrowings	17	**1,404,808**	1,370,737
Loans from the Government of the Republic of Kazakhstan	18	**21,088**	115,690
Provisions		**88,894**	90,004
Income taxes payable		**99,392**	31,118
Trade and other payables	20	**2,083,775**	1,732,032
Lease liabilities	19	**109,109**	100,098
Employee benefit liabilities		**293,521**	265,738
Other current financial liabilities	20	**1,056,878**	682,620
Other current liabilities	20	**751,920**	744,325
		5,909,385	5,132,362
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	6	**247,947**	232,818
		6,157,332	5,365,180
Total liabilities		**18,855,722**	17,062,631
Total equity and liabilities		**46,665,321**	44,242,913

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accompanying policies and explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended June 30		For the six months ended June 30	
In millions of tenge	Note	2026 (unaudited)	2025 (unaudited) (restated)*	2026 (unaudited)	2025 (unaudited) (restated)*
Continuing operations					
Revenue	21	**5,552,559**	4,409,794	**10,254,158**	8,479,688
Government grants		**16,788**	15,486	**33,121**	31,877
		5,569,347	4,425,280	**10,287,279**	8,511,565
Cost of sales	22	**(4,356,300)**	(3,335,238)	**(8,167,843)**	(6,619,639)
Gross profit		**1,213,047**	1,090,042	**2,119,436**	1,891,926
General and administrative expenses	23	**(145,559)**	(139,438)	**(283,239)**	(262,152)
Transportation and selling expenses	24	**(250,682)**	(198,461)	**(462,740)**	(412,104)
Expected credit losses on financial assets, net		**(9,605)**	(4,649)	**(15,490)**	(10,134)
Impairment loss, net		**(10,415)**	(42,894)	**(13,514)**	(70,825)
Gain on bargain purchase	5	**–**	–	**16,870**	–
Gain on disposal of subsidiaries, net	6	**55,202**	4,334	**55,259**	140,737
Other operating income		**2,248**	10,752	**5,808**	14,944
Other operating loss		**(12,131)**	(7,777)	**(17,540)**	(12,426)
Operating profit		**842,105**	711,909	**1,404,850**	1,279,966
Finance costs	25	**(167,089)**	(193,039)	**(353,372)**	(334,779)
Finance income	26	**229,829**	199,417	**390,554**	334,992
Other non-operating loss		**(18,104)**	(19,035)	**(31,178)**	(34,932)
Other non-operating income		**18,638**	20,526	**34,656**	30,106
Share in profit of joint ventures and associates, net	27	**523,608**	364,231	**789,904**	637,933
Net foreign exchange (loss)/income, net	2	**(14,581)**	108	**(58,931)**	(122,592)
Profit before income tax from continuing operations		**1,414,406**	1,084,117	**2,176,483**	1,790,694
Income tax expenses	28	**(288,959)**	(197,917)	**(446,921)**	(363,625)
Net profit for the period from continuing operations		**1,125,447**	886,200	**1,729,562**	1,427,069
Discontinued operations					
Profit/(loss) from discontinued operations, net of income tax	6	**16**	(5,558)	**9,203**	520
Net profit for the period		**1,125,463**	880,642	**1,738,765**	1,427,589

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	For the three months ended June 30		For the six months ended June 30	
		2026 (unaudited)	2025 (unaudited) (restated)*	2026 (unaudited)	2025 (unaudited) (restated)*
Other comprehensive income/(loss)					
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)					
Exchange differences on translation of foreign operations	16.5	**46,807**	341,150	**(492,651)**	(91,054)
(Loss)/gain from hedge instruments for the net investment in the foreign operations	16.5	**(11)**	(76,185)	**118,131**	26,264
Unrealised gain/(loss) from revaluation of investments at fair value through other comprehensive income		**5,158**	(3,047)	**5,757**	(8,129)
Share of other comprehensive income/(loss) of associates and joint ventures	9	**1,224**	3,415	**(1,546)**	1,272
Gain/(loss) on transactions with hedge instruments	16.6	**(23,785)**	(65,487)	**(81,984)**	(57,036)
Net realised gain on debt instruments at fair value through other comprehensive income		**23**	1,093	**51**	1,000
Reclassification of loss on cash flow hedge instruments	16.6	**25,355**	1,357	**64,328**	1,439
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**54,771**	202,296	**(387,914)**	(126,244)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)					
Share of the other comprehensive income of associates and joint ventures	9	**654**	578	**266**	735
Actuarial (loss)/gain on defined benefit plans		**(8,458)**	(796)	**(9,800)**	3,019
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		**(7,804)**	(218)	**(9,534)**	3,754
Other comprehensive income/(loss) for the period, net of income tax		**46,967**	202,078	**(397,448)**	(122,490)
Total comprehensive income for the period, net of income tax		**1,172,430**	1,082,720	**1,341,317**	1,305,099
Net profit for the period attributable to:					
Shareholder		**814,586**	636,509	**1,275,242**	1,080,189
Non-controlling interests		**310,877**	244,133	**463,523**	347,400
		1,125,463	880,642	**1,738,765**	1,427,589
Total comprehensive income for the period, net of tax, attributable to:					
Shareholder		**851,454**	770,473	**1,010,373**	989,112
Non-controlling interests		**320,976**	312,247	**330,944**	315,987
		1,172,430	1,082,720	**1,341,317**	1,305,099
Earnings per share attributable to the Shareholder – tenge					
Basic and diluted	16.7	**233.94**	182.80	**366.24**	310.22
Basic and diluted, from continuing operations		**233.94**	184.40	**363.60**	310.07
Basic and diluted, from discontinued operations		**–**	(1.60)	**2.64**	0.15

* *Certain numbers shown in this column do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2025 and reflect adjustments made, refer to Notes 2 and 6.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to the Shareholder									
In millions of tenge	Note	Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehen-sive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2024 (audited)		5,540,872	243,931	32,209	2,047,629	(15,628)	(17,003)	11,480,832	19,312,842	5,989,330	25,302,172
Net profit for the period (restated)*		–	–	–	–	–	–	1,080,189	1,080,189	347,400	1,427,589
Other comprehensive (loss)/income for the period		–	–	(7,198)	(33,290)	(53,979)	–	3,390	(91,077)	(31,413)	(122,490)
Total comprehensive (loss)/income for the period (restated)*		–	–	(7,198)	(33,290)	(53,979)	–	1,083,579	989,112	315,987	1,305,099
Issue of shares		252,839	(243,931)	–	–	–	–	(8,117)	791	–	791
Distributions to the Shareholder, including:		–	–	–	–	–	–	(173,944)	(173,944)	–	(173,944)
Distributions to the Public Foundation "Qazaqstan halqyna"		–	–	–	–	–	–	*(74,760)*	*(74,760)*	–	*(74,760)*
Other distributions to the Shareholder	16.1	–	–	–	–	–	–	*(99,184)*	*(99,184)*	–	*(99,184)*
Other transactions with the Shareholder		–	–	–	–	–	–	(48,173)	(48,173)	–	(48,173)
Transfer of assets to the Shareholder		–	–	–	–	–	–	(478)	(478)	–	(478)
Discount on loans from the Government (restated)*	16.2	–	–	–	–	–	–	24,772	24,772	–	24,772
Dividends to non-controlling interests	16.4	–	–	–	–	–	–	–	–	(393,723)	(393,723)
Other equity movements		–	–	–	–	–	–	56	56	7	63
Balance as at June 30, 2025 (unaudited) (restated)*		5,793,711	–	25,011	2,014,339	(69,607)	(17,003)	12,358,527	20,104,978	5,911,601	26,016,579

The accounting policies and explanatory notes on pages 9 through 50 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

		Attributable to the Shareholder								
In millions of tenge	Note	Share capital	Revaluation reserve of investments at fair value through other comprehen-sive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2025 (audited)		5,797,566	26,402	1,822,636	(44,306)	(17,003)	13,362,381	20,947,676	6,232,606	27,180,282
Net profit for the period		–	–	–	–	–	1,275,242	1,275,242	463,523	1,738,765
Other comprehensive income/(loss) for the period		–	5,413	(260,765)	(1,696)	–	(7,821)	(264,869)	(132,579)	(397,448)
Total comprehensive income/(loss) for the period		–	5,413	(260,765)	(1,696)	–	1,267,421	1,010,373	330,944	1,341,317
Other distributions to the Shareholder	16.1	–	–	–	–	–	(399,489)	(399,489)	–	(399,489)
Discount on loans from the Government	16.2	–	–	–	–	–	57,613	57,613	–	57,613
Change in ownership interests in subsidiaries – acquisition of non-controlling interests	16.3	–	–	–	–	–	52,586	52,586	(100,687)	(48,101)
Dividends to non-controlling interests	16.4	–	–	–	–	–	–	–	(323,027)	(323,027)
Other equity movements		–	–	–	–	–	787	787	217	1,004
Balance as at June 30, 2026 (unaudited)		5,797,566	31,815	1,561,871	(46,002)	(17,003)	14,341,299	21,669,546	6,140,053	27,809,599

* *Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2025 and reflect adjustments made, refer to Notes 2 and 6.*

Managing Director for Economy and Finance – Member of the Management Board — *Aidar Ryskulov*

Chief accountant — *Almaz Abdrakhmanova*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of tenge	Note	For the six months ended June 30, 2026 (unaudited)	For the six months ended June 30, 2025 (unaudited)
Cash flows from operating activities			
Receipts from customers		**11,220,176**	9,499,568
Payments to suppliers		**(6,597,610)**	(5,570,583)
Payments to employees		**(1,211,456)**	(1,076,637)
Other taxes and payments		**(1,620,195)**	(1,192,461)
Increase in deposits from customers		**21,438**	2,465
Short-term lease payments and variable lease payments		**(24,971)**	(35,035)
Cash received under agency agreements		**105,573**	168,795
Cash paid under agency agreements		**(123,818)**	(333,563)
Return of VAT from budget		**33,383**	177,635
Contributions to social and health insurance funds		**(60,659)**	(49,698)
Sponsorship and charity		**(5,841)**	(3,719)
Cash transactions with second participant of joint operations		**20,949**	(8,128)
Other receipts		**92,838**	90,254
Other payments		**(110,976)**	(92,648)
Income taxes paid		**(380,087)**	(382,414)
Interest paid		**(309,462)**	(259,963)
Interest received		**307,486**	244,443
Net cash flows received from operating activities		**1,356,768**	1,178,311
Cash flows from investing activities			
Acquisition of property, plant and equipment, exploration and evaluation assets and other non-current assets		**(1,855,229)**	(1,216,013)
Acquisition of intangible assets		**(67,422)**	(13,555)
Proceeds from sale of property, plant and equipment		**1,290**	4,422
Proceeds from sale of other non-current assets		**628**	761
Acquisition of subsidiaries, net of cash acquired with subsidiaries	5	**19,128**	–
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries	6	**24,139**	310,200
Placement of bank deposits		**(838,259)**	(1,290,715)
Redemption of bank deposits		**1,789,578**	1,563,688
Loans issued		**(471,271)**	(20,898)
Repayment of loans issued		**1,623**	6,591
Acquisition of joint ventures and associates		**(14,775)**	(3,551)
Additional contributions to share capital of joint ventures and associates without change in ownership	9	**(49,452)**	(49,671)
Dividends received from joint ventures and associates	9	**629,718**	935,061
Acquisition of notes of the National Bank of RK		**(1,067,222)**	(1,180,328)
Redemption of notes of the National Bank of RK		**1,026,391**	1,012,236
Acquisition of government debt securities		**(1,929,728)**	(819,138)
Proceeds from disposal of government debt securities		**2,527,767**	795,406
Acquisition of other equity and debt instruments		**(711,496)**	(335,892)
Proceeds from disposal of other equity and debt instruments		**41,441**	253,165
Other receipts		**32,203**	9,822
Other payments		**(27,707)**	(7,308)
Net cash flows used in investing activities		**(938,655)**	(45,717)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Note	For the six months ended June 30, 2026 (unaudited)	For the six months ended June 30, 2025 (unaudited)
Cash flows from financing activities			
Proceeds from borrowings	17, 18	**1,943,281**	788,772
Repayment of borrowings	17, 18	**(1,028,375)**	(590,342)
Repayment of lease liabilities	19	**(23,825)**	(27,113)
Distributions to the Public Foundation "Qazaqstan halqyna"	20	**(20,000)**	(14,000)
Other distributions to the Shareholder	16.1	**(175,997)**	(43,744)
Other transactions with the Shareholder		**(2,114)**	(19,953)
Repayment under financing arrangements	20	**(12,169)**	–
Acquisition of a non-controlling interest	16.3	**(48,101)**	–
Dividends paid to non-controlling interests of subsidiaries	16.4	**(194,881)**	(257,852)
Receipts from repo transactions, net		**35,471**	5,531
Other receipts		**4,661**	–
Other payments		**(6,765)**	(12,300)
Net cash flows received from/(used in) financing activities		**471,186**	(171,001)
Net increase in cash and cash equivalents		**889,299**	961,593
Effects of exchange rate changes on cash and cash equivalents		**(80,897)**	(10,224)
Changes in cash and cash equivalents disclosed as part of assets held for sale		**(509)**	72,229
Change in allowance for expected credit losses		**(133)**	481
Cash and cash equivalents at the beginning of the period		**3,604,029**	3,212,279
Cash and cash equivalents at the end of the period	15	**4,411,789**	4,236,358

During the six months ended June 30, 2026 the Group acquired property, plant and equipment in the amount of 201,454 million tenge financed through borrowings, which were disbursed directly by the bank to the suppliers (during the six months ended June 30, 2025: 73,825 million tenge) (*Note 17*).

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 No. 669 dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan No. 962 dated October 17, 2008. The formation was enacted by the merger of "Sustainable Development Fund "Kazyna" JSC and "Kazakhstan Holding Company for State Assets Management "Samruk" JSC 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 (hereinafter − the "Shareholder" or the "Parent") and the ultimate controlling party of the Fund in accordance with IFRS accounting standards.

The Fund is a holding company combining companies listed in *Note 29* (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, modernisation 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 organised into following 8 (eight) reportable operating segments based on their products and services *(Note 33)*:

- Oil-and-gas 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 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 centralised 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 activities supporting government initiatives to enhance housing availability for the general public through investments in residential construction, together with other operations.

The address of the Fund's registered office is 17/10 Syganak str., Astana, the Republic of Kazakhstan (hereinafter- "RK").

These interim condensed consolidated financial statements were authorised for issue by the Managing Director for Economy and Finance − Member of the Management Board and the Chief accountant of the Fund on September 10, 2026 and preliminary approved by the Audit Committee of the Board of Directors of the Fund.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended June 30, 2026 were prepared in accordance with International Accounting Standard *Interim Financial Statements (IAS 34)*.

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

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, 2025.

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.

Restatement affecting comparative information

Change in accounting for deferred tax liabilities

During 2025, the Group changed its accounting policy with respect to the recognition of deferred tax liabilities arising from loans received from the Shareholder. In prior periods, the Group did not recognise deferred tax liabilities in respect of the discount representing the difference between the nominal value of the loan and its fair value, which was recognised in the consolidated statement of changes in equity.

The initial recognition of loans at fair value and the subsequent amortisation of the discount do not give rise to taxable income and, will not be deductible for tax purposes in subsequent periods in accordance with the Tax Code of the RK.

In accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting policy has been applied retrospectively, and comparative information has been restated accordingly. As a result, income tax expense in the interim condensed consolidated statement of comprehensive income for the six months ended June 30, 2025 was reduced by 3,817 million tenge.

During the six months ended June 30, 2025, the Group recognised a deferred tax liability on the discount related to loans received from the Shareholder during the period in retained earnings in the interim condensed consolidated statement of changes in equity in the amount of 6,193 million tenge. As a result, retained earnings as at June 30, 2025 decreased by 301,805 million tenge.

These changes had no impact on the interim condensed consolidated statement of cash flows for the six months ended June 30, 2025.

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 six months ended June 30, 2026 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 recognised 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

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 the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income 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 recognised as a separate component of other comprehensive income.

Exchange rates

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

The following table presents currency exchange rates to tenge:

	June 30, 2026	December 31, 2025	**Weighted average for the six months ended June 30, 2026**	Weighted average for the six months ended June 30, 2025	**September 10, 2026**
United States dollar ("USD")	**480.72**	505.53	**486.20**	512.05	**450.79**
Swiss franc ("CHF")	**594.44**	637.33	**617.87**	595.46	**555.84**
Chinese yuan ("CNY")	**70.85**	72.33	**70.82**	70.61	**67.22**

For the six months ended June 30, 2026, the Group had foreign exchange loss of 5,266,705 million tenge (for the six months ended June 30, 2025: 7,382,868 million tenge) and foreign exchange gain of 5,207,774 million tenge (for the six months ended June 30, 2025: 7,260,276 million tenge), due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFROMATION

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, 2025.

The adoption of new standards and interpretations effective as of January 1, 2026 had no material impact on the Group.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty used in preparing these interim condensed financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended December 31, 2025.

Provisions for decommissioning and site restoration

Due to changes in macroeconomic indicators as at the reporting date, the Group reassessed the discount rate and long-term inflation rate used to determine the amount of the provision for the decommissioning of main gas pipeline facilities (*Note 7*). As at December 31, 2025 the Group used the yield on US Treasury bills as the risk-free discount rate, based on the high liquidity and active trading of these instruments in the financial markets. However, during the six months ended June 30, 2026 the Group concluded that using the yield on the government securities of the RK as the risk-free discount rate more appropriately reflects the economic conditions in which the Group operates.

For the long-term inflation rate, the Group used the weighted average forecast inflation rate for the RK over a 10-year forecast period (as at December 31, 2025: over a 20-year forecast period). The Group concluded that a 10-year forecast period more appropriately reflects current market conditions.

5. BUSINESS COMBINATION

Butadien LLP

On January 28, 2026, the Group resolved to acquire a 75% equity interest in the charter capital of Butadien LLP. Previously, the Group held a 25% interest in Butadien LLP, which was accounted for as an investment in an associate. State re-registration was completed on January 30, 2026, as a result of which Butadien LLP became a subsidiary of the Group.

The fair value assessment of the identifiable assets acquired and the liabilities and contingent liabilities assumed in the business combination, in accordance with IFRS 3 *Business Combinations*, had not been completed as at the date of preparation of these interim condensed consolidated financial statements. Information on the assets acquired and liabilities assumed, as well as the resulting gain on bargain purchase, was based on their provisional fair values.

The provisional fair values of the identifiable assets and liabilities of Butadien LLP as at the date of acquisition are as follows:

In millions of tenge	**At the date of acquisition**
Assets	
Property, plant and equipment (*Note 7*)	16,959
Intangible assets (*Note 8*)	2
Deferred tax assets	13
Inventories	48
Income tax prepaid	108
VAT receivable	91
Other assets	1,950
Cash and cash equivalents	19,128
Total assets	**38,299**
Liabilities	
Provisions	21
Trade and other payables	232
Other liabilities	78
Total liabilities	**331**
Provisional fair value of identifiable net assets acquired	37,968
Fair value of the consideration payable at the date of acquisition of subsidiary	(11,606)
Previously held interest in the net assets (*Note 9*)	(9,492)
Gain on bargain purchase	**16,870**
Cash and cash equivalents of the acquired subsidiary	19,128
Less: cash consideration paid	–
Cash and cash equivalents inflow from the acquisition	**19,128**

The payable for the acquisition of the 75% interest is due for settlement by February 28, 2031 and is recognised as part of other non-current liabilities in the amount of 12,376 million tenge (*Note 20*).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Disposals in 2026

Severny Katpar LLP (hereinafter -Severny Katpar)

On May 4, 2026, the Group completed the sale of 70% interest in Severnyi Katpar LLP in favor of Cove Kaz Capital Group LLC and lost control over the subsidiary. The fair value of the consideration was determined to be 52,215 million tenge as at the date of disposal of the subsidiary.

On April 29, 2026, Cove Kaz Capital Group LLC made a payment of 11,418 million tenge.

The results of Severny Katpar for the period from January 1, 2026 to the date control was lost were as follows:

In millions of tenge	**January 1, 2026– May 4, 2026**
General and administrative expenses	(31)
Finance income	2
Finance costs	(64)
Other non-operating loss	(4)
Net loss for the period	**(97)**

The net cash flows of Severny Katpar for the period from January 1, 2026 to the date control was lost were as follows:

In millions of tenge	
Operating	38
Investing	(23)
Financing	44
Net increase in cash and cash equivalents	**59**

At the date of loss of control assets and liabilities of Severny Katpar were as follows:

In millions of tenge	**Net assets at the date of disposal**
Assets	
Property, plant and equipment *(Note 7)*	5,496
Intangible assets *(Note 8)*	9,782
Other non-current assets	48
Income tax prepaid	1
Other current assets	9
Cash and cash equivalents	1
Total assets	**15,337**
Liabilities	
Borrowings	440
Deferred tax liabilities	1,646
Trade and other payables	1
Other current liabilities	11
Total liabilities	**2,098**
Net assets	**13,239**

The result of the disposal of the subsidiary is presented as follows:

In millions of tenge	
Cash consideration received at the date of disposal of subsidiary	11,418
Fair value of the additional consideration receivable at the date of disposal of subsidiary (*Note 14*)	40,797
Fair value of 30% retained interest in an associate (*Note 9*)	16,226
Net assets disposed	(13,239)
Gain from disposal of subsidiary	**55,202**

The business of Severny Katpar was presented in the Group's *Mining* segment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2025

Mobile Telecom Service LLP (hereinafter - MTS)

On January 14, 2025, the Group completed the sale of 100% interest in MTS in favor of PIH Communication LLC by signing the corresponding document for consideration of 1,100 million US dollars, including contingent consideration of 400 million US dollars payable in three years, and lost control over the subsidiary. The contingent consideration was recognised at fair value and amounted to 349 million US dollars (equivalent to 184,254 million tenge as at disposal date).

On January 16, 2025, the Group received the first tranche of 700 million US Dollars (equivalent to 369,964 million tenge as at disposal date) according to this sale contract.

The net cash flows of MTS for the period from January 1, 2025 through the date of loss of control are as follows:

In millions of tenge	
Operating	9,111
Investing	(572)
Financing	(417)
Net increase in cash and cash equivalents	**8,122**

At the date of loss of control assets and liabilities of MTS were as follows:

In millions of tenge	**Net assets at the date of disposal**
Assets	
Property, plant and equipment	251,504
Intangible assets	256,467
Other non-current financial assets	80
Other non-current assets	2,141
Inventories	4,253
Trade accounts receivable	5,962
Other current assets	6,513
Cash and cash equivalents	59,281
Total assets	**586,201**
Liabilities	
Borrowings	30,769
Provisions	20,615
Lease liabilities	39,588
Other non-current liabilities	18,415
Deferred tax liabilities	12,413
Income taxes payable	893
Trade and other payables	20,196
Employee benefit liabilities	4,548
Other current liabilities	24,088
Total liabilities	**171,525**
Net assets	**414,676**

The result of the disposal of the subsidiary is presented as follows:

In millions of tenge	
Cash consideration received at the date of disposal of subsidiary	369,964
Fair value of the additional consideration receivable at the date of disposal of subsidiary (*Note 14*)	184,254
Recognition of receivables from the disposed entity	4,719
Recognition of liabilities due to the disposed entity	(7,858)
Net assets disposed	(414,676)
Gain from disposal of subsidiary	**136,403**

The business of MTS was presented in the Group's *Communication* segment.

During the six months ended June 30, 2026, the Group received a further tranche of 12,878 million tenge under the MTS sale agreement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2025 (continued)

Polimer Production LLP (further - Polimer)

On March 17, 2025, the Group and Sibur Holding PJSC signed a purchase and sale agreement for 60% share of Polimer, subsidiary of the Group. On April 4, 2025, Polimer was re-registered. As a result, the Group lost control over Polimer and retained 40% interest.

The sale price of 60% share in Polimer was 1,188 million tenge. The investment retained in the former subsidiary was accounted as an investment in joint venture accounted for using the equity method and with initial fair value of 792 million tenge at the date of loss of control. Net liabilities of Polymer at the date of disposal equaled 1,020 million tenge.

The business of Polimer was presented in the Group's *Oil-and-Gas* segment.

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:

In millions of tenge	**Segment**	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Assets classified as held for sale, including		**457,665**	422,017
GPC Investment LLP	*Oil-and-gas*	***363,613***	*323,346*
JV Alaygyr LLP	*Mining*	***19,456***	*19,605*
Other		***74,596***	*79,066*
Assets classified as held for distribution to the Shareholder		**6,707**	3,377
		464,372	425,394

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

In millions of tenge	**Segment**	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Liabilities associated with assets classified as held for sale		**(247,947)**	(232,818)
GPC Investment LLP	*Oil-and-gas*	***(247,827)***	*(232,233)*
JV Alaygyr LLP	*Mining*	***(120)***	*(585)*
		(247,947)	(232,818)

GPC Investment LLP (hereinafter - GPCI)

As part of the strategic investment projects agreement signed between the RK and the State of Qatar, it is planned to sell the stake in the project company GPCI with retention of Group's share of 25%, and therefore, GPCI was classified as disposal group in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in these consolidated financial statements. The Group plans to complete the sale of a 75% share in GPCI by the end of 2026.

The disposal was not completed within 12 months from the date of the initial classification of the asset as a disposal group. This was primarily due to the intergovernmental nature of the transaction and ongoing negotiations with the Buyer on certain commercial and contractual matters. As at June 30, 2026, negotiations were ongoing, and both parties remained committed to completing the transaction by the end of 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Assets classified as held for sale or distribution to the Shareholder (continued)

GPC Investment LLP (hereinafter - GPCI) (continued)

The assets and liabilities of GPCI were as follows:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Assets		
Property, plant and equipment	**268,857**	215,549
Intangible assets	**3**	4
Other non-current assets	**87,062**	102,590
Deferred tax assets	**1,334**	977
Inventories	**50**	–
VAT receivable	**4,787**	3,424
Income tax prepaid	**44**	39
Other current assets	**526**	327
Cash and cash equivalents	**950**	436
Assets classified as held for sale	**363,613**	323,346
Liabilities		
Borrowings	**211,531**	196,259
Other non-current liabilities	**2,716**	2,037
Trade and other payables	**33,281**	33,462
Other current liabilities	**299**	475
Liabilities associated with assets classified as held for sale	**247,827**	232,233
Net assets classified as held for sale	**115,786**	91,113

GPCI's operating results are presented below:

	For the six months ended June 30	
In millions of tenge	**2026**	2025
General and administrative expenses	**(990)**	(931)
Finance income	**30**	325
Finance costs	**(445)**	(267)
Other non-operating income	**680**	162
Other non-operating loss	**(552)**	(178)
Net foreign exchange gain	**10,122**	1,525
Profit before income tax	**8,845**	636
Income tax benefit/(expenses)	**358**	(116)
Net profit for the period	**9,203**	520

GPCI's net cash flows were as follows:

	For the six months ended June 30	
In millions of tenge	**2026**	2025
Operating	**(11,967)**	(5,427)
Investing	**(26,053)**	(33,259)
Financing	**23,052**	9,266
Net decrease in cash and cash equivalents	**(14,968)**	(29,420)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	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, 2025 (audited)	5,172,576	2,469,136	1,245,765	1,539,037	4,865,174	356,742	279,388	1,738,883	17,666,701
Foreign currency translation	(46,330)	(3,248)	(1,089)	399	(524)	–	(1,832)	(2,751)	(55,375)
Changes in estimates	(8,659)	(2,171)	(1,216)	–	(985)	–	4	–	(13,027)
Additions	14,071	2,236	4,112	711	54,005	45,774	2,492	858,069	981,470
Additions through lease agreements	–	48	2,372	–	89,503	–	230	–	92,153
Capitalised repair works on right-of-use assets	–	–	–	–	20	–	–	–	20
Lease modifications (*Note 19*)	–	13	1,655	–	1,311	–	311	–	3,290
Disposals	(782)	(36)	(1,119)	(36)	(7,825)	–	(1,317)	(231)	(11,346)
Loss of control over subsidiaries	–	–	(944)	–	(21)	–	(9)	–	(974)
Depreciation charge	(221,183)	(84,842)	(34,500)	(24,870)	(190,638)	(38,429)	(12,669)	–	(607,131)
Impairment, net of reversal of impairment	(17)	(41,709)	(28)	(15)	(144)	–	(1,395)	(21,667)	(64,975)
Transfer to assets classified as held for sale or distribution to the Shareholder	–	–	–	–	(63)	–	(51)	(335)	(449)
Transfers from/(to) exploration and evaluation assets, investment property, net	32	17	3,733	–	–	–	(10)	–	3,772
Transfer from/(to) inventories, net	2	(8)	(45)	(614)	470	26,666	1,140	3,712	31,323
Other transfers and reclassifications	96,172	70,044	35,438	21,175	236,269	23	3,865	(462,986)	–
Other changes	(4)	–		–	–	–	2	(902)	(904)
Net book value at June 30, 2025 (unaudited)	5,005,878	2,409,480	1,254,134	1,535,787	5,046,552	390,776	270,149	2,111,792	18,024,548
Historical cost	8,800,584	5,111,091	2,170,932	1,959,478	8,443,383	806,788	529,883	2,382,133	30,204,272
Accumulated depreciation and impairment	(3,794,706)	(2,701,611)	(916,798)	(423,691)	(3,396,831)	(416,012)	(259,734)	(270,341)	(12,179,724)
Net book value at June 30, 2025 (unaudited)	5,005,878	2,409,480	1,254,134	1,535,787	5,046,552	390,776	270,149	2,111,792	18,024,548

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2025 (audited)	8,151	50,953	35,096	−	320,956	−	88,024	−	503,180
Foreign currency translation	(135)	(65)	(136)	−	(1)	−	(852)	−	(1,189)
Additions through lease agreements	−	48	2,372	−	89,503	−	230	−	92,153
Capitalised repair works	−	−	−	−	20	−	−	−	20
Lease modifications (*Note 19*)	−	13	1,655	−	1,311	−	311	−	3,290
Termination of lease agreements	−	−	(753)	−	(10)	−	(3)	−	(766)
Depreciation charge	(2,508)	(11,334)	(3,858)	−	(15,083)	−	(3,383)	−	(36,166)
Impairment	−	−	−	−	−	−	(1,399)	−	(1,399)
Transfer to property, plant and equipment	−	−	−	−	(1)	−	(127)	−	(128)
Other transfers and reclassifications	−	−	911	−	(911)	−	−	−	−
Net book value at June 30, 2025 (unaudited)	5,508	39,615	35,287	−	395,784	−	82,801	−	558,995
Historical cost of right−of−use assets under lease agreements	24,348	120,222	68,820	−	486,008	−	110,433	−	809,831
Accumulated depreciation and impairment of right−of−use assets under lease agreements	(18,840)	(80,607)	(33,533)	−	(90,224)	−	(27,632)	−	(250,836)
Net book value at June 30, 2025 (unaudited)	5,508	39,615	35,287	−	395,784	−	82,801	−	558,995

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2026 (audited)	4,851,588	2,543,822	1,286,207	2,048,139	5,775,857	441,583	277,934	2,148,361	19,373,491
Foreign currency translation	**(185,432)**	**(13,412)**	**(6,335)**	**(150)**	**(7,681)**	**–**	**(8,692)**	**(7,820)**	**(229,522)**
Changes in estimates (*Note 4*)	**(3,913)**	**(33,197)**	**740**	**–**	**(4,806)**	**–**	**–**	**368**	**(40,808)**
Additions	**10,686**	**2,255**	**4,362**	**1**	**279,852**	**84,781**	**6,227**	**1,463,241**	**1,851,405**
Acquisition through business combinations (*Note 5*)	**–**	**–**	**–**	**–**	**–**	**–**	**180**	**16,779**	**16,959**
Additions through lease agreements (*Note 19*)	**1,748**	**864**	**3,900**	**–**	**88,762**	**–**	**3,509**	**7**	**98,790**
Capitalised repair works on right-of-use assets	**–**	**–**	**–**	**–**	**13**	**–**	**–**	**–**	**13**
Lease modifications (*Note 19*)	**–**	**70**	**2,797**	**–**	**6,900**	**–**	**533**	**–**	**10,300**
Disposals	**(1,148)**	**(597)**	**(1,933)**	**–**	**(1,629)**	**–**	**(222)**	**(388)**	**(5,917)**
Loss of control over subsidiaries (*Note 6*)	**–**	**–**	**–**	**–**	**–**	**(5,496)**	**–**	**–**	**(5,496)**
Depreciation charge	**(246,034)**	**(90,324)**	**(38,327)**	**(32,640)**	**(215,678)**	**(54,144)**	**(13,336)**	**–**	**(690,483)**
Impairment, net of reversal of impairment	**–**	**1,109**	**(1,033)**	**(5)**	**(55)**	**–**	**(1)**	**(34)**	**(19)**
Transfer to assets classified as held for sale or distribution to the Shareholder	**–**	**–**	**417**	**–**	**(6)**	**–**	**34**	**–**	**445**
Transfers from/(to) exploration and evaluation assets, investment property, net	**27**	**–**	**1,324**	**–**	**(2)**	**–**	**1**	**–**	**1,350**
Transfer from/(to) inventories, net	**2**	**–**	**–**	**(697)**	**(135)**	**–**	**(62)**	**3,893**	**3,001**
Other transfers and reclassifications	**131,485**	**14,567**	**16,444**	**22,995**	**185,293**	**–**	**5,209**	**(375,993)**	**–**
Other changes	**(80)**	**–**	**(16)**	**–**	**–**	**–**	**1**	**2,403**	**2,308**
Net book value at June 30, 2026 (unaudited)	**4,558,929**	**2,425,157**	**1,268,547**	**2,037,643**	**6,106,685**	**466,724**	**271,315**	**3,250,817**	**20,385,817**
Historical cost	**8,505,988**	**5,166,895**	**2,228,138**	**2,508,897**	**9,800,932**	**985,789**	**530,127**	**3,426,215**	**33,152,981**
Accumulated depreciation and impairment	**(3,947,059)**	**(2,741,738)**	**(959,591)**	**(471,254)**	**(3,694,247)**	**(519,065)**	**(258,812)**	**(175,398)**	**(12,767,164)**
Net book value at June 30, 2026 (unaudited)	**4,558,929**	**2,425,157**	**1,268,547**	**2,037,643**	**6,106,685**	**466,724**	**271,315**	**3,250,817**	**20,385,817**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2026 (audited)	3,735	29,075	38,244	−	497,002	−	76,516	48	644,620
Foreign currency translation	**1,666**	**(321)**	**(851)**	**−**	**(119)**	**−**	**(3,572)**	**−**	**(3,197)**
Additions through lease agreements (*Note 19*)	**1,748**	**864**	**3,900**	**−**	**88,762**	**−**	**3,509**	**7**	**98,790**
Capitalised repair works	**−**	**−**	**−**	**−**	**13**	**−**	**−**	**−**	**13**
Lease modifications (*Note 19*)	**−**	**70**	**2,797**	**−**	**6,900**	**−**	**533**	**−**	**10,300**
Termination of lease agreements	**−**	**−**	**(1,244)**	**−**	**(90)**	**−**	**(3)**	**−**	**(1,337)**
Depreciation charge	**(3,068)**	**(11,410)**	**(3,729)**	**−**	**(16,459)**	**−**	**(3,306)**	**−**	**(37,972)**
Transfer to property, plant and equipment	**−**	**−**	**−**	**−**	**(1,724)**	**−**	**−**	**−**	**(1,724)**
Other transfers and reclassifications	**−**	**−**	**−**	**−**	**43**	**−**	**−**	**(43)**	**−**
Net book value at June 30, 2026 (unaudited)	**4,081**	**18,278**	**39,117**	**−**	**574,328**	**−**	**73,677**	**12**	**709,493**
Historical cost of right−of−use assets under lease agreements	**7,180**	**121,172**	**75,363**	**−**	**676,736**	**−**	**106,941**	**12**	**987,404**
Accumulated depreciation and impairment of right−of−use assets under lease agreements	**(3,099)**	**(102,894)**	**(36,246)**	**−**	**(102,408)**	**−**	**(33,264)**	**−**	**(277,911)**
Net book value at June 30, 2026 (unaudited)	**4,081**	**18,278**	**39,117**	**−**	**574,328**	**−**	**73,677**	**12**	**709,493**

7. PROPERTY, PLANT AND EQUIPMENT (continued)

As at June 30, 2026 property, plant and equipment with net book value of 294,420 million tenge was pledged as collateral for some of the Group's borrowings (December 31, 2025: 239,121 million tenge).

As at June 30, 2026 the cost of fully depreciated property, plant and equipment of the Group was equal to 1,542,387 million tenge (December 31, 2025: 1,513,096 million tenge).

For the six months ended June 30, 2026 the Group capitalised borrowing costs at an average interest rate of 18.18% in the amount of 79,965 million tenge *(Notes 17, 18, 19)* less investment income of 29 million tenge (for the six months ended June 30, 2025: at an average interest rate of 14.76% in the amount of 81,244 million tenge less investment income of 37 million tenge).

8. INTANGIBLE ASSETS

Movements in intangible assets are presented as follows:

In millions of tenge	Licenses	Subsur-face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2025 (audited)	674,520	1,447,094	232,314	30,970	51,470	63,259	2,499,627
Foreign currency translation	(5,692)	(2,339)	(143)	(323)	(78)	201	(8,374)
Additions	3,115	52	–	–	2,643	3,184	8,994
Disposals	(6)	(28)	–	–	(11)	(29)	(74)
Loss of control over subsidiaries	–	–	–	–	(4)	–	(4)
Amortisation charge	(28,402)	(26,352)	–	–	(9,996)	(1,475)	(66,225)
Impairment, net of reversal of impairment	–	–	–	–	2	(144)	(142)
Other transfers and reclassifications	626	–	–	–	2,998	(3,624)	–
Other changes	(2)	4	–	–	727	10,711	11,440
Net book value at June 30, 2025 (unaudited)	644,159	1,418,431	232,171	30,647	47,751	72,083	2,445,242
Historical cost	1,012,700	1,723,297	345,862	78,668	241,646	166,568	3,568,741
Accumulated amortisation and impairment	(368,541)	(304,866)	(113,691)	(48,021)	(193,895)	(94,485)	(1,123,499)
Net book value at June 30, 2025 (unaudited)	644,159	1,418,431	232,171	30,647	47,751	72,083	2,445,242
Net book value at January 1, 2026 (audited)	604,627	1,390,117	231,802	29,815	56,459	74,145	2,386,965
Foreign currency translation	**(22,798)**	**(9,700)**	**(649)**	**(1,464)**	**(247)**	**(1,117)**	**(35,975)**
Additions	**32,140**	**7,050**	**–**	**–**	**6,549**	**16,146**	**61,885**
Acquisition through business combinations (*Note 5*)	**2**	**–**	**–**	**–**	**–**	**–**	**2**
Disposals	**–**	**(483)**	**–**	**–**	**(88)**	**(2,692)**	**(3,263)**
Loss of control over subsidiaries (*Note 6*)	**–**	**(9,781)**	**–**	**–**	**–**	**(1)**	**(9,782)**
Amortisation charge	**(26,867)**	**(33,841)**	**–**	**–**	**(10,832)**	**(1,495)**	**(73,035)**
Impairment, net of reversal of impairment	**32**	**–**	**–**	**–**	**1**	**–**	**33**
Other transfers and reclassifications	**2,510**	**–**	**–**	**–**	**8,741**	**(11,251)**	**–**
Other changes	**322**	**80**	**–**	**–**	**733**	**(1,896)**	**(761)**
Net book value at June 30, 2026 (unaudited)	**589,968**	**1,343,442**	**231,153**	**28,351**	**61,316**	**71,839**	**2,326,069**
Historical cost	**994,721**	**1,708,353**	**344,843**	**72,777**	**265,703**	**164,225**	**3,550,622**
Accumulated amortisation and impairment	**(404,753)**	**(364,911)**	**(113,690)**	**(44,426)**	**(204,387)**	**(92,386)**	**(1,224,553)**
Net book value at June 30, 2026 (unaudited)	**589,968**	**1,343,442**	**231,153**	**28,351**	**61,316**	**71,839**	**2,326,069**

As at June 30, 2026 intangible assets include software use rights of 1,233 million tenge (as at December 31, 2025: 1,444 million tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates comprised the following:

			June 30, 2026 (unaudited)		December 31, 2025 (audited)	
In millions of tenge	**Main activity**	**Place of business**	**Carrying amount**	**Percentage ownership**	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP[1]	Oil and gas exploration and production	Kazakhstan	**3,121,689**	**20.00%**	3,449,897	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**872,848**	**50.00%**	741,970	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**327,230**	**50.00%**	313,272	50.00%
Mangistau Investments B.V. Group	Oil and gas development and production	Kazakhstan	**257,436**	**50.00%**	227,787	50.00%
Silleno LLP[2]	Construction of the first integrated gas-chemical complex	Kazakhstan	**118,463**	**40.00%**	108,160	40.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	**83,020**	**50.00%**	84,370	50.00%
Kazakhstan − China Pipeline LLP	Oil transportation	Kazakhstan	**75,670**	**50.00%**	67,741	50.00%
Ural Group Limited	Oil and gas exploration and production	Kazakhstan	**61,994**	**50.00%**	58,042	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	**56,572**	**50.00%**	48,347	50.00%
Valsera Holdings B.V. Group	Oil refining	Kazakhstan	**56,406**	**50.00%**	53,725	50.00%
KC Energy Group[3]	Sale of liquefied gas and oil products	Kazakhstan	**55,309**	**49.00%**	51,705	49.00%
Mangistau Power B.V.	Development and construction of a gas-fired power plant	Netherlands	**45,956**	**49.00%**	27,330	49.00%
Other			**278,151**		273,037	
Total joint ventures			**5,410,744**		5,505,383	
Associates						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	**520,136**	**29.82%**	519,753	29.82%
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	**484,769**	**20.75%**	493,443	20.75%
JV KATCO LLP	Exploration, production, processing and export of uranium	Kazakhstan	**189,019**	**49.00%**	205,473	49.00%
Air Astana JSC	Air transportation	Kazakhstan	**150,795**	**41.00%**	160,343	41.00%
PetroKazakhstan Inc.	Exploration, production and processing of oil and gas	Kazakhstan	**63,663**	**33.00%**	68,172	33.00%
Other			**325,501**		291,469	
Total associates			**1,733,883**		1,738,653	
			7,144,627		7,244,036	

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

[1] *The share of 20% provides the Group the joint control over Tengizchevroil LLP where decisions about the relevant activities require unanimous consent.*
[2.] *The share of 40% provides the Group the joint control over Silleno LLP where decisions about the relevant activities require unanimous consent.*
[3] *The share of 49% provides the Group the joint control over KC Energy Group and Mangistau Power B.V. where decisions about the relevant activities require unanimous consent.*

9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following table summarises the movements in equity investments in joint ventures and associates for the six months ended June 30:

In millions of tenge	**2026**	2025
Balance as at January 1	**7,244,036**	7,705,869
Share in profit of joint ventures and associates, net *(Note 27)*	**789,904**	637,933
Dividends received	**(629,718)**	(935,061)
Change in dividends receivable (*Note 14*)	**(108,519)**	(112,161)
Additional contributions without change in ownership	**49,458**	49,671
Acquisitions	**33,616**	12,179
Adjustment of unrealised income	**(207)**	(2,838)
Disposals *(Note 5)*	**(9,492)**	–
Foreign currency translation	**(232,809)**	(26,918)
Other comprehensive income, other than foreign currency translation	**(1,280)**	2,007
Discount on loans issued	**(1,955)**	143
Guarantees issued	**16,968**	1,093
(Impairment)/reversal of impairment, net	**(5,342)**	4,819
Other changes in the equity of the joint venture	**(33)**	(42)
Balance as at June 30	**7,144,627**	7,336,694

As at June 30, 2026, the Group's share in unrecognised losses of joint ventures and associates was equal to 152,837 million tenge (December 31, 2025: 168,442 million tenge).

In December 2025, the Group resolved to enter into a mutual obligations and guarantees agreement to ensure the fulfilment of the obligations of a joint venture in which the Group is a participant under a gas processing agreement. The agreement applies to the parties' relationships arising from January 1, 2026. The Group recognised non-current liabilities under the agreement at the value of 11,841 million tenge (*Note 20*).

For the six months ended June 30, 2026 the Group received dividends from joint ventures in the total amount of 629,718 million tenge, including from joint ventures Tengizchevroil LLP and Kazzinc LLP in the amounts of 519,002 million tenge and 29,045 million tenge, respectively (for the six months ended June 30, 2025: 935,061 million tenge, including from joint ventures Tengizchevroil LLP and Asia Gas Pipeline LLP in the amounts of 386,263 million tenge and 325,723 million tenge, respectively).

10. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Bank deposits	**848,140**	1,890,281
Loans to credit institutions	**21,532**	25,204
Less: allowance for expected credit losses	**(173)**	(253)
Amounts due from credit institutions, net	**869,499**	1,915,232
Less: current portion	**(844,941)**	(1,886,552)
Non-current portion	**24,558**	28,680

In millions of tenge	**June 30, 2026 (unaudited)**	**Weighted average effective interest rate**	December 31, 2025 (audited)	Weighted average effective interest rate
Amounts due from credit institutions, denominated in US dollars	**835,493**	**4.18%**	1,876,853	4.37%
Amounts due from credit institutions, denominated in tenge	**33,610**	**17.00%**	34,139	11.67%
Amounts due from credit institutions, denominated in other currencies	**396**	**8.14%**	4,240	10.16%
	869,499		1,915,232	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE

Loans issued and net investment in finance lease comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	**Weighted average effective interest rate**	December 31, 2025 (audited)	Weighted average effective interest rate
Loans issued at fair value through profit or loss	**627,851**	6.55%	155,490	7.48%
Loans issued at amortised cost	**209,989**	10.69%	200,573	11.00%
Net investment in finance lease	**27,934**	9.41%	30,960	9.29%
Total loans and net investment in finance lease	**865,774**		387,023	
Less: allowance for expected credit losses	**(19,997)**		(22,341)	
Loans issued and net investment in finance lease, net	**845,777**		364,682	
Less: current portion	**(517,499)**		(41,647)	
Non-current portion	**328,278**		323,035	

The components of net investment in finance lease are as follows:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Within one year	**8,563**	9,177
Later than one year, but not later than five years	**20,199**	22,256
After five years	**6,255**	8,306
Lease payments	**35,017**	39,739
Less: unearned finance income	**(7,083)**	(8,779)
Net investment in finance lease	**27,934**	30,960

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Loans issued in US dollars	**622,353**	150,401
Loans issued and net investment in finance lease in tenge	**223,424**	214,281
	845,777	364,682

In 2025, the Group provided a loan of 4 million US dollars (equivalent to 2,107 million tenge at the date of disbursement) to its joint venture, Beineu-Bozoi-Shymkent 2 Ltd, bearing interest at the 6-month SOFR + 2% per annum, to finance the second line of the Beineu–Bozoi–Shymkent main gas pipeline project, with repayment due on demand. During the six months ended June 30, 2026, the Group provided additional tranches under this agreement totalling 976 million US dollars (equivalent to 467,274 million tenge). Taking into account the terms of the transaction and the characteristics of the contractual cash flows, the Group accounts for the loan at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*.

12. FINANCIAL INVESTMENTS IN DEBT AND EQUITY INSTRUMENTS

Financial investments in debt and equity instruments comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Financial investments in debt and equity instruments at fair value through other comprehensive income, including:	**379,184**	977,680
Treasury notes of foreign governments	**152,441**	765,650
Treasury bills of the Ministry of Finance of the RK	**108,313**	101,551
Corporate bonds	**76,782**	76,833
Bonds of Kazakhstani financial institutions	**28,265**	27,092
Bonds of foreign financial institutions	**8,677**	1,600
Eurobonds of the Ministry of Finance of the RK	**4,633**	4,881
Equity securities	**73**	73
Financial investments in debt and equity instruments at amortised cost, including:	**1,529,393**	958,742
Corporate bonds	**674,799**	88,255
Bonds of Kazakhstani financial institutions	**419,386**	412,697
Notes of the National Bank of the RK	**197,767**	150,109
Treasury notes of foreign governments	**149,899**	202,715
Treasury bills of the Ministry of Finance of the RK	**42,325**	43,359
Bonds of foreign financial institutions	**41,518**	59,570
Eurobonds of the Ministry of Finance of the RK	**11,270**	10,297
Less: allowance for expected credit losses	**(7,571)**	(8,260)
Financial investments in debt and equity instruments at fair value through profit or loss, including:	**347,574**	250,534
Equity securities	**302,569**	242,411
Treasury bills of the Ministry of Finance of the RK	**25,014**	–
Bonds of foreign financial institutions	**11,474**	–
Currency swaps	**3,944**	–
Corporate bonds	**3,858**	342
Forwards and futures	**715**	7,781
Total financial investments in debt and equity instruments	**2,256,151**	2,186,956
Less: current portion	**(1,284,332)**	(1,299,915)
Non-current portion	**971,819**	887,041

During the six months ended June 30, 2026 as part of its free cash flow management strategy the Group was investing into notes of the National Bank of the RK with maturities of less than twelve months, that are usually held to maturity. As of June 30, 2026, the investment amounted to 197,767 million tenge (December 31, 2025: 150,109 million tenge).

During the six months ended June 30, 2026, the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury), Ministries of Finance of the RK and other foreign countries. As of June 30, 2026 the investment amounted to 493,895 million tenge (December 31, 2025: 1,128,453 million tenge).

During the six months ended June 30, 2026, the Group invested in corporate bonds issued by Kazakhstani and foreign issuers, with interest rates ranging from 1.75% to 9.25%. As at June 30, 2026, investments in corporate bonds amounted to 755,439 million tenge (December 31, 2025: 165,430 million tenge).

Financial investments in debt and equity instruments by currency, except for derivatives, comprised:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Financial investments in debt and equity instruments, denominated in tenge	**1,486,856**	841,291
Financial investments in debt and equity instruments, denominated in US dollars	**743,403**	1,337,884
Financial investments in debt and equity instruments, denominated in euro	**12,210**	–
Financial investments in debt and equity instruments, denominated in other currencies	**9,023**	–
	2,251,492	2,179,175

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. INVENTORIES

Inventories comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Uranium products	**402,733**	322,386
Oil refined products for sale	**164,842**	55,352
Production materials and supplies	**161,806**	138,864
Work in progress	**129,143**	93,928
Crude oil	**74,373**	109,686
Goods for resale	**63,005**	53,014
Fuel	**61,781**	56,244
Oil and gas industry materials and supplies	**51,607**	49,111
Gas processed products	**46,018**	79,733
Railway industry materials and supplies	**39,824**	37,249
Electric transmission equipment spare parts	**17,238**	14,017
Telecommunication equipment spare parts	**3,915**	3,075
Uranium industry materials and supplies	**2,579**	2,874
Other materials and supplies	**50,060**	39,142
	1,268,924	1,054,675

As at June 30, 2026, the carrying value of inventories under pledge as collateral amounted to 172,681 million tenge (December 31, 2025: 189,660 million tenge).

14. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS

Trade accounts receivable comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Trade accounts receivable	**1,701,904**	1,362,186
Less: allowance for expected credit losses	**(83,938)**	(72,992)
	1,617,966	1,289,194

As at June 30, 2026, the Group's receivables of 267,799 million tenge were pledged under certain Group borrowings (December 31, 2025: 174,372 million tenge).

Trade accounts receivable by currency comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Trade accounts receivable in US dollars	**786,343**	607,672
Trade accounts receivable in tenge	**726,926**	585,252
Trade accounts receivable in Romanian lei	**92,106**	80,780
Trade accounts receivable in other currency	**12,591**	15,490
	1,617,966	1,289,194

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS (continued)

Other assets comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Other financial assets:		
At amortised cost		
Restricted cash	**321,805**	308,456
Other accounts receivable	**204,690**	157,409
Dividends receivable (*Note 9*)	**119,000**	8,170
Other	**23,042**	22,552
Less: allowance for expected credit losses	**(103,910)**	(104,390)
At fair value through profit or loss		
Additional consideration for sale of a subsidiary (*Note 6*)	**211,910**	186,878
Guaranteed returns from shareholder of joint venture	**11,232**	11,289
Other	**73**	77
	787,842	590,441
Less: current portion	**(348,316)**	(167,552)
Non-current portion	**439,526**	422,889
Other non-financial assets:		
Advances paid for non-current assets	**1,920,747**	1,629,171
Long-term VAT receivable	**821,272**	647,002
Other advances paid and prepaid expenses	**235,298**	220,385
Other prepaid taxes	**63,062**	119,978
Long-term inventories	**31,282**	35,197
Investment property	**21,158**	22,647
Assets under agency agreements	**12,150**	32,144
Other	**52,376**	44,733
Less: impairment allowance	**(129,543)**	(125,831)
Total other assets	**3,027,802**	2,625,426
Less: current portion	**(298,040)**	(366,637)
Non-current portion	**2,729,762**	2,258,789

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Bank deposits − US dollars	**1,268,656**	868,349
Bank deposits − tenge	**1,011,996**	1,059,877
Bank deposits − other currency	**63,830**	275,804
Current accounts with banks − US dollars	**780,248**	394,077
Current accounts with banks − tenge	**146,822**	136,249
Current accounts with banks − other currency	**56,637**	65,496
Reverse repurchase agreements with contractual maturity of three months or less	**972,659**	745,959
Balances on brokerage accounts payable on demand	**73,156**	1,356
Cash on digital accounts	**22,750**	22,882
Cash on hand	**10,348**	8,092
Cash in transit	**4,908**	5,700
Cash in accounts for servicing budget programs in accordance with the legislation of the RK	**792**	21,068
Less: allowance for expected credit losses	**(1,013)**	(880)
	4,411,789	3,604,029

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 and other securities with maturities of up to 3 months.

15. CASH AND CASH EQUIVALENTS (continued)

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, 2026 the weighted average interest rates for short-term bank deposits were 16.84% in tenge, 3.89% in US dollars, 5.66% in other currency; and current accounts were 3.11% in tenge, 2.52% in US dollars, 1.02% in other currency(December 31, 2025: the weighted average interest rates for short-term bank deposits were 17.25% in tenge, 3.77% in US dollars, 2.07% in other currency; and current accounts were 1.91% in tenge, 3.11% in US dollars, 0.75% in other currency).

16. EQUITY

16.1 Other distributions to the Shareholder

During the six months ended June 30, 2026 in accordance with the Shareholder's resolutions, the Fund recognised liabilities for financing of various social projects and construction of social facilities for the amount of 399,489 million tenge as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity (during six months ended June 30, 2025: 99,184 million tenge). During the six months ended June 30, 2026, the Fund repaid these liabilities in the amount of 175,997 million tenge (during the six months ended June 30, 2025: 43,744 million tenge).

16.2 Discount on loans from the Government

In May 2016, the Fund placed bonds in the amount of 97,000 million tenge with an annual coupon of 0.1% per annum and maturity of 10 years. The bonds were issued to finance construction companies at preferential interest rates under the Nurly Zhol Government Infrastructure Development Programme. Pursuant to the decision of the Council for Management of the National Fund of the RK dated June 10, 2024, in April 2026 the Fund entered into an amendment agreement to extend the maturity of these bonds. As a result of a significant modification of the terms, the original loan was derecognised and written off. Concurrently, a new loan was recognised at its fair value as at the modification date. As a result of the modification, the difference between nominal and fair value in the amount of 72,016 million tenge net of deferred tax of 14,403 million tenge was recognised as a discount on loans from the Government in the interim condensed consolidated statement of changes in equity (*Note 18*).

During the six months ended June 30, 2025, the Fund placed bonds in the amount of 17,927 million tenge. The difference between nominal and fair value in the amount of 3,927 million tenge net of deferred tax of 785 million tenge was recognised as a discount on loans from the Government in the interim condensed consolidated statement of changes in equity (*Note 18*).

During the six months ended June 30, 2025, the Fund received loan in the amount of 31,000 million tenge. The difference between nominal and fair value in the amount of 27,038 million tenge net of deferred tax of 5,408 million tenge was recognised as a discount on loans from the Government in the interim condensed consolidated statement of changes in equity (*Note 18*).

16.3 Change in ownership interests in subsidiaries – acquisition of non-controlling interests

On April 24, 2026, the Fund acquired 10.43% of the ordinary shares of Kazakhtelecom JSC on the organised market of KASE, increasing the Fund's interest in the issued ordinary shares of the subsidiary from 80.85% to 91.28%. As a result, the difference between the carrying amount of the acquired non-controlling interest of 100,687 million tenge and the fair value of the shares acquired of 48,101 million tenge was recognised as an increase in retained earnings of 52,586 million tenge in the interim condensed consolidated statement of changes in equity.

16.4 Dividends attributable to non-controlling interests

During the six months ended June 30, 2026, the Group declared dividends of 323,027 million tenge to the holders of non-controlling interests in National Company KazMunayGas JSC ("NC KMG"), National Company Kazakhstan Temir Zholy JSC ("NC KTZh"), Kazakhtelecom JSC, Kazakhstan Electricity Grid Operating Company JSC ("KEGOC"), National Atomic Company Kazatomprom JSC ("NAC KAP") and Samruk-Energy JSC groups. Total amount of dividends paid to the holders of non-controlling interests during the six months ended June 30, 2026 equaled 194,881 million tenge.

During the six months ended June 30, 2025, the Group declared dividends of 393,723 million tenge to the holders of non-controlling interests in NC KMG, NC KTZh, Kazakhtelecom JSC, KEGOC and NAC KAP groups. Total amount of dividends paid to the holders of non-controlling interests during the six months ended June 30, 2025 equaled 257,852 million tenge.

16. EQUITY (continued)

16.5 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 interim condensed consolidated financial statements. During the six months ended June 30, 2026, the effect of foreign currency translation amounted to 520,908 million tenge before tax of 28,257 million tenge (during the six months ended June 30, 2025: 98,890 million tenge before tax of 7,836 million tenge).

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As of June 30, 2026, the nominal value of these borrowings was 3,759 million US dollars (as at December 31, 2025: 4,510 million US dollars). The maturity of the hedging instruments ranges from 2 to 23 years. During the six months ended June 30, 2026, unrealised foreign currency gain of 118,131 million tenge resulting from translation of these borrowings was transferred to other comprehensive income and recognised in the currency translation reserve (during the six months ended June 30, 2025: gain of 26,264 million tenge).

16.6 Hedge reserve

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.

For the six months ended June 30, 2026, the effective part of 109,960 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value loss on cash flow hedging instruments (for the six months ended June 30, 2025: 2,899 million tenge as net fair value loss on cash flow hedging instruments). Hedge loss attributable to non-controlling interests comprised 35,825 million tenge (for the six months ended June 30, 2025: hedge loss of 945 million tenge). Realised losses on hedging instruments arising during the period, amounting to 61.046 million tenge (*Note 22*), were reclassified from other comprehensive loss to cost of sales (for the six months ended June 30, 2025: losses of 3.244 million tenge).

NC KTZh

During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss Francs. To confirm highly probable transactions, the Group relied on the existence of a history of cash flows from freight transit transportation in Swiss Francs, sufficient infrastructure, as well as a favorable geographical location for freight transit transportation. The Group has a monopoly in terms of access to the main railway network and dominates in freight transportation services.

The principal debt of the Group's loans of 1,070 million Swiss Francs, with fixed repayment schedules fully consistent with projected freight transit revenue flows in Swiss Francs, is a hedging instrument that is separately identifiable and reliably measurable. As at June 30, 2026, the carrying value of these loans amounted to 463,163 million tenge (as at December 31, 2025: 534,250 million tenge). The hedged items in this relationship is highly probable revenue from transit transportation of 1,070 million Swiss Francs for the period from November 21, 2024 to November 15, 2034, of which 139 million Swiss Francs is expected in 2026.

For the six months ended June 30, 2026, the effective portion of 34,970 million tenge was allocated to the hedge reserve in other comprehensive income as fair value gain arising on cash flow hedging instruments (for the six months ended June 30, 2025: 67,671 million tenge as fair value loss arising on cash flow hedging instruments). The deferred tax effect amounted to 6,994 million tenge (for the six months ended June 30, 2025: 13,534 million tenge).

For the six months ended June 30, 2026, the revenue from freight transportation in international (transit) route, which is the cash flow hedged item, was received, and respectively, the accumulated loss of 4,102 million tenge attributable to the hedging instrument was reclassified from other comprehensive loss to revenue from freight transportation (for the six months ended June 30, 2025: loss of 1,799 million tenge). The deferred tax effect amounted to 820 million tenge (for the six months ended June 30, 2025: 360 million tenge).

16. EQUITY (continued)

16.7 Book value and earnings per share

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.

In millions of tenge, unless otherwise stated	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Total assets	**46,665,321**	44,242,913
Less: intangible assets	**(2,326,069)**	(2,386,965)
Less: total liabilities	**(18,855,722)**	(17,062,631)
Net assets for common shares	**25,483,530**	24,793,317
Number of common shares	**3,481,970,842**	3,481,970,842
Book value per common share, tenge	**7,319**	7,120

In millions of tenge, unless otherwise stated	**For the six months ended June 30, 2026**	For the six months ended June 30, 2025 (restated)
Earnings per share		
Net profit for the period attributable to the Shareholder	**1,275,242**	1,080,189
Weighted average number of common shares for basic and diluted earnings per share	**3,481,970,842**	3,481,970,477
Basic and diluted share in net profit for the period, tenge	**366.24**	310.22

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

Basic earnings per share is calculated by dividing the profit or loss attributable to the Shareholder by the weighted average number of common shares during the period. The Group has no dilutive potential common shares, therefore, the diluted earnings per share equals the basic earnings per share.

17. BORROWINGS

Borrowings, including interest payable, comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	**Weighted average effective rate**	December 31, 2025 (audited)	Weighted average effective rate
Fixed interest rate borrowings	***5,372,165***		*4,677,099*	
Loans received	**950,511**	**11.60%**	797,713	12.82%
Debt securities issued	**4,421,654**	**4.98%**	3,879,386	6.86%
Floating interest rate borrowings	***3,572,609***		*3,410,022*	
Loans received	**3,488,803**	**5.95%**	3,272,722	6.17%
Debt securities issued	**83,806**	**16.42%**	137,300	13.85%
	8,944,774		8,087,121	
Less: amounts due for settlement within 12 months	**(1,404,808)**		(1,370,737)	
Amounts due for settlement after 12 months	**7,539,966**		6,716,384	

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
US dollar-denominated borrowings	**3,505,088**	3,105,350
Tenge-denominated borrowings	**2,424,726**	2,297,494
Chinese yuan-denominated borrowings	**1,217,280**	845,343
Swiss francs-denominated borrowings	**1,113,411**	1,126,780
Euro-denominated borrowings	**590,651**	610,493
Rubles-denominated borrowings	**83,996**	92,152
Other currency-denominated borrowings	**9,622**	9,509
	8,944,774	8,087,121

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. BORROWINGS (continued)

The bonds comprised:

In millions of tenge	Issuance amount	Redemption date	Effective interest rate	June 30, 2026 (unaudited)	December 31, 2025 (audited)
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	**588,803**	625,316
Bonds LSE 2018	1.25 billion USD	2030	5.375%	**584,876**	615,017
Bonds LSE 2017	1.25 billion USD	2047	5.75%	**460,844**	493,105
Bonds LSE 2020	750 million USD	2033	3.50%	**353,898**	375,973
Bonds VSE, AIX, LSE 2026	700 million USD	2036	5.96%	**331,592**	–
Bonds KASE 2025	210 billion KZT	2040	15.6%-17.7%	**312,319**	314,654
Bonds KASE 2019	300 billion KZT	2034	11.50%	**308,433**	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	**240,912**	252,946
Bonds LSE, AIX, KASE 2026	500 million USD	2031	4.93%	**240,637**	–
Bonds LSE, AIX, KASE 2026	500 million USD	2036	5.27%	**239,784**	–
Bonds CIBM 2026	3 billion CNY	2029	2.30%	**212,871**	–
Bonds LSE 2017	1 billion USD	2027	4.75%	**116,137**	121,973
Bonds AIX and HKEX 2025	1.25 billion CNY	2030	2.95%	**88,061**	89,798
Bonds KASE 2019	80 billion KZT	2026	11.86%	**84,600**	80,298
Bonds KASE 2024	100 billion KZT	2034	11.70%	**77,918**	77,072
Bonds KASE 2016	47.5 billion KZT	2031	Inflation rate + 2.9%	**48,079**	51,093
Bonds KASE 2019	40 billion KZT	2034	11.5%	**41,380**	41,380
Bonds ISE 2017	750 million USD	2027	4.60%	**–**	352,887
Bonds KASE 2016	50 billion KZT	2026	Inflation rate + 2.52%	**–**	53,886
Other	–	–	–	**174,316**	162,855
Total				**4,505,460**	4,016,686

LSE- London Stock Exchange;
ISE- Irish Stock Exchange;
AIX- Astana International Exchange;
HKEX - Hong Kong Exchanges and Clearing Limited;
CIBM – China Interbank Bond Market;
VSE – Vienna Stock Exchange.

Loans received

Information below describes the most relevant new borrowings made during the six months ended June 30, 2026.

During the six months ended June 30, 2026, the Group, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated December 13, 2024 to finance the acquisition of freight locomotives for a total amount of 770 million euros, borrowed 78 million euros (equivalent to 44,032 million tenge) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 0.8%. The principal amount is repaid semi-annually until full repayment in 2036.

On January 9, 2026, as part of the implementation of the project "Construction of a Bypass Railway Line around the Almaty Railway Junction", the Group entered into a term sheet and loan agreements with the Asian Infrastructure Investment Bank (hereinafter, "AIIB"), the International Finance Corporation (hereinafter, "IFC") and Standard Chartered Bank, with guarantee coverage provided by MIGA, for a total amount of 243 million Swiss francs. During the six months ended June 30, 2026, under these loan agreements, the Group received borrowings totalling 73 million Swiss francs (equivalent to 46,732 million tenge) bearing interest at 6-month SARON + 1.3% and 52 million Swiss francs (equivalent to 33,335 million tenge) bearing interest at 6-month SARON + 0.55%. Interest and principal are payable in semi-annual instalments until full repayment in 2035.

In June 2026, under a loan agreement with Standard Chartered Bank, with guarantee coverage provided by MIGA, entered into on May 15, 2026 to finance investment projects for a total amount of 156 million Swiss francs, the Group received borrowings totalling 156 million Swiss francs (equivalent to 96,613 million tenge). Interest on the loan is payable in semi-annual instalments at a rate of 6-month SARON + 0.6%. The principal is repayable in semi-annual instalments commencing in November 2027, with full repayment due in 2033.

17. BORROWINGS (continued)

Loans received (continued)

Under a loan agreement with the Export-Import Bank of China and China Development Bank, with guarantee coverage provided by China Export & Credit Insurance Corporation (Sinosure), entered into on February 7, 2025 to finance the acquisition of mainline and shunting locomotives for a total amount of 3,560 million yuans, the Group received borrowings of 1,424 million yuans (equivalent to 100,439 million tenge). Interest on the loan is payable in semi-annual instalments at a rate of 5-year Loan Prime Rate (LPR5Y) less 0.55%. The principal is repayable in semi-annual instalments commencing in 2028, with full repayment due in 2040.

The Group, as part of its loan agreement with Deutsche Bank Luxembourg S.A. and Banco Santander S.A. and under the guarantee issued by Export-Import Bank of the United States (US EXIM Bank), dated November 26, 2025 to finance the acquisition of freight locomotives for a total amount of 445 million US dollars in Swiss Francs equivalent, borrowed 92 million Swiss Francs (equivalent to 55,665 million tenge) (including the US EXIM Bank premium). The interest on the loan is paid quarterly at the interest rate of SARON O/N + 0.48%. The principal amount is repaid quarterly until full repayment in 2036.

The Group, under the credit facility agreement with Citibank dated April 4, 2024, made early repayment of borrowings in the amount of 88 million Swiss Francs (equivalent to 56,247 million tenge).

Under the agreement with ForteBank JSC for the provision of a credit facility, entered into on June 13, 2022, the Group received borrowings totalling 70,000 million tenge, bearing interest at rates ranging from 18.5% to 19.5%, with maturities of up to six months. The Group made partial repayments of the borrowings in the amount of 40,000 million tenge.

Covenants

The carrying value of the Group's non-current borrowings include borrowings amounting to 7,118,315 million tenge (as at December 31, 2025: 6,301,970 million tenge) that contain certain financial and non-financial covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than twelve months after the end of reporting period. According to credit documentation the next remeasurement date for the covenants is September 30, 2026.

Taking into account the waiver letters from HSBC Continental Europe and Eurasian Development Bank waiving compliance with the financial covenants as at June 30, 2026, the Group complied with all covenants that were required to be met on or before June 30, 2026. The Group reviews compliance with all the Group loan covenants at each reporting date. Covenants that are required to be complied with after June 30, 2026, do not affect the classification of these borrowings as at June 30, 2026.

HSBC Continental Europe

The terms of the loans obtained from HSBC Continental Europe require the Group's subsidiary, NC KTZh, acting as a guarantor, to comply with the financial covenants of Gearing Ratio and Concessional Debt to Net Debt, which are calculated based on the NC KTZh Group's semi-annual consolidated financial information. As at June 30, 2026, the Gearing Ratio was 1.18, compared to the maximum permitted level of 1.15.

The Concessional Debt to Net Debt ratio was in compliance with the requirements of the loan agreement and did not exceed the maximum permitted level of 50%. In June, 2026 the Group obtained a waiver letter from HSBC Continental Europe confirming the waiver of this covenant as at June 30, 2026. Under the terms of the waiver letter, the covenant breach is deemed to be remedied by November 30, 2026.

As the waiver letter expires within 12 months of the reporting date, as at June 30, 2026, the long-term portion of the loan amounting to 21,050 million tenge was classified as current liabilities in accordance with the requirements of IFRS (IAS) 1. The carrying amount of the loan as at June 30, 2026 was 30,990 million tenge (as at December 31, 2025: 40,909 million tenge).

Based on the Group management's forecasts, as at December 31, 2026, the above-mentioned covenant under the loan agreements with HSBC Continental Europe, Societe Generale and Natixis may be close to or may not comply with the specified threshold, while the remaining covenants are expected to be complied with. Accordingly, the Group plans to proactively approach the lenders to obtain the necessary waiver letters in the event of a potential breach of this covenant. Taking into consideration the waiver letter obtained from HSBC Continental Europe in respect of the covenant breach as at June 30, 2026, as well as the Group's ongoing engagement with the lenders, management considers it highly probable that similar waiver letters will be obtained.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. BORROWINGS (continued)

Covenants (continued)

Eurasian Development Bank

The Group's subsidiary is subject to certain covenants related primarily to its borrowings from Eurasian Development Bank. Non-compliance with such covenants may result in risk that these borrowings could become repayable on demand. The Group's subsidiary had not achieved the revenue target specified in the loan agreement with the Eurasian Development Bank. However, on May 28, 2026, the Eurasian Development Bank issued a letter of waiver regarding this non-compliance, pursuant to which Eurasian Development Bank waived its right to demand early redemption of the mentioned borrowings.

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

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
NC KTZh and its subsidiaries	**2,687,303**	2,210,856
NC KMG and its subsidiaries	**2,674,124**	2,803,307
The Fund	**1,588,763**	1,398,954
Samruk-Energy and its subsidiaries	**577,096**	465,217
QazaqGaz and its subsidiaries	**354,589**	362,676
CCGT Turkistan LLP	**333,696**	318,306
Kazakhtelecom and its subsidiaries	**228,843**	150,549
KEGOC and its subsidiaries	**215,192**	160,577
NAC KAP and its subsidiaries	**153,007**	104,035
EGRES-2	**81,182**	104,151
KT- Telecom LLP	**36,784**	–
Other subsidiaries of the Fund	**14,195**	8,493
Total borrowings	**8,944,774**	8,087,121

Changes in borrowings for the six months ended June 30 are as follows:

In millions of tenge	**2026**	2025
Balance as at January 1	**8,087,121**	6,668,168
Received by cash*	**1,917,019**	640,579
Interest expense	**198,758**	195,466
Discount	**(31,325)**	(502)
Interest capitalised *(Note 7)*	**78,779**	51,340
Interest paid	**(242,086)**	(215,564)
Repayment of principal*	**(1,024,903)**	(590,342)
Purchase of property plant and equipment financed by borrowings	**201,454**	73,825
Loss of control over subsidiaries (*Note 6*)	**(440)**	–
Amortisation of discount	**36,542**	12,750
Foreign currency translation	**(277,645)**	119,737
Derecognition of loan *(Note 26)*	**–**	(24,441)
Other	**1,500**	(5,306)
Balance as at June 30	**8,944,774**	6,925,710

* *The amounts are not reconciled to cash flows shown within financing activities of the interim condensed consolidated statement of cash flows, as do not contain the changes with respect to liabilities associated with assets classified as held for sale.*

18. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

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

In millions of tenge	Redemption date	Effective interest rate	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2034-2063	5.56%-17.75%	**1,097,737**	1,154,728
Loans from the Government of the Republic of Kazakhstan	2029-2055	5.96-12.35%	**48,458**	46,348
			1,146,195	1,201,076
Less: amounts due for settlement within 12 months			**(21,088)**	(115,690)
Amounts due for settlement after 12 months			**1,125,107**	1,085,386

Changes in loans from the Government of the Republic of Kazakhstan for the six months ended June 30 are represented as follows:

In millions of tenge	**2026**	2025
Balance as at January 1	**1,201,076**	1,087,072
Received by cash	**–**	138,927
Interest accrued	**37,385**	8,296
Interest capitalised (*Note 7*)	**1,322**	29,895
Discount (*Note 16.2*)	**(72,016)**	(30,965)
Interest paid	**(37,745)**	(26,296)
Repayment of principal	**(262)**	–
Amortisation of discount	**16,435**	11,892
Balance as at June 30	**1,146,195**	1,218,821

19. LEASE LIABILITIES

The future lease payments under leases together with the present value of the net lease payments comprised the following:

	Lease payments		**Present value of lease payments**	
In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Within one year	**129,393**	124,492	**109,109**	100,098
Two to five years inclusive	**416,999**	362,203	**228,658**	191,966
After five years	**611,998**	543,104	**223,261**	207,261
	1,158,390	1,029,799	**561,028**	499,325
Less: amounts representing finance costs	**(597,362)**	(530,473)	**–**	–
Present value of lease payments	**561,028**	499,326	**561,028**	499,325
Less: amounts due for settlement within 12 months			**(109,109)**	(100,098)
Amounts due for settlement after 12 months			**451,919**	**399,227**

As at June 30, 2026 interest calculation was based on effective interest rates ranging from 6.84% to 20.00% (as at December 31, 2025: from 7.08% to 22.00%).

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

In millions of tenge	**2026**	2025
Balance as at January 1	**499,325**	418,220
Lease additions (*Note 7*)	**66,754**	57,450
Repayment of principal	**(23,825)**	(26,696)
Interest accrued	**38,432**	28,953
Interest capitalised (*Note 7*)	**4**	9
Interest paid	**(17,812)**	(13,129)
Foreign currency translation	**(10,063)**	8,384
Lease agreement termination	**(1,424)**	(605)
Lease agreement modification (*Note 7*)	**10,300**	3,290
Other	**(663)**	861
Balance as at June 30	**561,028**	476,737

19. LEASE LIABILITIES (continued)

Finance lease agreements with Industrial Development Fund JSC

In 2024-2025 the Group, represented by its subsidiaries Passenger Transportation JSC and KTZ Express JSC, entered into agreements for the lease of passenger coaches and flatcars with Industrial Development Fund JSC at interest rate from 14.49% to 16% per annum, of which 7%-10% per annum are subsidised by the Government. The Group acts as a lessee.

During the six months ended June 30, 2026, within the framework of these agreements the Group received 58 passenger carriages and recognised right-of-use assets of 52,399 million tenge for 40 years and lease liability of 28,373 million tenge for 15 years.

During the six months ended June 30, 2026, within the framework of these agreements the Group received 573 flatcars and recognised right-of-use assets of 19,351 million tenge for 32 years and lease liability of 12,149 million tenge for 13-14 years.

The terms of the Group's lease agreements with Industrial Development Fund JSC require compliance with a financial covenant, the "Debt Service Coverage Ratio", calculated based on the annual consolidated financial data of NC KTZh Group, as well as certain restrictions relating to changes in legal status through voluntary liquidation, entering into a transaction or a series of transactions exceeding 10–25% of the carrying amount of assets, and subleasing the leased assets or any part thereof. In the event of default as defined in the lease agreements, the lessor has the right to repossess the leased assets without recourse to court proceedings. As at June 30, 2026 and December 31, 2025, the Group was in compliance with these requirements.

Lease agreements with Transtelecom JSC

During the six months ended June 30, 2026, the Group, represented by its subsidiary KTZ- Freight transportation LLP, under an agreement with its associate Transtelecom JSC for the lease of equipment for the Automated Energy Dispatching Traction Management System, recognised right-of-use assets and a lease liability amounting to 9,094 million tenge, with a lease term of 10 years.

20. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES

Trade and other accounts payable comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Trade accounts payable	**1,463,396**	1,080,781
Accounts payable for the supply of property, plant and equipment	**569,179**	611,815
Other accounts payable	**51,200**	39,436
	2,083,775	1,732,032

Trade accounts payable were expressed in the following currencies:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Tenge-denominated trade accounts payable	**749,368**	550,729
US dollar-denominated trade accounts payable	**584,188**	403,072
Romanian lei-denominated trade accounts payable	**80,236**	72,598
Other currency-denominated trade accounts payable	**49,604**	54,382
	1,463,396	1,080,781

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES (continued)

Other liabilities comprised the following:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Other financial liabilities		
Obligations to the Shareholder on financing of projects	**463,351**	267,261
Derivative financial instruments	**143,264**	92,558
Amounts due to customers	**128,476**	115,665
Dividends payable	**127,288**	258
Obligations under guarantee agreements	**86,275**	94,003
Payable under repo transactions	**60,179**	24,776
Security deposits for tenders and contract performance	**43,721**	38,306
Liabilities due under subsoil use agreements	**4,715**	6,000
Liabilities under financing arrangements	**–**	12,649
Other	**75,343**	71,745
	1,132,612	723,221
Less: current portion	**(1,056,878)**	(682,620)
Non-current portion	**75,734**	40,601
Other non-financial liabilities		
Other taxes payable	**381,912**	292,591
Contract liabilities to customers	**354,819**	405,065
Government grant liability	**284,788**	230,045
Pension and social contributions liabilities	**41,629**	42,919
Advances received and deferred income	**24,991**	17,266
Liabilities under insurance contracts (*Note 9*)	**11,841**	–
Liabilities under agency agreements	**11,629**	50,612
Liability to transfer assets to the Shareholder	**7,395**	4,261
Other	**9,026**	8,562
	1,128,030	1,051,321
Less: current portion	**(751,920)**	(744,325)
Non-current portion	**376,110**	306,996

Obligations to the Shareholder on financing of projects

During the six months ended June 30, 2026, based on the resolutions of the Shareholder, the Fund recognised liabilities on financing of various projects in the total amount of 392,322 million tenge (during the six months ended June 30, 2025: 169,758 million tenge, including obligations due to Public Foundation "Qazaqstan halqyna" of 74,760 million tenge).

Actual amount of cash paid during the six months ended June 30, 2026 totaled to 195,622 million tenge, including payments to the Public Foundation "Qazaqstan halqyna" of 20,000 million tenge (during the six months ended June 30, 2025: 58,387 million tenge, including payments to the Public Foundation "Qazaqstan halqyna" of 14,000 million tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. REVENUE

The revenue for the six months ended June 30 includes the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025*	**2026**	2025*
Revenue from contracts with customers:				
Sales of crude oil	**1,598,948**	1,120,255	**2,965,763**	2,363,241
Sales of oil refined products	**1,070,889**	826,591	**1,855,823**	1,543,555
Railway cargo transportation	**651,526**	573,133	**1,317,238**	1,125,712
Sales of refined gold	**503,910**	352,379	**1,070,244**	632,625
Sales of uranium products	**529,364**	408,416	**651,069**	594,198
Sales of gas products	**297,247**	260,489	**614,978**	544,638
Sales of electric and thermal energy	**139,138**	132,753	**324,013**	294,531
Oil and gas transportation fee	**158,427**	86,880	**287,285**	195,734
Telecommunication services	**133,320**	122,700	**261,799**	259,904
Electricity transmission services	**87,550**	68,392	**182,702**	136,397
Oil processing fees	**67,595**	59,502	**135,479**	124,395
Railway passenger transportation	**36,940**	34,189	**69,509**	62,692
Services for maintaining electric capacity availability	**18,837**	19,252	**39,175**	39,159
Sales of telecommunications equipment and mobile devices	**12,559**	9,553	**25,424**	19,118
Sales of beryllium and tantalum products	**13,748**	15,581	**24,933**	24,477
Postal services	**9,312**	10,259	**18,487**	19,547
Income from financial services and commissions	**4,276**	5,819	**8,865**	12,275
Air transportation	**–**	1,578	**–**	5,566
Other revenue	**184,788**	210,708	**339,543**	360,761
	5,518,374	4,318,429	**10,192,329**	8,358,525
Rental income	**20,274**	81,759	**39,626**	102,189
Interest revenue	**13,911**	9,606	**22,203**	18,974
	5,552,559	4,409,794	**10,254,158**	8,479,688
Timing of revenue recognition				
At a point in time	**4,050,329**	2,963,647	**7,164,323**	5,632,507
Over time	**1,468,045**	1,354,782	**3,028,006**	2,726,018
	5,518,374	4,318,429	**10,192,329**	8,358,525

** To improve the presentation of revenue, income from the sale of beryllium and tantalum products was presented separately, and the comparative amounts were regrouped accordingly.*

For the six months ended June 30, 2026, share of major customers of the Group, BGN INT DMCC for the sales of crude oil, gas and refined products, and the National Bank of RK for the sales of refined gold, comprise about 14% and 11%, respectively, of total revenues of the Group (for the six months ended June 30, 2025: major customers of the Group, BGN INT DMCC and VITOL S.A., for the sales of crude oil and refined products comprise up to 21% of total revenue of the Group).

22. COST OF SALES

The cost of goods sold and services rendered for the six months ended June 30 includes the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025	**2026**	2025
Materials and supplies	**2,660,365**	1,853,902	**4,919,643**	3,752,050
Personnel costs, including social tax and contributions	**557,703**	522,910	**1,130,219**	1,030,255
Depreciation, depletion and amortisation	**371,921**	319,919	**703,333**	626,077
Fuel and energy	**154,722**	141,388	**323,948**	283,388
Production services rendered	**89,709**	106,498	**165,954**	182,479
Repair and maintenance	**94,219**	89,752	**158,555**	161,966
Taxes other than social tax and contributions	**79,382**	63,461	**155,935**	124,330
Mineral extraction tax	**107,787**	47,374	**149,229**	83,550
Short-term leases	**65,055**	22,828	**101,714**	49,896
Transportation expenses	**46,184**	36,895	**87,161**	69,370
Interest expense	**32,241**	11,457	**73,474**	30,271
Realised losses from derivatives on petroleum products (*Note 16.6*)	**24,629**	2,120	**61,046**	3,244
Communication services	**12,264**	9,715	**23,365**	19,930
Security services	**11,092**	10,699	**21,289**	20,657
Other	**49,027**	96,320	**92,978**	182,176
	4,356,300	3,335,238	**8,167,843**	6,619,639

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the six months ended June 30 include the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025	**2026**	2025
Personnel costs, including social tax and contributions	**77,483**	73,126	**159,038**	146,200
Taxes other than social tax and contributions	**13,664**	9,439	**21,264**	17,088
Audit and consulting services	**10,896**	5,809	**17,744**	14,860
Other services by third parties	**7,263**	9,440	**15,759**	15,435
Depreciation and amortisation	**5,610**	5,747	**11,817**	11,929
Sponsorship and charity	**2,914**	3,719	**5,647**	3,719
Repair and maintenance	**2,840**	2,549	**5,161**	5,287
Business trips	**2,875**	2,740	**4,580**	4,524
Utilities expenses and maintenance of buildings	**2,110**	1,325	**3,926**	3,052
Short-term leases	**1,878**	1,577	**3,563**	3,126
Insurance	**1,344**	1,065	**2,277**	2,228
Professional education and advanced trainings	**1,226**	920	**1,669**	1,420
Transportation services	**688**	727	**1,369**	1,450
Communication services	**562**	540	**1,092**	1,155
Bank services	**498**	421	**983**	941
Other	**13,708**	20,294	**27,350**	29,738
	145,559	139,438	**283,239**	262,152

24. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses for the six months ended June 30 include the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025	**2026**	2025
Transportation	**130,188**	112,933	**260,014**	240,334
Rent tax	**54,250**	24,759	**83,270**	55,657
Custom duties	**33,291**	27,446	**53,635**	55,275
Personnel costs, including social tax and contributions	**7,690**	7,170	**15,569**	14,065
Depreciation and amortisation	**5,036**	5,195	**10,269**	10,392
Rent expenses	**2,587**	3,358	**6,443**	5,727
Commission fees to agents and advertising	**2,486**	2,623	**4,282**	4,779
Other	**15,154**	14,977	**29,258**	25,875
	250,682	198,461	**462,740**	412,104

25. FINANCE COSTS

Finance costs for the six months ended June 30 include the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025	**2026**	2025
Interest on loans and debt securities issued	**125,455**	102,855	**223,805**	202,904
Revaluation (loss)/gain on financial instruments at fair value through profit/loss	**(5,674)**	56,367	**40,075**	65,340
Interest on lease liabilities	**20,227**	15,147	**38,432**	29,149
Unwinding of discount on provisions and other payables	**11,899**	11,129	**24,114**	22,108
Other	**15,182**	7,541	**26,946**	15,278
	167,089	193,039	**353,372**	334,779

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. FINANCE INCOME

Finance income for the six months ended June 30 includes the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025	**2026**	2025
Interest income from amounts due from credit institutions and cash and cash equivalents	**114,974**	108,015	**225,321**	195,636
Interest income from loans and financial assets	**53,147**	39,134	**90,862**	70,258
Revaluation gain on financial assets at fair value through profit/loss	**32,915**	17,910	**35,743**	27,940
Income from financial guarantees	**8,333**	3,978	**14,907**	5,488
Discount on liabilities at below-market interest rates	**14,369**	502	**14,893**	502
Derecognition of loan (*Note 17*)	**–**	24,441	**–**	24,441
Other	**6,091**	5,437	**8,828**	10,727
	229,829	199,417	**390,554**	334,992

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

Share of profit/(loss) of joint ventures and associates for the six months ended June 30 includes the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025	**2026**	2025
Joint ventures				
Tengizchevroil LLP	**262,708**	69,094	**369,250**	160,192
Asia Gas Pipeline LLP	**84,400**	90,242	**131,117**	144,810
Mangistau Investments B.V. Group	**16,022**	15,350	**40,684**	35,220
KC Energy Group LLP	**13,623**	20,102	**28,312**	35,002
Beineu Shymkent Gas Pipeline LLP	**6,264**	6,093	**13,958**	15,774
KazGerMunay LLP	**6,617**	5,321	**11,267**	10,271
Kazakhstan − China Pipeline LLP	**3,762**	4,064	**7,929**	9,193
Ural Group Limited BVI	**4,261**	2,381	**7,722**	3,083
Ulba-FA LLP	**3,134**	–	**7,089**	–
Kazakhoil-Aktobe LLP	**2,092**	(1,040)	**4,144**	426
Kalamkas-Khazar Operating LLP	**(1,160)**	(2,037)	**(1,350)**	(2,891)
Other	**1,459**	20,062	**11,186**	31,400
	403,182	229,632	**631,308**	442,480
Associates				
Caspian Pipeline Consortium JSC	**26,973**	38,002	**50,662**	78,600
Kazzinc LLP	**28,977**	27,595	**45,738**	46,988
JV KATCO LLP	**44,270**	38,173	**41,982**	41,541
PetroKazakhstan Inc.	**6,233**	3,617	**8,544**	5,463
Air Astana	**79**	3,790	**(4,270)**	2,213
Other	**13,894**	23,422	**15,940**	20,648
	120,426	134,599	**158,596**	195,453
	523,608	364,231	**789,904**	637,933

28. INCOME TAX EXPENSES

Income tax expenses for the six months ended June 30 include the following:

	For the three months ended June 30		For the six months ended June 30	
In millions of tenge	**2026**	2025 (restated)	**2026**	2025 (restated)
Current income tax expense				
Corporate income tax ("CIT")	**209,940**	211,628	**362,278**	337,938
Withholding tax on dividends and interest income	**110,056**	42,582	**111,732**	66,600
Alternative mineral extraction tax	**34**	1,120	**(862)**	1,120
Excess profit tax	**554**	235	**556**	115
Deferred income tax expense/(benefit)				
Corporate income tax ("CIT")	**8,567**	(32,118)	**(4,941)**	(11,886)
Withholding tax on dividends and interest income	**(40,192)**	(29,590)	**(21,842)**	(34,322)
Alternative mineral extraction tax	**–**	4,060	**–**	4,060
Income tax expenses	**288,959**	197,917	**446,921**	363,625

For the purposes of the condensed interim consolidated financial statements, the Group estimates income tax expense based on the weighted average effective annual corporate income tax rate expected for the full financial year. The estimated average annual effective tax rate for the six months ended June 30, 2026 is 20% (the estimated tax rate for the six months ended June 30, 2025: 20%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. CONSOLIDATION

Subsidiaries of the Fund included in the interim condensed consolidated financial statements are presented as follows:

					Ownership percentage	
		Main activity	Segment	Country of incorporation	June 30, 2026 (unaudited)	December 31, 2025 (audited)
1	National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	Exploration, production, processing and transportation of oil and gas	Oil-and-gas	Kazakhstan	**67.42%**	67.42%
2	National Company "QazaqGaz" JSC and subsidiaries	Exploration, production, transportation, sale and storage of natural gas and gas condensate	Oil-and-gas	Kazakhstan	**100.00%**	100.00%
3	National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	Passenger and cargo transportation	Transportation	Kazakhstan	**100.00%**	100.00%
4	National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries	Production and mining of uranium, rare metals	Mining	Kazakhstan	**62.99%**	62.99%
5	Samruk-Energy JSC ("Samruk-Energy") and subsidiaries	Electricity and heat production	Energy	Kazakhstan	**100.00%**	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	Electricity transmission services	Energy	Kazakhstan	**85.00%**	85.00%
7	Kazpost JSC and subsidiaries	Postal and financial activities	Communication	Kazakhstan	**100.00%**	100.00%
8	Kazakhtelecom JSC ("KTC") and subsidiaries (*Note 16.3*)	Telecommunication services	Communication	Kazakhstan	**91.28%**	80.85%
9	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Other	Kazakhstan	**100.00%**	100.00%
10	National Mining Company "Tau-Ken Samruk" ("NMC TKS") and subsidiaries	Exploration, mining and processing of solid minerals	Mining	Kazakhstan	**100.00%**	100.00%
11	Samruk-Kazyna Ondeu LLP and subsidiaries	Development and implementation of projects in the chemical industry	Industrial	Kazakhstan	**100.00%**	100.00%
12	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Other	Kazakhstan	**100.00%**	100.00%
13	Samruk-Kazyna Contract LLP	Procurement activities	Other	Kazakhstan	**100.00%**	100.00%
14	Stantsiya Ekibastuzskaya GRES-2 JSC ("EGRES-2")	Power generation	Energy	Kazakhstan	**100.00%**	100.00%
15	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Other	Kazakhstan	**100.00%**	100.00%
16	CCGT Turkistan LLP	Transmission, distribution and sale of electricity	Energy	Kazakhstan	**100.00%**	100.00%
17	Center for Scientific and Technological Initiatives "Samgau" Foundation	Institutional service for innovative technologies, other research and experimental developments in the natural and technical sciences	Other	Kazakhstan	**100.00%**	100.00%
18	Kokshetauskaya TEC LLP	Electricity and heat production	Energy	Kazakhstan	**100.00%**	100.00%
19	Oskemen Energo LLP	Electricity and heat production	Energy	Kazakhstan	**100.00%**	100.00%
20	Semey Energo LLP	Electricity and heat production	Energy	Kazakhstan	**100.00%**	100.00%
21	Phystech II JSC*	Exploration, production, and sale of hydrocarbons	Oil-and-gas	Kazakhstan	**–**	100.00%
22	KT-Telecom LLP**	Telecommunication services	Communication	Kazakhstan	**100.00%**	100.00%

* *On May 29, 2026 the Fund disposed its 100% interest in Phystech II JSC to NC KMG.*

** *Starting from March 16, 2026 50% interests in KT-Telecom LLP are held by subsidiaries of the Group. At the Group level, KT-Telecom LLP is considered a subsidiary and is consolidated in the Group's interim condensed consolidated financial statements.*

30. 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. Transactions with other state-owned entities are not disclosed when they are conducted in the ordinary course of business in accordance with legal requirements and with terms consistently applied to all public and private entities. Related party transactions are mainly represented by certain regulated services, which are provided based on the applicable tariffs. Related party transactions were made on terms agreed to between the parties that are mostly at market rates, except for certain transactions disclosed in the relevant notes to the interim condensed consolidated financial statements. Transactions with the Shareholder are disclosed in *Note 16* to these interim condensed consolidated financial statements.

The following table provides the total amount of transactions, which have been entered into with related parties during the six months ended June 30, 2026 and 2025 and the related balances as at June 30, 2026, and December 31, 2025, respectively:

In millions of tenge		Associates	Joint ventures	Other state-controlled entities
	June 30, 2026	**26,253**	**63,899**	**172,051**
Trade and other accounts receivable	December 31, 2025	20,768	60,986	179,803
including allowances for ECL on trade and other accounts receivables	**June 30, 2026**	***(128)***	***(781)***	***(2,197)***
	December 31, 2025	*(415)*	*(601)*	*(2,912)*
	June 30, 2026	**204,122**	**380,376**	**36,080**
Trade and other payables	December 31, 2025	78,188	253,016	45,119
	June 30, 2026	**140,331**	**306,265**	**1,422,951**
Sale of goods and services	June 30, 2025	185,338	275,633	945,252
	June 30, 2026	**211,436**	**1,322,691**	**150,404**
Purchase of goods and services	June 30, 2025	181,979	1,368,364	111,208
	June 30, 2026	**157**	**(865)**	**(7,383)**
Other income/(loss), net	June 30, 2025	(413)	14,728	(35,346)
Cash and cash equivalents, and amounts due from credit institutions	**June 30, 2026**	**2**	**257**	**28,609**
	December 31, 2025	2	354	48,248
including allowances for ECL on cash and cash equivalents, and amounts due from credit institutions	**June 30, 2026**	**–**	**–**	***(1)***
	December 31, 2025	–	–	*(2)*
	June 30, 2026	**13,862**	**637,869**	**144,221**
Loans issued	December 31, 2025	13,499	165,169	144,248
including allowances for ECL on loans issued	**June 30, 2026**	***(748)***	***(1)***	***(1,944)***
	December 31, 2025	*(955)*	*(70)*	*(2,388)*
	June 30, 2026	**–**	**32,597**	**2,025,915**
Borrowings	December 31, 2025	–	15,153	1,983,015
	June 30, 2026	**147,632**	**33,186**	**596,633**
Other assets	December 31, 2025	4,238	30,144	513,356
including provision for impairment of other assets	**June 30, 2026**	**–**	**–**	***(335)***
	December 31, 2025	–	–	*(404)*
	June 30, 2026	**44,428**	**151,023**	**338,390**
Lease and other liabilities	December 31, 2025	33,379	140,148	273,364
	June 30, 2026	**474**	**10,546**	**37,768**
Interest accrued due from related parties	June 30, 2025	17	1,781	22,779
Interest accrued due to related parties	**June 30, 2026**	**2,508**	**3,933**	**121,989**
	June 30, 2025	2,364	5,237	47,781

As at June 30, 2026, some of the Group's borrowings of 4,388 million tenge were guaranteed by the Government of the RK (December 31, 2025: 5,195 million tenge).

As at June 30, 2026, the carrying amount of liabilities under financial guarantees issued to related parties to secure their financial obligations amounted to 76,989 million tenge (as at December 31, 2025: 82,977 million tenge).

For the six months ended June 30, 2026, the total compensation to key management personnel, including members of the Boards of Directors and Management boards of the Fund and its subsidiaries, recorded as part of general and administration expenses in the accompanying interim condensed consolidated statement of comprehensive income was equal to 4,894 million tenge (for the six months ended June 30, 2025: 5,412 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 (continued)

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values 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 following table presents information on the carrying amounts and fair values of certain financial instruments of the Group as at June 30, 2026 and December 31, 2025:

	June 30, 2026 (unaudited)					December 31, 2025 (audited)				
			Fair value by level of assessment					Fair value by level of assessment		
In millions of tenge	**Carrying amount**	**Fair value**	**Quotations in an active market (Level 1)**	**From the observed market (Level 2)**	**Based on the significant amount of unobserved (Level 3)**	**Carrying amount**	**Fair value**	**Quotations in an active market (Level 1)**	**From the observed market (Level 2)**	**Based on the significant amount of unob-served (Level 3)**
Financial assets										
Loans issued at fair value through profit and loss	**627,851**	**627,851**	**–**	**–**	**627,851**	155,490	155,490	–	2,050	153,440
Loans issued at amortised cost and net investment in finance lease	**217,926**	**224,786**	**–**	**142,923**	**81,863**	209,192	213,555	–	135,443	78,112
Financial investments in debt and equity instruments at fair value through profit and loss	**347,574**	**347,574**	**248,606**	**65,937**	**33,031**	250,534	250,534	186,798	30,642	33,094
Financial investments in debt and equity instruments at fair value through OCI	**379,184**	**379,184**	**158,060**	**221,051**	**73**	977,680	977,680	771,232	206,375	73
Financial investments in debt and equity instruments at amortised cost	**1,529,393**	**1,502,668**	**105,127**	**1,340,953**	**56,588**	958,742	981,326	152,741	756,175	72,410
Other financial assets at fair value through profit and loss	**223,215**	**223,215**	**–**	**41,371**	**181,844**	198,244	198,244	–	77	198,167
Financial liabilities										
Borrowings*	**9,156,305**	**9,071,820**	**3,690,887**	**4,983,410**	**397,523**	8,283,487	8,185,811	3,651,519	4,295,665	238,627
Loans from the Government of the Republic of Kazakhstan	**1,146,195**	**832,005**	**–**	**832,005**	**–**	1,201,076	832,005	–	832,005	–
Guarantee obligations	**86,275**	**80,570**	**–**	**66,508**	**14,062**	94,003	88,722	–	72,293	16,429

**The amounts in this line item include liabilities associated with assets classified as held for sale.*

The fair value of the above financial assets and liabilities measured at amortised cost has been calculated by discounting the expected future cash flows at prevailing interest rates.

For all other financial instruments, the carrying amount approximates their fair value.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	Valuation technique	Significant unobservable inputs	Range as of June 30, 2026 (unaudited)	Range as of December 31, 2025 (audited)
Loans issued at fair value through profit and loss	Discounted cash flow method	Discount rate and interest rate indexed to changes in the US dollar exchange rate	**SOFR+2.5%-15%**	SOFR+2.8%-15%
Loans issued at amortised cost and net investment in finance lease	Discounted cash flow method	Interest/ discount rate	**3.5%-30%**	3.5%-30%
Financial investments in debt and equity instruments at fair value through profit and loss	Discounted cash flow method	Interest/ discount rate	**11.3%-19.09%**	6.29%-22.85%
Financial investments in debt and equity instruments at amortised cost	Discounted cash flow method	Interest/ discount rate	**3.85%-18.07%**	3.85%-17%
Other financial assets at fair value through profit and loss	Discounted cash flow method	Discount rate	**6.29%-10%**	6.29%-10%
Borrowings	Discounted cash flow method	Interest/ discount rate	**3%-20%**	7.14%-20.80%
Financial guarantee issued	Discounted cash flow method	Discount rate	**5.8%-14.26%**	6.5%-13.77%

32. COMMITMENTS AND CONTINGENCIES

In addition to the contingent liabilities and commitments disclosed in the consolidated financial statements of the Group for the year ended December 31, 2025, the following changes have taken place during the six months ended June 30, 2026:

Sanctions

The Group, as a participant in joint projects with foreign partners, conducts a comprehensive assessment of the potential impact of external factors, including sanctions restrictions. This assessment takes into account legal, financial and technical aspects. At the same time, project implementation continues as prescribed in accordance with the current legislation of the RK and the contractual obligations of the parties. The Group continuously monitors new restrictive measures adopted by the US, EU and UK and assesses their potential impact on the Group's operations and the implementation of joint projects with Russian partners.

The Group has long-term agreements in place with PJSC Rosneft (hereinafter- Rosneft) for the transportation of Russian crude oil in transit through the territory of the RK to the People's Republic of China, including on behalf of Kazakhstan-China Pipeline LLP, as well as for related technological operations (oil substitution) associated with the loading of Pavlodar Petrochemical Plant LLP, as well as with PJSC Transneft (hereinafter referred to as "Transneft") for the transportation of Kazakh crude oil through the territory of the Russian Federation to Europe.

To ensure the continuity of the aforementioned operations, the Group has obtained the necessary authorisations from the relevant regulatory authorities. In particular, in March 2026, the Group obtained a determination from the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and a licence from the UK Treasury, permitting the continued performance of the respective contractual obligations with Rosneft until March 19, 2027 and the receipt of freight forwarding services from Transneft until March 19, 2028. Settlements in respect of these operations are conducted in accordance with applicable sanctions requirements.

Legal issues and claims

The Group is involved in various legal proceedings arising in the ordinary course of its business, including claims for compensation for property damage. The Group does not believe that any of the claims currently under consideration or potential claims, individually or in aggregate, could have a material adverse effect on its consolidated financial position, results of operations or cash flows.

In 2023, the Specialised Interdistrict Economic Court of Astana (the "SIEC") invalidated certain property sale and purchase agreements entered into in 2001 between the Group and FEC-Astana LLP, FEC-Batys LLP and FEC-Almaty LLP, and ordered the property to be returned to the Group.

In June 2026, the Fuel and Energy Complex – KAZAKHSTAN LLP filed a claim against the Group with the SIEC for 239 million tenge in respect of amounts paid under the above agreements, as well as 45,413 million tenge for reimbursement of costs incurred in respect of inseparable improvements to the relevant properties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. COMMITMENTS AND CONTINGENCIES (continued)

Legal issues and claims (continued)

The Group disputes these claims and considers that, as at June 30, 2026 an outflow of resources embodying economic benefits in connection with this claim is not highly probable. Accordingly, no provision has been recognised in these interim condensed consolidated financial statements.

Kazakhstan local market obligation

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

During the six months ended June 30, 2026 in accordance with its obligations, the Group delivered to the Kazakhstan market 3,773 thousand tons of crude oil for the total amount of 484,413 million tenge, including its share in the joint ventures and associates in the total volume of 1,310 thousand tons of 147,048 million tenge (for the six months ended June 30, 2025: 4,364 thousand tons of crude oil of 445,391 million tenge, including its share in the joint ventures and associates in the total volume of 1,466 thousand tons of 143,653 million tenge).

Liabilities on unconditional purchase of gas transportation services to the joint ventures

As at June 30, 2026, the Group has unconditional liability on purchase of gas transportation services to Asia Gas Pipeline LLP and Beineu Shymkent Gas Pipeline LLP in the total amount of 87,914 million tenge and 71,097 million tenge excluding VAT, respectively (as at December 31, 2025: 143,089 million tenge excluding VAT and nil tenge, respectively).

Capital commitments

As at June 30, 2026, the Group had capital commitments of approximately 7,014,537 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (as at December 31, 2025: 7,040,240 million tenge, excluding VAT), including capital commitments of joint ventures and associates in the amount of 770,819 million tenge, excluding VAT (as at December 31, 2025: 574,436 million tenge, excluding VAT). As at June 30, 2026, the contractual obligations of GPCI, classified as held for sale, for the acquisition of fixed assets and construction services amount to 136,546 million tenge excluding VAT (as at December 31, 2025: 97,263 million tenge, excluding VAT).

As at June 30, 2026, the Group had commitments in the total amount of 1,429,232 million tenge (as at December 31, 2025: 1,467,705 million tenge) under the investment programs approved by the joint order of the Ministry of Energy of the RK and CRNM to facilitate production units.

Liabilities under agreements for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

As of June 30, 2026, the Group had contractual obligations to provide a range of construction works and services in the amount of 41,387 million tenge (as at December 31, 2025: 136,780 million tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. SEGMENT REPORTING

For management purposes, the Group is organised into organisational business units based on their products and services, and has 8 (eight) reportable operating segments (*Note 1*).

Certain of operating segments have been formed by aggregation of smaller reportable segments in line with the organisational structure of the Group. Each reportable segment maintains its accounting records in line with IFRS accounting standards. Financial performance of each segment prepared in line with IFRS accounting standards is reported to the Management Board of the Fund for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Eliminations represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments 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.

Geographic information

The Group's property, plant and equipment *(Note 7)* are located in the following countries:

In millions of tenge	**June 30, 2026 (unaudited)**	December 31, 2025 (audited)
Kazakhstan	**19,654,360**	18,595,427
Other countries	**731,457**	778,064
	20,385,817	19,373,491

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at June 30, 2026 and for the six months then ended:

In millions of tenge	Oil-and-gas segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	6,120,509	1,788,781	1,419,227	313,354	554,772	30,697	21,812	5,006	–	10,254,158
Revenue from contracts with customers	*6,118,347*	*1,788,481*	*1,403,729*	*312,546*	*535,213*	*30,697*	–	*3,316*	–	*10,192,329*
Rental income	*2,162*	*300*	*15,498*	*808*	*19,559*	–	–	*1,299*	–	*39,626*
Interest revenue	–	–	–	–	–	–	*21,812*	*391*	–	*22,203*
Revenues from sales to other segments	168,069	13	17,809	3,196	98,306	9,259	681,304	11,845	(989,801)	–
Total revenue	6,288,578	1,788,794	1,437,036	316,550	653,078	39,956	703,116	16,851	(989,801)	10,254,158
Geographical markets										
Kazakhstan	1,517,856	1,107,155	1,191,574	305,203	601,257	25,877	681,304	15,161	(989,801)	4,455,586
United Arab Emirates	1,676,369	–	11,086	5	–	–	–	–	–	1,687,460
Romania	909,604	–	–	–	–	–	–	–	–	909,604
Switzerland	544,349	16,253	1	–	–	–	–	–	–	560,603
China	251,369	231,279	67,556	1,083	–	–	–	–	–	551,287
Germany	401,085	907	*1,559*	488						404,039
Netherlands	264,964	7,275	–	5	–	–	–	–	–	272,244
Other countries	720,820	425,625	149,762	8,958	32,262	14,079	–	–	–	1,351,506
Cost of sales	(5,116,082)	(1,498,630)	(1,036,554)	(281,222)	(425,804)	(31,743)	(89,114)	(11,225)	322,531	(8,167,843)
Gross profit	1,172,496	290,164	427,809	41,122	227,274	8,213	614,002	5,626	(667,270)	2,119,436
General and administrative expenses	(124,240)	(25,350)	(79,680)	(20,875)	(22,595)	(2,082)	(13,923)	(3,510)	9,016	(283,239)
Transportation and selling expenses	(440,423)	(14,874)	–	(4,577)	(8,427)	(3,043)	–	(35)	8,639	(462,740)
Finance income	144,982	36,900	22,585	34,941	19,307	6,581	81,164	78,716	(34,622)	390,554
Finance costs	(175,980)	(12,685)	(164,930)	(34,235)	(40,305)	(1,023)	(19,312)	(67,287)	162,385	(353,372)
Share in profits/(loss) of joint ventures and associates	682,105	107,468	(2,345)	(154)	103	193	2,534	–	–	789,904
Foreign exchange (loss)/gain, net	(73,743)	(17,308)	99,715	(9,145)	(1,514)	(860)	(47,603)	(9,585)	1,112	(58,931)
Depreciation, depletion and amortisation	(426,133)	(64,579)	(112,500)	(58,298)	(61,169)	(4,259)	(449)	(1,947)	1,826	(727,508)
(Impairment)/reversal of impairment of assets, net	(2,519)	695	(3,315)	(105)	(3,896)	(147)	(4,227)	–	–	(13,514)
Income tax (expenses)/benefit	(228,580)	(57,536)	(108,388)	(4,916)	(40,480)	(226)	(844)	(378)	(5,573)	(446,921)
Net profit/(loss) for the period from continuing operations	923,949	355,616	191,001	(365)	123,888	24,472	627,184	3,809	(519,992)	1,729,562
Net profit for the period from discontinued operations	9,203	–	–	–	–	–	–	–	–	9,203
Total net profit/(loss) for the period	933,152	355,616	191,001	(365)	123,888	24,472	627,184	3,809	(519,992)	1,738,765
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(17,695)	139	(638)	(3,472)	(6,277)	(41)	2,131	187	10,176	(15,490)
Capital expenditures	328,785	104,978	956,721	116,711	484,919	22,524	1,304	2,512	(9,096)	2,009,358
Investments in joint ventures and associates	5,910,408	880,278	62,981	4,784	18,445	–	267,666	65	–	7,144,627
Total assets of the segment	24,225,621	5,427,628	8,748,611	2,012,746	3,918,350	341,783	13,471,894	887,353	(12,368,665)	46,665,321
Total liabilities of the segment	8,387,400	1,427,105	6,150,587	1,247,311	2,227,145	70,136	4,710,775	440,089	(5,804,826)	18,855,722

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. 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, 2025 and assets and liabilities as at December 31, 2025:

In millions of tenge	Oil-and-gas segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	5,028,883	1,294,094	1,271,418	309,988	530,830	16,696	18,522	9,257	–	8,479,688
Revenue from contracts with customers	*5,025,156*	*1,293,866*	*1,246,022*	*309,988*	*459,863*	*16,696*	–	*6,934*	–	*8,358,525*
Rental income	*3,727*	*228*	*25,396*	–	*70,967*	–	–	*1,871*	–	*102,189*
Interest revenue	–	–	–	–	–	–	*18,522*	*452*	–	*18,974*
Revenues from sales to other segments	112,629	12	14,546	2,405	82,904	8,625	811,348	7,720	(1,040,189)	–
Total revenue	5,141,512	1,294,106	1,285,964	312,393	613,734	25,321	829,870	16,977	(1,040,189)	8,479,688
Geographical markets										
Kazakhstan	1,231,538	671,818	1,212,851	301,641	516,670	25,321	811,348	14,654	(1,040,189)	3,745,652
United Arab Emirates	1,135,605	–	313	4	–	–	–	–	–	1,135,922
Switzerland	814,436	–	–	–	–	–	–	–	–	814,436
Romania	643,824	–	–	–	–	–	–	–	–	643,824
China	292,059	314,016	16,144	1,341	–	–	–	–	–	623,560
Netherlands	344,999	20,528	–	3	–	–	–	–	–	365,530
Germany	294,953	1,999	3,088	317	1					300,358
Other countries	380,371	285,517	28,172	9,087	26,096	–	–	–	–	729,243
Cost of sales	(4,241,165)	(1,004,168)	(909,009)	(279,750)	(362,526)	(14,867)	(69,951)	(10,672)	272,469	(6,619,639)
Gross profit	900,347	289,938	399,099	42,376	251,208	10,454	759,919	6,305	(767,720)	1,891,926
General and administrative expenses	(119,187)	(22,767)	(64,161)	(22,224)	(23,007)	(1,748)	(11,031)	(3,266)	5,239	(262,152)
Transportation and selling expenses	(393,022)	(12,061)	(176)	(4,465)	(6,535)	(2,732)	–	(20)	6,907	(412,104)
Finance income	160,390	34,870	19,245	53,003	16,252	4,029	47,454	60,073	(60,324)	334,992
Finance costs	(183,017)	(12,008)	(148,076)	(23,326)	(34,742)	(1,140)	(15,142)	(36,608)	119,280	(334,779)
Share in profits/(loss) of joint ventures and associates	509,804	110,562	1,094	(158)	7,119	202	9,306	4	–	637,933
Foreign exchange (loss)/gain, net	(17,533)	(12,572)	(76,934)	(10,862)	252	(363)	(8,874)	(1,047)	5,341	(122,592)
Depreciation, depletion and amortisation	(392,828)	(50,130)	(96,700)	(55,606)	(51,549)	(3,310)	(214)	(1,986)	907	(651,416)
(Impairment)/reversal of impairment of assets, net	(72,431)	4,140	(6,685)	(678)	10	–	4,819	–	–	(70,825)
Income tax (expenses)/benefit	(176,997)	(59,389)	(36,758)	(42,153)	(46,737)	(731)	2,206	(3,822)	756	(363,625)
Net profit for the period from continuing operations	599,285	315,748	88,821	129,084	160,845	8,129	796,067	20,242	(691,152)	1,427,069
Net profit for the period from discontinued operations	520	–	–	–	–	–	–	–	–	520
Total net profit for the period	599,805	315,748	88,821	129,084	160,845	8,129	796,067	20,242	(691,152)	1,427,589
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(8,107)	(256)	(3,106)	(3,456)	(2,488)	203	5,704	(1,688)	3,060	(10,134)
Capital expenditures	369,353	68,484	399,519	91,156	171,762	2,756	24	363	(7,188)	1,096,229
Investments in joint ventures and associates	6,008,818	868,858	68,101	1,111	3,990	9,446	283,646	66	–	7,244,036
Total assets of the segment	23,545,927	4,994,137	7,598,187	1,767,149	3,386,188	275,193	11,893,852	1,629,226	(10,846,946)	44,242,913
Total liabilities of the segment	7,817,560	916,578	5,210,282	996,078	1,857,412	27,824	3,412,068	1,139,965	(4,315,136)	17,062,631

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. 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, 2026:

In millions of tenge	Oil-and-gas segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	3,330,628	1,067,896	705,400	158,883	250,423	23,067	13,732	2,530	–	5,552,559
Revenue from contracts with customers	*3,329,558*	*1,067,736*	*697,746*	*158,348*	*240,192*	*23,067*	–	*1,727*	–	*5,518,374*
Rental income	*1,070*	*160*	*7,654*	*535*	*10,231*	–	–	*624*	–	*20,274*
Interest revenue	–	–	–	–	–	–	*13,732*	*179*	–	*13,911*
Revenues from sales to other segments	90,567	8	7,245	1,893	44,675	4,463	576,786	7,302	(732,939)	–
Total revenue	3,421,195	1,067,904	712,645	160,776	295,098	27,530	590,518	9,832	(732,939)	5,552,559
Geographical markets										
Kazakhstan	723,810	521,315	501,776	155,041	270,193	13,451	576,786	9,029	(732,939)	2,038,462
United Arab Emirates	1,156,186	–	10,240	3	–	–	–	–	–	1,166,429
Romania	529,803	–	–	–	–	–	–	–	–	529,803
China	184,827	225,640	56,721	534	–	–	–	–	–	467,722
Switzerland	246,292	7,942	1	–	–	–	–	–	–	254,235
Germany	151,924	782	1,357	242	–	–	–	–	–	154,305
Netherlands	17,609	7,209	–	–	–	–	–	–	–	24,818
Other countries	409,674	304,856	134,896	4,421	14,674	14,079	–	–	–	882,600
Cost of sales	(2,764,401)	(831,472)	(515,415)	(140,516)	(198,297)	(22,568)	(38,136)	(6,263)	160,768	(4,356,300)
Gross profit	656,794	236,432	210,702	23,576	96,801	4,962	552,382	3,569	(572,171)	1,213,047
General and administrative expenses	(63,734)	(12,144)	(43,296)	(10,285)	(11,941)	(1,030)	(8,031)	(1,392)	6,294	(145,559)
Transportation and selling expenses	(234,755)	(11,753)	–	(2,634)	(3,587)	(1,721)	–	(31)	3,799	(250,682)
Finance income	76,412	19,375	14,592	16,614	10,323	3,655	50,408	59,299	(20,849)	229,829
Finance costs	(91,106)	(6,873)	(72,950)	(17,483)	(19,748)	(556)	(12,471)	(28,458)	82,556	(167,089)
Share in profits/(loss) of joint ventures and associates	431,930	90,203	(1,437)	(77)	170	193	2,626	–	–	523,608
Foreign exchange gain/(loss), net	742	2,698	(2,104)	(110)	(3,341)	140	(12,005)	(735)	134	(14,581)
Depreciation, depletion and amortisation	(212,190)	(51,612)	(57,662)	(29,285)	(30,647)	(2,107)	(240)	(990)	1,103	(383,630)
Reversal of impairment/(impairment) of assets, net	268	695	(3,050)	(51)	(3,903)	(147)	(4,227)	–	–	(10,415)
Income tax (expenses)/benefit	(147,984)	(54,122)	(60,126)	(3,091)	(16,263)	437	382	(7,837)	(355)	(288,959)
Net profit for the period from continuing operations	604,867	314,678	40,866	3,197	45,011	5,742	584,041	24,614	(497,569)	1,125,447
Net profit for the period from discontinued operations	16	–	–	–	–	–	–	–	–	16
Total net profit for the period	604,883	314,678	40,866	3,197	45,011	5,742	584,041	24,614	(497,569)	1,125,463

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. 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, 2025:

In millions of tenge	Oil-and-gas segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	2,493,711	799,379	663,663	147,782	284,132	7,063	9,392	4,672	–	4,409,794
Revenue from contracts with customers	*2,491,827*	*799,259*	*651,338*	*147,782*	*217,611*	*7,063*	–	*3,549*	–	*4,318,429*
Rental income	*1,884*	*120*	*12,325*	–	*66,521*	–	–	*909*	–	*81,759*
Interest revenue	–	–	–	–	–	–	*9,392*	*214*	–	*9,606*
Revenues from sales to other segments	59,296	7	6,520	1,155	36,287	5,703	747,636	3,989	(860,593)	–
Total revenue	2,553,007	799,386	670,183	148,937	320,419	12,766	757,028	8,661	(860,593)	4,409,794
Geographical markets										
Kazakhstan	589,920	373,827	632,576	143,332	241,040	12,766	747,636	7,538	(860,593)	1,888,042
United Arab Emirates	564,402	–	214	–	–	–	–	–	–	564,616
China	185,653	298,700	9,659	701	–	–	–	–	–	494,713
Switzerland	362,582	–	–	–	–	–	–	–	–	362,582
Romania	352,391	–	–	–	–	–	–	–	–	352,391
Germany	143,360	1,786	468	178	–	–	–	–	–	145,792
Netherlands	135,687	7,723	–	3	–	–	–	–	–	143,413
Other countries	217,128	117,230	14,941	4,723	12,858	–	–	–	–	366,880
Cost of sales	(2,050,141)	(585,662)	(465,952)	(142,319)	(180,505)	(7,688)	(37,269)	(5,643)	139,941	(3,335,238)
Gross profit	502,866	213,724	214,611	11,724	139,914	5,078	719,759	3,018	(720,652)	1,090,042
General and administrative expenses	(62,603)	(11,366)	(32,104)	(10,921)	(14,110)	(882)	(7,936)	(1,640)	2,124	(139,438)
Transportation and selling expenses	(190,061)	(4,805)	(49)	(2,288)	(2,824)	(1,527)	–	(6)	3,099	(198,461)
Finance income	99,339	17,820	1,636	33,163	8,670	2,181	26,322	51,131	(40,845)	199,417
Finance costs	(91,837)	(4,859)	(105,057)	(11,534)	(17,761)	(468)	(10,377)	(17,528)	66,382	(193,039)
Share in profits/(loss) of joint ventures and associates	259,956	87,326	(349)	(87)	1,049	108	16,225	3	–	364,231
Foreign exchange gain/(loss), net	28,354	10,725	(59,007)	9,531	156	1,427	17,453	2,673	(11,204)	108
Depreciation, depletion and amortisation	(195,081)	(36,839)	(47,607)	(27,956)	(24,945)	(1,664)	93	(975)	2,555	(332,419)
(Impairment)/reversal of impairment of assets, net	(45,041)	3,668	(6,476)	(431)	(16)	–	5,317	85	–	(42,894)
Income tax (expenses)/benefit	(97,320)	(51,043)	(6,695)	(14,792)	(27,301)	(731)	3,280	(4,239)	924	(197,917)
Net profit for the period from continuing operations	398,992	258,728	5,465	15,797	84,020	5,312	778,843	32,061	(693,018)	886,200
Net loss for the period from discontinued operations	(5,558)	–	–	–	–	–	–	–	–	(5,558)
Total net profit for the period	393,434	258,728	5,465	15,797	84,020	5,312	778,843	32,061	(693,018)	880,642

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. SUBSEQUENT EVENTS

Contributions to share capital

In August 2026, the Fund issued 31 shares with a nominal value of 22,507,389,000 tenge per share, which were paid by the sole Shareholder by the transfer of a 40% ownership interest in Eurasian Resources Group S.a.r.l., with a value of 697,729 million tenge. Based on the current contractual arrangements, the Group obtained joint control over the company. Accordingly, the investment is planned to be accounted for as a joint venture using the equity method. As at the date of preparation of these interim condensed consolidated financial statements, the Group has not completed the fair value assessment of the identifiable assets and liabilities of the joint venture. The fair value assessment will be completed within twelve months from the date on which the Group obtained joint control.

As the acquisition occurred after June 30, 2026, it has not been recognised in these interim condensed consolidated financial statements and did not affect the Group's financial position as at June 30, 2026 or its financial results and cash flows for the six months then ended.

Distributions to the Shareholder

In July 2026, in accordance with the decision of the sole Shareholder based on the results for 2025, the Fund recognised a liability due to Public Foundation "Qazaqstan halqyna" in the total amount of 62,179 million tenge.

During the period from July to August 2026, in accordance with the Shareholder's resolutions, the Fund recognised liabilities related to the financing of various social projects in the total amount of 17,294 million tenge.

Investments in joint ventures

In July and August 2026, the Group made capital contributions of 11,440 million tenge to the share capital of its joint venture, Aktas Energy LLP, as part of the implementation of the 1 GW wind power plant construction project in the Zhambyl Region.

During the period from July 1 to September 1, 2026, the Group made cash contributions to the charter capital of the joint venture, Silleno LLP, in the total amount of 22,193 million tenge.

As of August 20, 2026, the Group made contributions to the charter capital of the joint ventures Mangistau Power B.V. and Mangistau Renewables B.V. without changing its ownership interest, in a total amount of 28,109 million tenge.

Dividends from joint ventures and associates

In July 2026, the Group received dividends from its joint ventures, Tengizchevroil LLP in the amount of 442 million US dollars (equivalent to 206,852 million tenge) and Mangistau Investment B.V. in the amount of 16 million US dollars (equivalent to 7,396 million tenge), and from its associates, Caspian Pipeline Consortium, amounting to 86 million US dollars (equivalent to 40,518 million tenge), and Transtelecom JSC, amounting to 3,633 million tenge, respectively.

Dividends paid to holders of non-controlling interests

In July 2026, NAC KAP paid dividends to non-controlling interest holders, declared based on the results for 2025, amounting to 123,973 million tenge.

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Consolidated financial statements

For the year ended December 31, 2025
with independent auditor’s report

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Independent Auditor's Report

To the Shareholder, the Board of Directors and Management of Sovereign Wealth Fund Samruk-Kazyna JSC

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sovereign Wealth Fund Samruk-Kazyna JSC (the "Fund") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of the Law on Audit Activity that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan and the International Code of Ethics for Professional Accountants (including International

Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Republic of Kazakhstan and the IESBA Code.

Our audit approach

Overview



Overall Group materiality: Kazakhstani Tenge 200 billion, which represents 5% of profit before tax.

- We conducted audit work at the Fund and 14 subsidiaries in Kazakhstan.
- Our audit scope addressed 96% of the Group's assets, 99% of revenue and 99% of profit before tax.

- Impairment of long-term assets
- Provisions and contingent liabilities
- Compliance with debt covenants

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group **materiality**	Kazakhstani tenge 200 billion
How we determined it	Approximately 5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of the consolidated financial statements and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment of long-term assets Note 4 to the consolidated financial statements The Group holds significant balances of long-term assets, including property, plant and equipment, intangible assets, and exploration and evaluation assets. As at 31 December 2025, the Group assessed whether there were any indicators of impairment for these assets and, where such indicators were identified, performed impairment tests. In performing the impairment testing, management applied a discounted cash flow approach, which involves the use of forecasts and assumptions and is inherently subject to uncertainty. Key assumptions included discount rates, forecast prices for natural resources, tariffs, projected inflation rates and foreign exchange rates. Significant estimates included forecasts of extraction and production volumes, future capital and operating expenditures, and estimates of reserves available for development and extraction. We considered this area to be a key audit matter due to the significance of the corresponding balances, as well as the high degree of assumptions, significant judgements and estimates inherent in the impairment assessment.	Our audit procedures included: • We evaluated management's assessment of impairment indicators, including conclusions reached; • We involved our valuation experts to assist us in evaluating key management assumptions, including discount rates and inflation forecasts, as well as the valuation methodologies applied by management in the impairment models; • We assessed key assumptions used by management in impairment models and benchmarked them against available internal and external data, including forecast tariffs and prices, production and sales volumes, discount rates, and other industry-specific factors; • We checked the mathematical accuracy of impairment models and agreed key input data and assumptions to the latest approved budgets and business plans; • We evaluated sensitivity analyses around key assumptions to identify those assumptions that, individually or collectively, could lead to the recognition of impairment; • We assessed the adequacy and completeness of the related disclosures in the consolidated financial statements for compliance with the requirements of IFRS accounting standards.
Provisions and contingent liabilities	Our audit procedures included:

Notes 4 and 33 to the consolidated financial statements The Group assesses and recognises provisions and discloses information on contingent liabilities arising from inspections by governmental authorities, general litigation matters, and other relevant circumstances. Assessment of the necessity of obligation recognition, as well as the ability to reliably estimate the related amounts for recognition or disclosure purposes, requires the application of significant professional judgements. Assessment of the likely outcome of these matters and estimate of the potential impact in the event of an adverse outcome involve a high degree of uncertainty. The potential effect of such assessments on the consolidated financial statements could be material. We considered the assessment of provisions and contingent liabilities as a key audit matter due to their significance to the consolidated financial statements.	• We requested and obtained legal letters from the internal legal function and external legal advisers, analysed current and potential litigation and claims, discussed the relevant matters with management, and evaluated the appropriateness of their recognition and/or disclosure in the consolidated financial statements; • We reviewed relevant correspondence, as well as minutes of meetings and materials of management, of the Board of Directors, and of other governance bodies; • Where necessary, we involved our legal and tax specialists to assess legislative and regulatory requirements, as well as significant contractual terms, in order to evaluate potential risks and the likely outcomes of the respective matters; • Where necessary, we assessed the reasonableness of management's estimates underlying the amounts recognised as provisions in the consolidated financial statements; • We evaluated the adequacy and completeness of the related disclosures of provisions and contingent liabilities in the consolidated financial statements.
Compliance with loan covenants Note 16 to the consolidated financial statements In accordance with the terms of the loan and guarantee agreements, the Group is required to comply with certain financial and non-financial covenants. A breach of these covenants could result in significant fines and sanctions and may also give lenders the right to demand early repayment of the related loans. In addition, many of the Group's financing arrangements include cross-default clauses. We considered compliance with covenants as a key audit matter due to potential material impact of their non-compliance on the consolidated financial statements, as well as the necessity for comprehensive monitoring of loans and covenant compliance at the Group level.	Our audit procedures included: • We reviewed the terms and conditions of loan and guarantee agreements, including covenant compliance requirements and cross-default clauses; • We held discussions with Group management to obtain confirmation of compliance with covenant requirements throughout the reporting period, and to understand the processes in place for monitoring and controlling covenant compliance; • We reviewed relevant correspondence, as well as minutes of meetings and materials of management, of the Board of Directors, and of other governance bodies to identify indicators of potential non-compliance with covenant requirements, as well as approvals of significant transactions that could have affected covenant compliance; • We reviewed management's communications with lenders relating to covenant compliance as at 31 December 2025; • We reconciled the data used in the calculation of covenants to the underlying financial information and tested the mathematical accuracy of the covenant calculations;

	We evaluated the adequacy and completeness of the related disclosures in the consolidated financial statements for compliance with IFRS Accounting Standards.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's principal operating assets and subsidiaries are predominantly located in the Republic of Kazakhstan. The Group conducts its operations through subsidiaries, joint ventures and associates operating across various sectors of the economy.

The scope of the Group audit covered the audit of the financial information of the Fund and its subsidiaries. Audit procedures in respect of certain subsidiaries and other Group entities were performed by us and by other auditors.

The audit scope included the Fund and 14 subsidiaries, four of which were audited by PwC network firms. In order to achieve appropriate audit coverage of Group audit risks, our scope was based on the relative significance of the entities within the Group or specific identified risks.

The audit instructions for the components specified significant audit areas, materiality thresholds, risk classifications and specific procedural requirements. The Group audit team directed and supervised the work performed by the component auditors through a combination of inter-office and inter-firm reporting, regular communications on audit and accounting matters, periodic site visits, and reviews of selected component audit working papers.

Based on the audit procedures over components described above, together with additional procedures carried out at the Group level, we obtained sufficient and appropriate audit evidence in relation to the consolidated financial statements as a whole, which formed the basis for our audit opinion.

Other information

Management is responsible for the other information. The other information comprises the Annual report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of the auditor's report.

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Azamat Konratbayev.

On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Approved by:

Azamat Konratbayev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of Finance of the Republic of Kazakhstan License#0000005 dated 21 October 1999)

Auditor in charge
(Qualified Auditor's Certificate License#0000315 dated 28 December 2015)

Almaty, Kazakhstan

16 April 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

In millions of tenge	Note	2025	2024 (restated)*
Assets			
Non-current assets			
Property, plant and equipment	6	**19,373,491**	17,666,701
Intangible assets	7	**2,386,965**	2,499,627
Exploration and evaluation assets		**236,473**	236,999
Investments in joint ventures and associates	8	**7,244,036**	7,705,869
Amounts due from credit institutions	9	**28,680**	33,845
Loans issued and net investment in finance lease	10	**323,035**	228,134
Financial investments in debt and equity instruments	11	**887,041**	860,306
Other non-current financial assets	13	**422,889**	204,815
Other non-current assets	13	**2,258,789**	1,345,418
Deferred tax assets	28	**140,073**	121,591
		33,301,472	30,903,305
Current assets			
Inventories	12	**1,054,675**	1,030,875
VAT receivable		**564,430**	602,254
Income tax prepaid	28	**241,416**	248,726
Trade accounts receivable	13	**1,289,194**	1,449,705
Amounts due from credit institutions	9	**1,886,552**	1,523,660
Loans issued and net investment in finance lease	10	**41,647**	65,682
Financial investments in debt and equity instruments	11	**1,299,915**	520,886
Other current financial assets	13	**167,552**	183,391
Other current assets	13	**366,637**	535,950
Cash and cash equivalents	14	**3,604,029**	3,212,279
		10,516,047	9,373,408
Assets classified as held for sale or distribution to the Shareholder	5	**425,394**	835,891
		10,941,441	10,209,299
Total assets		**44,242,913**	41,112,604

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	Note	2025	2024 (restated)*
Equity and liabilities			
Equity attributable to the Shareholder			
Share capital	15.1	**5,797,566**	5,540,872
Additional paid-in capital	15.1	**-**	243,931
Currency translation reserve		**1,822,636**	2,047,629
Revaluation reserve of investments at fair value through other comprehensive income		**26,402**	32,209
Hedging reserve		**(44,306)**	(15,628)
Other capital reserves		**(17,003)**	(17,003)
Retained earnings		**13,362,381**	11,480,832
		20,947,676	19,312,842
Non-controlling interests	15.8	**6,232,606**	5,989,330
Total equity		**27,180,282**	25,302,172
Non-current liabilities			
Borrowings	16	**6,716,384**	5,831,896
Loans from the Government of the Republic of Kazakhstan	17	**1,085,386**	1,074,868
Provisions	18	**455,929**	486,205
Lease liabilities		**399,227**	326,589
Employee benefit liabilities		**131,738**	139,340
Other non-current financial liabilities	19	**40,601**	52,590
Other non-current liabilities	19	**306,996**	179,796
Deferred tax liabilities	28	**2,561,190**	2,567,696
		11,697,451	10,658,980
Current liabilities			
Borrowings	16	**1,370,737**	836,272
Loans from the Government of the Republic of Kazakhstan	17	**115,690**	12,204
Provisions	18	**90,004**	89,660
Income taxes payable	28	**31,118**	24,942
Trade and other payables	19	**1,732,032**	1,851,158
Lease liabilities		**100,098**	91,631
Employee benefit liabilities		**265,738**	241,086
Other current financial liabilities	19	**682,620**	562,203
Other current liabilities	19	**744,325**	1,098,356
		5,132,362	4,807,512
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	5	**232,818**	343,940
		5,365,180	5,151,452
Total liabilities		**17,062,631**	15,810,432
Total equity and liabilities		**44,242,913**	41,112,604

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2024 and reflect adjustments made, refer to Note 2.*

Managing Director for Economy and Finance
Member of the Management Board

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31

In millions of tenge	Note	2025	2024 (restated)*
Continuing operations			
Revenue	20	**18,771,506**	16,433,066
Government grants		**63,980**	57,477
		18,835,486	16,490,543
Cost of sales	21	**(14,583,136)**	(12,494,639)
Gross profit		**4,252,350**	3,995,904
General and administrative expenses	22	**(585,239)**	(567,403)
Transportation and selling expenses	23	**(869,132)**	(901,135)
Expected credit losses on financial assets, net		**(575)**	(9,880)
Impairment loss, net	24	**(140,246)**	(137,996)
Gain from remeasurement of the previously existing interest in joint venture	29	**–**	295,719
Gain from disposal of subsidiaries, net	5	**140,827**	141,792
Other operating income		**22,856**	26,424
Other operating loss		**(60,050)**	(16,646)
Operating profit		**2,760,791**	2,826,779
Finance costs	25	**(661,148)**	(574,418)
Finance income	26	**718,872**	605,581
Other non-operating loss		**(77,992)**	(64,922)
Other non-operating income		**77,720**	56,518
Share in profit of joint ventures and associates, net	27	**1,435,722**	1,148,846
Net foreign exchange (loss)/gain, net	2	**(196,852)**	240,193
Profit before income tax from continuing operations		**4,057,113**	4,238,577
Income tax expenses	28	**(848,487)**	(919,442)
Net profit for the year from continuing operations		**3,208,626**	3,319,135
Discontinued operations			
Income/(loss) from discontinued operations, net of income tax		**5,085**	(10,373)
Net profit for the year		**3,213,711**	3,308,762

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	2025	2024 (restated)*
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations	15.9	**(417,998)**	1,482,698
Gain/(loss) from hedge instruments for the net investment in the foreign operations	15.9	**93,515**	(363,581)
Unrealised loss from revaluation of debt investments at fair value through other comprehensive income		**(5,260)**	(3,936)
Share of the other comprehensive income of associates and joint ventures	8	**2,135**	11,459
Loss on transactions with hedge instruments	15.10	**(33,738)**	(17,783)
Net realised gain on debt instruments at fair value through other comprehensive income		**821**	392
Reclassification of loss on cash flow hedge instruments	15.10	**6,817**	3,130
Recycling of foreign currency translation reserve to gain on disposal of a subsidiary		**–**	(6,285)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods, net of tax		**(353,708)**	1,106,094
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Share of the other comprehensive (loss)/gain of associates and joint ventures	8	**(1,337)**	8
Actuarial gain on defined benefit plans		**7,871**	1,332
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**6,534**	1,340
Other comprehensive (loss)/income for the year, net of tax		**(347,174)**	1,107,434
Total comprehensive income for the year, net of tax		**2,866,537**	4,416,196
Net profit for the year attributable to:			
Shareholder		**2,341,491**	2,360,517
Non-controlling interests		**872,220**	948,245
		3,213,711	3,308,762
Total comprehensive income for the year, attributable to:			
Shareholder		**2,089,077**	3,126,218
Non-controlling interests		**777,460**	1,289,978
		2,866,537	4,416,196
Earnings/(loss) per share in net profit attributable to the Shareholder – tenge			
Basic and diluted earnings	15.11	**672.46**	677.93
Basic and diluted earnings, from continuing operations		**670.99**	680.91
Basic and diluted earnings/(loss), from discontinued operations		**1.47**	(2.98)

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2024 and reflect adjustments made, refer to Note 2.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31

		Attributable to the equity holder of the Parent									
In millions of tenge	Note	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	Non-controlling interests	Total
Balance as at December 31, 2023		5,492,783	–	36,091	1,270,562	(3,469)	(17,003)	10,351,317	17,130,281	4,609,251	21,739,532
Restatement	2	–	–	–	–	–	–	(290,555)	(290,555)	–	(290,555)
Balance as at December 31, 2023 (restated)*		5,492,783	–	36,091	1,270,562	(3,469)	(17,003)	10,060,762	16,839,726	4,609,251	21,448,977
Net profit for the year (restated)*	2	–	–	–	–	–	–	2,360,517	2,360,517	948,245	3,308,762
Other comprehensive (loss)/ income for the year		–	–	(3,555)	777,067	(12,159)	–	4,348	765,701	341,733	1,107,434
Total comprehensive (loss)/ income for the year (restated)*		–	–	(3,555)	777,067	(12,159)	–	2,364,865	3,126,218	1,289,978	4,416,196
Issue of shares	15.1	48,089	–	–	–	–	–	(342)	47,747	–	47,747
Assets received from the Shareholder	15.1	–	243,931	–	–	–	–	–	243,931	–	243,931
Distributions to the Shareholder, including:		–	–	–	–	–	–	(983,229)	(983,229)	–	(983,229)
Dividends		–	–	–	–	–	–	*(736,819)*	*(736,819)*	–	*(736,819)*
Distributions to the Public Foundation "Qazaqstan halqyna"	15.2	–	–	–	–	–	–	*(50,000)*	*(50,000)*	–	*(50,000)*
Other distributions to the Shareholder	15.3	–	–	–	–	–	–	*(196,410)*	*(196,410)*	–	*(196,410)*
Other transactions with the Shareholder		–	–	–	–	–	–	(292,582)	(292,582)	–	(292,582)
Transfer of assets to the Shareholder	15.4	–	–	–	–	–	–	(14,848)	(14,848)	–	(14,848)
Discount on loans from the Government	15.5	–	–	–	–	–	–	39,363	39,363	–	39,363
Dividends to non-controlling interests	15.6	–	–	–	–	–	–	–	–	(313,079)	(313,079)
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	15.7	–	–	(327)	–	–	–	298,726	298,399	169,024	467,423
Acquisition under common control	2	–	–	–	–	–	–	8,117	8,117	–	8,117
Acquisition of subsidiary	29	–	–	–	–	–	–	–	–	291,010	291,010
Disposal of subsidiaries		–	–	–	–	–	–	–	–	(48,475)	(48,475)
Other equity movements		–	–	–	–	–	–	–	–	(8,379)	(8,379)
Balance as at December 31, 2024 (restated)*		5,540,872	243,931	32,209	2,047,629	(15,628)	(17,003)	11,480,832	19,312,842	5,989,330	25,302,172

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

		Attributable to the equity holder of the Parent									
In millions of tenge	Note	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	Non-controlling interests	Total
Balance as at December 31, 2024		5,540,872	243,931	32,209	2,047,629	(15,628)	(17,003)	11,772,144	19,604,154	5,989,330	25,593,484
Restatement	2	–	–	–	–	–	–	(291,312)	(291,312)	–	(291,312)
Balance as at December 31, 2024 (restated)*		5,540,872	243,931	32,209	2,047,629	(15,628)	(17,003)	11,480,832	19,312,842	5,989,330	25,302,172
Net profit for the year		–	–	–	–	–	–	2,341,491	2,341,491	872,220	3,213,711
Other comprehensive (loss)/ income for the year		–	–	(5,807)	(224,993)	(28,678)	–	7,064	(252,414)	(94,760)	(347,174)
Total comprehensive (loss)/ income for the year		–	–	(5,807)	(224,993)	(28,678)	–	2,348,555	2,089,077	777,460	2,866,537
Issue of shares	15.1	256,694	(243,931)	–	–	–	–	(8,117)	4,646	–	4,646
Distributions to the Shareholder, including:		–	–	–	–	–	–	(452,606)	(452,606)	–	(452,606)
Distributions to the Public Foundation "Qazaqstan halqyna"	15.2	–	–	–	–	–	–	*(74,760)*	*(74,760)*	–	*(74,760)*
Other distributions to the Shareholder	15.3	–	–	–	–	–	–	*(377,846)*	*(377,846)*	–	*(377,846)*
Other transactions with the Shareholder		–	–	–	–	–	–	(48,676)	(48,676)	–	(48,676)
Transfer of assets to the Shareholder	15.4	–	–	–	–	–	–	(28,080)	(28,080)	–	(28,080)
Discount on loans from the Government	15.5	–	–	–	–	–	–	67,955	67,955	–	67,955
Dividends to non-controlling interests	15.6	–	–	–	–	–	–	–	–	(531,697)	(531,697)
Other equity movements		–	–	–	–	–	–	2,518	2,518	(2,487)	31
Balance as at December 31, 2025		5,797,566	–	26,402	1,822,636	(44,306)	(17,003)	13,362,381	20,947,676	6,232,606	27,180,282

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2024 and reflect adjustments made, refer to Note 3.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

In millions of tenge	Note	2025	2024 (restated)*
Cash flows from operating activities			
Receipts from customers		**21,282,713**	18,182,350
Payments to suppliers		**(12,511,105)**	(10,297,169)
Payments to employees		**(2,289,761)**	(2,027,800)
Other taxes and payments		**(2,907,035)**	(2,258,894)
(Decrease)/increase in deposits from customers		**(7,129)**	38,197
Proceeds from subsidised interest rates on financial liabilities		**–**	22,300
Short-term lease payments and variable lease payments		**(69,430)**	(125,634)
Cash received under agency agreements		**406,378**	839,833
Cash paid under agency agreements		**(587,033)**	(949,314)
Return of VAT from the budget		**215,168**	108,718
Contributions to social and health insurance funds		**(99,773)**	(76,890)
Sponsorship and charity		**(9,817)**	(30,633)
Other receipts		**133,511**	310,896
Other payments		**(240,761)**	(312,653)
Income taxes paid		**(794,415)**	(773,539)
Interest paid		**(563,761)**	(576,058)
Interest received		**545,480**	421,460
Net cash flows received from operating activities		**2,503,230**	2,495,150
Cash flows from investing activities			
Acquisition of property, plant and equipment, and exploration and evaluation assets and other non-current assets		**(3,101,508)**	(2,316,356)
Acquisition of intangible assets		**(38,689)**	(39,955)
Proceeds from sale of property, plant and equipment		**5,578**	7,646
Proceeds from sale of other non-current assets		**1,616**	3,512
Acquisition of subsidiaries, net of cash acquired		**(1,500)**	13,265
Proceeds from disposal of subsidiaries, net of cash of disposed subsidiaries	5	**317,504**	(62,743)
Placement of bank deposits		**(3,273,562)**	(2,367,629)
Redemption of bank deposits		**2,855,801**	2,308,465
Loans issued		**(66,834)**	(351,424)
Repayment of loans issued		**9,655**	52,225
(Acquisition)/proceeds from sale of joint ventures and associates, net		**(6,264)**	2,731
Additional contributions to share capital of joint ventures and associates without change in ownership	8	**(62,987)**	(75,610)
Dividends received from joint ventures and associates	8	**1,728,333**	1,448,438
Acquisition of notes of the National Bank of RK		**(2,789,515)**	(1,046,579)
Redemption of notes of the National Bank of RK		**2,716,135**	1,132,011
Purchase of government debt securities		**(2,592,994)**	(1,180,958)
Proceeds from sale/repayment by issuers of government debt securities		**1,917,118**	834,540
Acquisition of other equity and debt instruments		**(729,394)**	(455,530)
Proceeds from sale/repayment by issuers of other equity and debt instruments		**477,899**	794,001
Other receipts		**25,143**	22,375
Other payments		**(13,355)**	(7,876)
Net cash flows used in investing activities		**(2,621,820)**	(1,285,451)

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Note	2025	2024 (restated)*
Cash flows from financing activities			
Proceeds from borrowings	16,17	**2,847,469**	1,717,560
Repayment of borrowings	16	**(1,478,642)**	(1,787,650)
Repayment of lease liabilities		**(83,306)**	(77,092)
Dividends paid to the Shareholder		**-**	(736,819)
Distributions to the Public Foundation "Qazaqstan halqyna"	15.2	**(50,000)**	(45,964)
Other distributions to the Shareholder	15.3	**(128,493)**	(189,023)
Other transactions with the Shareholder		**(37,246)**	(81,737)
Dividends paid to non-controlling interests of subsidiaries	15.6	**(531,632)**	(313,311)
Disposal of interest that does not result in the loss of control	15.7	**-**	467,423
Receipts from repo transactions		**83,568**	37,687
Payments on repo transactions		**(86,894)**	(22,074)
Other receipts		**17,731**	-
Other payments		**(19,614)**	(21,183)
Net cash flows received/(used) in financing activities		**532,941**	(1,052,183)
Net increase in cash and cash equivalents		**414,351**	157,516
Effects of exchange rate changes on cash and cash equivalents		**(95,760)**	221,121
Changes in cash and cash equivalents disclosed as part of assets held for sale		**72,379**	94,003
Change in allowance for expected credit losses		**780**	(697)
Cash and cash equivalents at the beginning of the year		**3,212,279**	2,740,336
Cash and cash equivalents at the end of the year	14	**3,604,029**	3,212,279

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2024 and reflect adjustments made, refer to Note 2.*

During 2025, the Group acquired property, plant and equipment in the amount of 272,755 million tenge financed through borrowings, which were disbursed directly by the bank to the suppliers (in 2024: 67,738 million tenge).

For the year ended December 31, 2025, payables for the acquisition of property, plant and equipment increased by 291,738 million tenge (2024: decreased by 7,785 million tenge).

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 100 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 No. 669 dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan No. 962 dated October 17, 2008. The formation was enacted by the merger of "Sustainable Development Fund "Kazyna" JSC and "Kazakhstan Holding Company for State Assets Management "Samruk" JSC 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 (hereinafter − the "Shareholder" or the "Parent") and the ultimate controlling party of the Fund in accordance with IFRS accounting standards.

The Fund is a holding company combining companies listed in *Note 30* (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, modernisation 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 organised into organisational business units based on their products and services, and has 8 (eight) reportable operating segments as follows *(Note 34)*:

- Oil-and-gas 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 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 centralised 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 activities supporting government initiatives to enhance housing availability for the general public through investments in residential construction, together with other operations.

The address of the Fund's registered office is 17/10 Syganak str., Astana, the Republic of Kazakhstan (hereinafter- "RK").

These consolidated financial statements were authorised for issue by the Managing Director for Economy and Finance − Member of the Management Board and Chief accountant of the Fund on April 16, 2026 and preliminary approved by the Audit Committee of the Board of Directors of the Fund. These consolidated financial statements should be further approved by the Board of Directors and the Shareholder.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements.

These consolidated financial statements are presented in Kazakhstan tenge ("tenge") and all monetary amounts are rounded to the nearest million tenge except when otherwise indicated.

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standard Board ("IASB").

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

The Group has prepared these consolidated financial statements on a going concern basis. Management considers that no material uncertainties exist that may cast significant doubt over this assumption. Based on this judgement, the Group is expected to have sufficient resources to continue its operating activities for the foreseeable future and for a period at least 12 months from the end of the reporting period.

Restatement affecting comparative information

Changes in the presentation of the consolidated statement of financial position

For the purpose of improving the presentation of the financial statements, the Group made certain reclassifications in the consolidated statement of financial position as at December 31, 2024. Investment property was reclassified and combined with other non-current assets, and amounts due to employees were combined with employee benefit liabilities. In addition, financial investments in debt and equity securities were presented separately from other financial assets in accordance with paragraph 59 of IAS 1.

Change in accounting for deferred tax liabilities

During 2025, the Group changed its accounting policy with respect to the recognition of deferred tax liabilities arising from loans received from the Shareholder. In prior periods, the Group did not recognise deferred tax liabilities in respect of the discount representing the difference between the nominal value of the loan and its fair value, which was recognised in the consolidated statement of changes in equity.

The initial recognition of loans at fair value and the subsequent amortisation of the discount do not give rise to taxable income and, will not be deductible for tax purposes in subsequent periods in accordance with the Tax Code of the RK.

In accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting policy has been applied retrospectively, and comparative information has been restated accordingly.

Acquisition of subsidiaries from parties under common control

On January 9, 2025, the Fund issued 1,000 shares at par value of 8,116,947 tenge for the total amount of 8,117 million tenge, that is equal to their fair value, which were paid off by the Shareholder by means of 100% shares of Phystech II JSC (*Note 15.1*).

The acquisition of Phystech II JSC (hereinafter- Phystech II) was accounted for as the acquisition of a business from parties under common control. Accordingly, these consolidated financial statements were presented as if the shares of Phystech II were transferred at the beginning of the earliest presented period. As a result, relevant comparative information was restated, with respective increase in the retained earnings.

The business of Phystech II is presented in the Group's *Oil-and-Gas* segment in these consolidated financial statements.

2. BASIS OF PREPARATION (continued)

Restatement affecting comparative information (continued)

Effect of restatement on the consolidated statement of financial position as at December 31, 2024:

In millions of tenge	December 31, 2024 (before restatement)	Reclassifi-cations	Recognition of deferred tax liabilities	Acquisition of Phystech II	December 31, 2024 (restated)
Assets					
Non-current assets					
Property, plant and equipment	17,657,438	–	–	9,263	17,666,701
Intangible assets	2,499,343	–	–	284	2,499,627
Investment property	26,320	(26,320)	–	–	–
Investments in joint ventures and associates	7,705,833	–	–	36	7,705,869
Financial investments in debt and equity instruments	–	860,306	–	–	860,306
Other non-current financial assets	1,064,864	(860,306)	–	257	204,815
Other non-current assets	1,317,851	26,320	–	1,247	1,345,418
	30,892,218	–	–	**11,087**	**30,903,305**
Current assets					
Inventories	1,029,992	–	–	883	1,030,875
VAT receivable	602,083	–	–	171	602,254
Income tax prepaid	248,343	–	–	383	248,726
Trade accounts receivable	1,449,604	–	–	101	1,449,705
Financial investments in debt and equity instruments	–	520,886	–	–	520,886
Other current financial assets	704,277	(520,886)	–	–	183,391
Other current assets	535,664	–	–	286	535,950
Cash and cash equivalents	3,212,242	–	–	37	3,212,279
	10,207,438	**–**	**–**	**1,861**	**10,209,299**
Total assets	**41,099,656**	**–**	**–**	**12,948**	**41,112,604**
Equity					
Retained earnings	11,772,144	–	(299,429)	8,117	11,480,832
Total equity	**25,593,484**	**–**	**(299,429)**	**8,117**	**25,302,172**
Non-current liabilities					
Provisions	482,604	–	–	3,601	486,205
Deferred tax liabilities	2,267,777	–	299,429	490	2,567,696
	10,355,460	**–**	**299,429**	**4,091**	**10,658,980**
Current liabilities					
Trade and other payables	1,850,910	–	–	248	1,851,158
Employee benefit liabilities	16,400	224,648	–	38	241,086
Other current financial liabilities	786,833	(224,648)	–	18	562,203
Other current liabilities	1,097,920	–	–	436	1,098,356
	5,150,712	**–**	**–**	**740**	**5,151,452**
Total liabilities	**15,506,172**	**–**	**299,429**	**4,831**	**15,810,432**
Total equity and liabilities	**41,099,656**	**–**	**–**	**12,948**	**41,112,604**

During 2024, the Group recognised a deferred tax liability on the discount related to loans received from the Shareholder in retained earnings in the consolidated statement of changes in equity in the amount of 14,994 million tenge.

2. BASIS OF PREPARATION (continued)

Restatement affecting comparative information (continued)

Effect of restatement on the consolidated statement of financial position as at December 31, 2023:

In millions of tenge	December 31, 2023 (before restatement)	Reclassifi-cations	Recognition of deferred tax liabilities	December 31, 2023 (restated)
Assets				
Non-current assets				
Investment property	33,273	(33,273)	–	–
Financial investments in debt and equity instruments	–	427,906	–	427,906
Other non-current financial assets	594,194	(427,906)	–	166,288
Other non-current assets	1,220,514	33,273	–	1,253,787
	26,665,328	**–**	**–**	**26,665,328**
Current assets				
Financial investments in debt and equity instruments	–	907,551	–	907,551
Other current financial assets	1,134,317	(907,551)	–	226,766
	10,259,406	**–**	**–**	**10,259,406**
Total assets	**36,924,734**	**–**	**–**	**36,924,734**
Equity				
Retained earnings	10,351,317	–	(290,555)	10,060,762
Total equity	**21,739,532**	**–**	**(290,555)**	**21,448,977**
Non-current liabilities				
Deferred tax liabilities	1,756,505	–	290,555	2,047,060
	9,117,051	**–**	**290,555**	**9,407,606**
Current liabilities				
Employee benefit liabilities	15,451	206,613	–	222,064
Other current financial liabilities	533,042	(206,613)	–	326,429
	6,068,151	**–**	**–**	**6,068,151**
Total liabilities	**15,185,202**	**–**	**290,555**	**15,475,757**
Total equity and liabilities	**36,924,734**	**–**	**–**	**36,924,734**

Effect of restatement on the consolidated statement of total comprehensive income for the year ended December 31, 2024:

In millions of tenge	2024 (before restatement)	Impact of deferred tax liabilities	2024 (restated)
Income tax expenses	(925,562)	6,120	(919,442)
Net profit for the period from continuing operations	**3,313,015**	**6,120**	**3,319,135**
Net profit for the period	**3,302,642**	**6,120**	**3,308,762**
Net profit for the period attributable to:			
Shareholder	2,354,397	6,120	2,360,517
Non-controlling interests	948,245	–	948,245
	3,302,642	**6,120**	**3,308,762**
Total comprehensive income for the period, net of tax, attributable to:			
Shareholder	3,120,098	6,120	3,126,218
Non-controlling interests	1,289,978	–	1,289,978
	4,410,076	**6,120**	**4,416,196**

The above restatement had no impact on the consolidated statement of cash flows for the year ended December 31, 2024.

2. BASIS OF PREPARATION (continued)

Foreign currency translation

Functional and presentation currency

The items included in these consolidated financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates ("the functional currency"). The 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 recognised 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 the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income 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 recognised as a separate component of other comprehensive income.

Exchange rates

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

The following table presents currency exchange rates to tenge:

	December 31, 2025	December 31, 2024	**Weighted average for 2025**	Weighted average for 2024	**April 16, 2026**
United States dollar ("USD")	**505.53**	525.11	**521.31**	469.31	**471.46**
Euro ("EUR")	**593.44**	546.74	**589.51**	507.63	**555.38**
Russian ruble ("RUR")	**6.34**	4.88	**6.27**	5.07	**6.18**

For the year ended December 31, 2025, the Group had foreign exchange loss of 15,060,434 million tenge (for the year ended December 31, 2024: 8,922,454 million tenge) and foreign exchange gain of 14,863,582 million tenge (for the year ended December 31, 2024: 9,162,647 million tenge), due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Changes in accounting policies and disclosures

New and amended standards and interpretations

The accounting policies adopted in the preparation of the 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, 2024, except for the adoption of new standards and interpretations effective as of January 1, 2025.

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

Several new standards and interpretations have been published, which are mandatory for periods beginning on or after January 1, 2025.

- Amendments to IAS 21 *Lack of Exchangeability* (Issued on August 15, 2023 and effective for annual periods beginning on or after January 1, 2025).

The adoption of new standards and interpretations effective as of January 1, 2025 has no material impact on the Group.

Standards issued but not yet effective

There are new pronouncements issued as at December 31, 2025:

- IFRS 14, *Regulatory Deferral Accounts* (issued on January 30, 2014, and effective for annual periods beginning on or after January 1, 2026);
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on April 9, 2024, and effective for annual periods beginning on or after January 1, 2027);
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on May 9, 2024, and effective for annual periods beginning on or after January 1, 2027);
- Amendments to IFRS (IFRS) 19 (issued on August 21, 2025, and effective for annual periods beginning on or after January 1, 2027);
- Annual Improvements to IFRS Accounting Standards (issued in July 2024 and effective from January 1, 2026);
- *Amendments to the Classification and Measurement of Financial Instruments* – Amendments to IFRS 9 and IFRS 7 (issued on May 30, 2024, and effective for annual periods beginning on or after January 1, 2026);
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* – Amendments to IFRS 10 and IAS 28 (issued on September 11, 2014, and effective for annual periods beginning on a date to be determined by the IASB);
- *Contracts Referencing Nature-dependent Electricity* – Amendments to IFRS 9 and IFRS 7 (issued on December 18, 2024, and effective from January 1, 2026);
- Amendments to IAS 21 – *Translation to a Hyperinflationary Presentation Currency* (issued on November 13, 2025, and effective from January 1, 2027).

The amendments are not expected to have a material impact on the Group's consolidated financial statements, except for IFRS 18 *Presentation and Disclosure in Financial Statements*. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified as a result of IFRS 18 adoption: foreign exchange differences currently aggregated in the line *Net foreign exchange (loss)/gain* need to be disaggregated with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the consolidated statement of financial position.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

3. MATERIAL ACCOUNTING POLICY INFROMATION (continued)

Standards issued but not yet effective (continued)

In addition, there is a requirement for new disclosures: management-defined performance measures and for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

Basis of consolidation

These consolidated financial statements comprise the financial statements of the Fund and its controlled subsidiaries *(Note 30)*.

Subsidiaries

Subsidiaries are the entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Except for acquisition in transactions between entities under common control, subsidiaries are consolidated from the date when control is obtained by the Group and are de-consolidated from the date when control ceases. At the acquisition of the subsidiary, acquisition cost is distributed between assets and liabilities based on their fair value as at the date of acquisition. Financial statements of the subsidiaries are prepared for the same reporting period as those of the Fund, using consistent accounting policies.

All intra-group balances and transactions, including unrealised gains resulting from intra-group transactions are eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains, except that they are eliminated to the extent that there is no evidence of impairment.

Non-controlling interests represents a portion of equity in subsidiaries, which is not owned by the Group, and is recorded separately in equity in the consolidated statement of financial position separately from the equity attributable to the Parent. Losses within a subsidiary are attributed to the non-controlling interests even if that results in its deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

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

Business combinations

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

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

If the business combination is achieved in stages, equity interest previously held by the Group in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

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

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

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

Acquisition of subsidiaries from parties under common control

Acquisition of subsidiaries from parties under common control (entities under the Government's control) is accounted for using the predecessor accounting method.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Change in ownership interests in subsidiaries

In transactions where part of the interest in existing subsidiary is either sold or acquired, but control is retained, the differences between the carrying amounts of net assets attributable to interests in subsidiaries acquired or disposed and the consideration given or received for such increases or decreases are charged or credited to retained earnings.

Acquisition of joint ventures and associates from parties under common control

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

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

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognises assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share of the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; expenses, including its share of any expenses incurred jointly.

Investment in joint ventures and associates

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration, evaluation and development expenditure

Costs incurred before obtaining subsoil use rights (licenses)

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

Expenditures for acquisition of subsurface use rights

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

Exploration and evaluation expenditures (construction in progress)

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

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

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

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

Development and production expenditures (oil and gas and mining assets)

Development and production expenditures comprise previously capitalised (and reclassified in commencement of production) expenditures for acquisition of subsurface use rights and exploration and evaluation costs, drilling of producing wells regardless of the drilling results; construction of landfills; development of surface technological facilities required for production, collection and preparation of hydrocarbons and mineral resources at fields, other costs incurred in the process of organisation of commercial production at fields, capitalised discounted costs for wells and mines abandonment and site restoration. Development and production expenditures are capitalised within property, plant and equipment (oil and gas and mining assets), and are accounted for on a field-by-field basis.

Oil and gas assets are depreciated using a unit-of-production method, whereas tangible assets are depreciated over proved developed reserves and intangible assets − over proved reserves. Certain oil and gas and mining assets (surface facilities and equipment) with useful lives significantly differing from those of the fields are depreciated on a straight-line basis over their useful lives. The cost of acquisition of subsurface use rights including discounted decommissioning costs are depreciated over total proved reserves. The other field development costs are amortised over proved developed reserves.

Property, plant and equipment (other than oil and gas and mining assets)

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment (other than oil and gas and mining assets) (continued)

Subsequently, property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Property, plant and equipment, other than oil and gas and mining assets, principally comprise the following classes of assets, which are depreciated on a straight-line basis over the expected useful lives:

Refinery assets	4-100 years
Pipelines	2-30 years
Buildings and premises	2-100 years
Railway tracks and infrastructure	10-80 years
Machinery, equipment and vehicles	2-50 years
Other	2-20 years

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

In cases when items of property, plant and equipment are subject to major inspection, the cost is recognised in the carrying amount of property, plant and equipment as a replacement of component if the recognition criteria set out in IAS 16 are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period the asset is derecognised.

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with the finite useful life principally comprise the following classes of assets which are amortised on a straight-line basis over the expected useful lives:

Licenses	3-20 years
Software	1-14 years
Other	2-15 years

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas development tangible or intangible assets or whenever facts and circumstances indicate impairment. One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment (the list is not exhaustive):

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

The Group's financial assets at amortised cost include trade and other receivables, loans due from third and related parties, debt securities of third and related parties and bank deposits. Also, the Group includes in its financial assets measured at amortised cost notes of the National Bank of the RK with a maturity of up to 3 months due to the fact that these investments are part of the Group's investment activities and not part of cash management.

The Group's financial assets at FVOCI include mainly debt securities of third and related parties.

The Group's financial assets at FVPL include mainly loans issued and equity securities of third and related parties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

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

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

Interest and finance income and expenses

Interest income and expenses on financial instruments, issued and received in the framework of achieving the goal, fulfilling the tasks and carrying out the core activities of the Group is disclosed as interest income and expense. All other interest income and expense not related to the core activities of the Group are disclosed in finance income and expenses. Finance income includes interest on cash and cash equivalents, amounts due from credit institutions, loans issued, financial guarantees and other financial assets and liabilities. Finance expenses include amortisation of discount on borrowings, costs associated with attracting and servicing borrowed funds internally and externally, including interest expenses and other similar expenses.

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments held at FVOCI, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Hedge accounting

The Group designates certain hedging instruments in respect of foreign currency risk, as either hedges of net investments in foreign operations or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values of foreign operations or cash flows of the hedged item attributable to the hedged risk.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued:

- When the Group revokes the hedging relationship;
- When the hedging instrument expires or is sold, terminated, or exercised; or
- When it no longer qualifies for hedge accounting.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Investments in foreign operations hedge

Foreign currency gain or loss arising on items that are designated as part of the hedge of the Group's net investment in foreign operations are recognised in consolidated statement of comprehensive income within currency translation reserve.

Cash flow hedges

Foreign currency gain or loss arising from financial instruments that are designated and qualify as cash flow hedges is recognised in consolidated statement of comprehensive income within hedge reserve.

Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Costs comprise charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to sell. The same cost formula is used for all inventories having a similar nature and use. Inventories of oil and gas and energy operating segments are valued on a first-in first-out ("FIFO") basis. All other inventories are valued on the weighted-average cost basis.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, short-term and highly liquid investments with original maturity of not more than 3 (three) months readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities (continued)

Subsequent measurement

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

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate (EIR).

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contracts after initial recognition at the higher of the amount initially recognised less, when appropriate, the cumulative amount of income/amortisation in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers* and the amount of the estimated allowance for expected credit losses.

Leases

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

The Group as lessee

Lease liabilities

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

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as lessee (continued)

Right-of-use assets

At the commencement date, the Group measures the right-of-use asset at cost that includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured according to the accounting policy that is applied for own assets, including for depreciation and amortisation and impairment measurement.

The recognised right-of-use asset is depreciated over the shorter period of expected useful life of the underlying asset or lease term.

The Group presents lease liabilities in the consolidated statement of financial position as a separate line, while right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned, i.e. within property, plant and equipment *(Note 6, 7)*.

In accordance with the requirements of IFRS 16, the Group classifies repayment of principal in cash flows from financial activities. In accordance with the Group's accounting policy, interest paid is classified as part of the cash flows from operating activities. Payments on short-term leases, leases of low value assets and variable rental payments not included in the valuation of the lease liability are presented as part of operating activities.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its property, plant and equipment items.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Provisions

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognised in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made.

The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding addition to the carrying amount of the related item of property, plant and equipment in the amount equivalent to the provision is also recognised. This amount is subsequently depreciated as part of the capital costs of the production and transportation facilities in accordance with respective depreciation method.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provisions (continued)

Other provisions

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

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

Employee benefits

Contributions to pension funds

The Group withholds 10% from the salary of its employees limited to certain annual amounts as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits payable by that pension funds and the Group has no present or future obligation to further compensate its employees upon their retirement in relation to these arrangements.

Social tax

The Group pays social tax on salaries payable to employees according to the current statutory requirements of the RK. Social tax is expensed as incurred.

Defined benefit plan

In accordance with the Collective Agreements signed with trade unions and other benefit regulations, some subsidiaries of the Group provide certain benefits to its employees upon their retirement ("Defined Benefit Plan").

The Group recognises actuarial gains and losses arising from the reassessment of the employee benefit liability in the period they are identified in OCI and profits and losses, and recognises benefit costs and obligations based on estimates determined in accordance with IAS 19 *Employee Benefits*.

The obligation and cost of benefits under the defined benefit plan are determined using the projected unit credit method. This method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost of providing benefits is charged to profit and loss, so as to attribute the total benefit cost over the service lives of employees in accordance with the benefit formula of the defined benefit plan. This obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest on government bonds where the currency and terms of these bonds are consistent with the currency and estimated terms of the defined benefit plan obligation. The defined benefit plans of Group's subsidiaries are unfunded.

Equity

Share capital

Common shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess or deficiency of the fair value of consideration received over the par value of shares issued is recognised as an increase or decrease in the retained earnings.

Non-controlling interests

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity holders of the Parent. Losses of subsidiaries are attributed to the non-controlling interests even if this results in a deficit balance.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equity (continued)

Dividends

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

Other distributions to the Shareholder

Other distributions to the Shareholder recognised as deductions from retained earnings are represented by expenses incurred or asset distribution made at the discretion of the Shareholder, including property, plant and equipment, interest in another entities, other disposal groups, cash and other assets in accordance with accounting policy of the Group.

On March 15, 2025, the Budget Code of the RK was approved in a new edition, according to which, when calculating the amount of dividends payable by the Fund to the republican budget, the amount of financing allocated for projects in accordance with the decisions of the Fund's Shareholder must be taken into account. Accordingly, amounts related to project financing in accordance with the decisions of the Shareholder are recognised by the Group within retained earnings under the line item "Other distributions to the shareholder." Previously, such transactions were presented within equity under the line item "Other transactions with the shareholder."

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Sale of goods

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

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

Rendering of services

Revenue from rendering of services is recognised when the services have been performed.

In respect of services related to transportation, revenue is recognised with reference to the stage of completion of the transportation at the reporting date provided that the stage of completion of transportation and the amount of revenue can be measured reliably. Prepayments received from customers relating to transportation services that have not been started yet are recognised upon receipt as "advances received from customers". Deferred income is credited to current revenue, as the service is provided.

The Group's revenue in the energy, communications and transportation segments is primarily recognised over a period of time, while the rest of the Group's revenue is primarily recognised at a point in time.

Contract liabilities from contracts with customers

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Costs to obtain a contract

The Group pays commission to sales agents for new connected subscribers in the communication segment. The commission to sales agents is capitalised within other non-current assets in the consolidated statements of financial position. Costs to obtain a contract are amortised over the period the service is provided to the customer.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Establishment of tariffs

A number of subsidiaries of the Group are subject to regulation by the Committee for regulation of natural monopolies of the Republic of Kazakhstan ("CRNM"). This Committee is responsible for approval of the methodology for tariff calculation and tariff rates, under which the subsidiaries derive a significant portion of their revenues.

Government grants

Due to the fact that the Government of the RK is the sole shareholder of the Fund, the Group analyses all transactions with the Government to assess its role: where the Government acts primarily in its capacity of the Shareholder or where it acts as a regulator.

If it is determined that in a specific transaction the Government acts in capacity of the Shareholder any gains or losses incurred by the Group as a result of such transaction are reflected directly in equity as either a contribution or withdrawal of equity by the Shareholder.

If it is determined that in a specific transaction the Government does not act in capacity of the Shareholder such transactions are accounted for using provisions of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. In such circumstances, government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments. Grants related to income are presented separately in the consolidated statement of comprehensive income within revenues from operating activities.

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in the profits and losses, except to the extent that it relates to items charged or credited to other comprehensive income or equity, in which case it is recognised in other comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Excess profit tax ("EPT") is treated as an income tax and forms part of income tax expense. In accordance with the subsurface use contracts, the Group accrues and pays EPT, at specified rates of after tax profit which has been adjusted for specific deductions in accordance with the applicable subsurface use contracts, when certain internal rates of return are exceeded.

Deferred tax is calculated with respect to both corporate income tax ("CIT") and EPT. Deferred EPT is calculated on temporary differences for assets allocated to subsurface use contracts at the expected rate of EPT to be paid under the contract.

Deferred tax is provided using the statement of financial position method, in relation to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Pillar II

International Tax Reform: Model Rules and Amendments to IAS 12 *Income Taxes*

Following the results of the analysis performed, the Group's management has concluded that the current Pillar II requirements do not have a material impact on the Group's consolidated financial statements for the reporting period. Based on a preliminary assessment, any additional corporate income tax liabilities are immaterial.

The Group continuously monitors changes in legislation and, where necessary, will reflect the corresponding effects in the consolidated financial statements as they arise.

Value added tax ("VAT")

Tax authorities permit the settlement of sales and purchases VAT on a net basis. VAT receivable represents VAT on domestic purchases net of VAT on domestic sales. Export sales are zero rated.

Related parties

Related parties include the Group's Shareholder, key management personnel, associates, joint ventures and entities in which a substantial interest in the voting power is owned, directly or indirectly, by the Group's shareholders or key management personnel.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date and reported amounts of assets, liabilities, revenues, expenses and contingent assets and liabilities during the reporting period. Actual outcomes could differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Oil and gas reserves

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

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

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

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

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

Impairment testing assumptions

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

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

Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 10.90%-16.80% (in 2024: 11.22%-16.42%) depending on the functional currency, production period, size, equity risk premium, beta and gearing ratio of the relevant CGU.

The long-term price assumptions applied were derived from Bloomberg consensus; so did the near-term commodity price assumptions, a summary of which, in real 2025 terms, is provided below:

	2026	2027	2028	2029	2030
Brent oil (ICE Brent $/bbl)	61.00	64.00	69.24	69.50	71.03

In 2025 impairment charges in Oil-and-gas segment were 87,031 million tenge (in 2024: 90,055 million tenge), which mainly relate to the impairment of a seawater desalination plant and supply infrastructure in Zhanaozen city in the amount of 24,145 million tenge (in 2024: 53,197 million tenge) and gas supply facilities of 44,006 million tenge *(Note 24)*.

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

KMG International N.V. (hereinafter KMGI), including goodwill

As at December 31, 2025 and 2024, the Group performed impairment tests for goodwill and downstream, refining and other assets at the CGUs of KMGI: CGU Refining, CGU Petrochemicals and CGU Downstream.

The recoverable amount of KMGI CGU Refining was determined based on fair value less costs of disposal (FVLCD), which was calculated using the discounted cash flow method. The discounted cash flows were based on approved Business Plan covering 2026 – 2030. The key assumptions used in the FVLCD calculations for the CGU were operating profit, discount rates and growth rate used to extrapolate cash flows beyond the budgeted period. The impact of the revenue tax over the forecast period was considered in the analysis: the 5-year business plan cash-flows were adjusted considering the current fiscal environment. The discount rate applied in 2025 to cash flow projections was 11.64% (2024: 11.20%) and cash flows beyond the 5-year period were extrapolated using growth rate in the range from 0.065% to 0.344% (2024: negative growth rate of 0.65%).

As at December 31, 2025 and 2024, the recoverable amount of KMGI CGU exceeded its book value, as such no impairment was recognised.

Sensitivity to changes in assumptions

The financial model of the CGU Refining is sensitive to changes in the assumed factors, in particular sales volumes, cracks margin, discount rate and perpetuity growth rates.

Significant assumption	Change in assumption +/-% to the level used in test	Effect on recoverable amount Increase/(decrease)
Volumes	+/(-1.0%)	25,700 mln. tenge/ (25,870 mln. tenge)
Cracks margin	+/(-1.0%)	26,102 mln. tenge / (26,209 mln. tenge)
Discount rate	+/(-0.5%)	(22,361 mln. tenge)/ 25,609 mln. tenge
Perpetuity growth rate	+/(-0.4%)	12,145 mln. tenge / (11,343 mln. tenge)

The financial model of the CGU Downstream is sensitive to changes in the assumed factors, in particular gross margin, discount rate and perpetuity growth rates.

Significant assumption	Change in assumption +/-% to the level used in test	Effect on recoverable amount Increase/(decrease)
Gross margin	+/(-2%)	25,095 mln. tenge/ (25,095 mln. tenge)
Discount rate	+/(-0.5%)	(8,365 mln. tenge)/ 9,181 mln. tenge
Perpetuity growth rate	+/(-0.5%)	6,325 mln. tenge / (7,141 mln. tenge)

OMG CGU

As at December 31, 2025, the Group performed an annual impairment tests of OMG CGU. The recoverable amount of OMG CGU was determined based on the value in use calculated by the Group management using the discounted cash flow method. The discounted cash flows were based on approved Business Plan covering 2026 – 2030 and forecast data up to 2050 based on a reasonable expectation of license renewal. Key assumptions include crude oil price dynamics, production volumes, operating expenses and discount rates. Projected cash flows are based on an estimate of recoverable proved and probable oil reserves prepared by an independent appraiser. The discount rate applied to the cash flow projections in 2025 was 16.4%.

As at December 31, 2025, the recoverable amount of OMG CGU exceeded its book value, as such no impairment was recognised.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

OMG CGU (continued)

Sensitivity to changes in assumptions

The OMG CGU financial model is sensitive to changes in significant assumptions, in particular, the crude oil sales prices, export and domestic sales volumes, the estimate of proved and probable reserves, and the discount rate.

Significant assumption	Change in assumption +/-% to the level used in test	Effect on recoverable amount Increase/(decrease)
Brent crude oil price	+/(-3%)	81,824 mln. tenge / (81,824 mln. tenge)
The selling price of crude oil on the domestic market	+/(-3%)	89,882 mln. tenge / (89,882 mln. tenge)
Export sales volumes	+/(-3%)	54,688 mln. tenge / (54,688 mln. tenge)
Domestic sales volumes	+/(-3%)	85,387 mln. tenge / (85,387 mln. tenge)
Estimation of proven and probable oil reserves (2P)	+/(-3%) change in reserve estimate (2P) due to geological reinterpretation	140,072 mln. tenge / (140,072 mln. tenge)
Discount rate	+ 100 basis points (17.4%)/ - 100 basis points (15.4%)	(73,529 mln. tenge)/ 82,350 mln. tenge

Pavlodar refinery, including goodwill

As of December 31, 2025, and 2024, the Group has goodwill of 88,553 million tenge related to acquisition of Pavlodar refinery (*Note 7*). In December 2025 and 2024 the Group performed annual impairment test for the Pavlodar refinery goodwill. In assessing the recoverable amount, the fair value less the cost of sale was calculated, determined using a marketing scheme. The Group considered the forecast for oil tolling volumes, oil tolling tariffs, capital expenditures, among other factors, when reviewing for indicators of impairment. The recoverable amount is calculated using a discounted cash flow model. In 2025, the discount rate of 14.18% (2024: 14.12%) was calculated based on the pre-tax weighted average cost of capital. The inherent risk was included by applying an individual beta factor. The beta factor was estimated based on the publicly available market data. Forecasted cash flows till to 2035 were based on five-years business plan of Pavlodar refinery 2026-2030 years (2024: 2025-2029 years), which assumes current management estimates on potential changes in operating and capital costs. As at December 31, 2025 and 2024, the recoverable amount of goodwill, which was determined based on fair value less cost to sell, exceeded its book value, as such no impairment of Pavlodar refinery goodwill was recognised.

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of Pavlodar refinery goodwill are sensitive to changes in key assumptions, in particular, assumptions related to changes in discount rate and target EBITDA in terminal period. Increase in discount rates by 1.0% to 15.18% (2024: 1.0% to 15.12%) and decrease of target EBITDA in terminal period by 1% would not result decrease of the recoverable amount of CGU Pavlodar refinery to its carrying value.

Transportation and storage of gas by Intergas Central Asia JSC ("ICA")

The recoverable amount of the cash-generating unit is calculated using a discounted cash flow model. The discount rate was derived from the weighted average cost of capital after tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on ICA investments. The cost of debt capital is based on the interest-bearing loans that ICA is obligated to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data. The business plan, approved on an annual basis, is the main source of information for projected cash flows. It contains forecasts for gas transportation volumes, revenues, expenses and capital expenditures.

Various assumptions, such as transportation rates as well as inflation rates for expenses take into account existing prices, other macroeconomic factors and historical trends and fluctuations. The projected cash flows were based on ICA's five-year business plan, taking into account the reverse transit agreement, as well as management's current estimates of potential changes in operating and capital expenditures.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Transportation and storage of gas by Intergas Central Asia JSC ("ICA") (continued)

The key assumptions used in the calculation included the average annual growth rates over the five-year forecast period, based on historical performance and management's expectations regarding market development; approved transportation tariffs for the domestic market and tariffs for export and transit transportation, taking into account average annual growth rates and long-term inflation forecasts beyond the five-year forecast period; annual capital expenditures in line with the five-year projections; consumer and production forecasts; as well as projections of interest rates, inflation, and the USD/KZT exchange rate over the next 25 years, based on international sources such as EIU and Oxford Economics.

The following are the assumptions used to determine the value in use and to which the recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	**December 31, 2025**	December 31, 2024
Growth rates over 5 years	**5.13%**	5.14%
Discount rate after tax	**15.89%**	15.21%
Transportation volumes (throughout the forecast period):		
- transportation within Kazakhstan	**921 bln. m3**	1,032 bln. m3
- transportation of gas for export	**120 bln. m3**	115 bln. m3
- international transit	**1,295 bln. m3**	1,302 bln. m3
Transportation tariffs:		
- transportation within Kazakhstan (thousand m3)	**from 5,471.08 tenge**	from 5,471.08 tenge
- transportation of gas for export (thousand m3/100 km)	**5 US Dollars**	5 US Dollars
- international transit (thousand m3/100 km)	**2.42 US Dollars**	2.42 US Dollars

As at December 31, 2025 the recoverable amount of non-current assets amounted to 1,605,678 million tenge, which exceeded their carrying amount by 99,453 million tenge (at December 31, 2024: 1,469,770 million tenge that exceeded their carrying amount by 135,574 million tenge).

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in discount rate. Increase in discount rates by 1.0% would result in impairment charge of 31,892 million tenge.

Gas sales to local energy distributors, legal entities and individuals by QazaqGaz Aimaq JSC ("QG Aimaq")

The recoverable amount of the cash-generating unit was determined as value in use using a discounted cash flow model. Cash flow estimates include many subjective factors, including operational and financial, using the best available evidence.

The discount rate was derived from the after tax weighted average cost of capital. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity was determined based on the expected return on investments in QG Aimaq, taking into account an equity risk premium and a size premium specific to QG Aimaq. The cost of debt was based on the interest-bearing borrowings that QG Aimaq is required to service. Inherent risk was incorporated through the application of a specific beta factor, which was estimated based on publicly available market data.

The key assumptions used in the calculation included gas purchase and supply volumes based on the Comprehensive Development Plan for the Gas Industry of the RK for 2026–2030, the Kazakhstan Gas Balance for 2025–2030, and the company's business plan for 2026–2030; transportation tariffs approved by KREM for a five-year period, taking into account the applicable tariff-setting methodology, approved tariff caps, as well as medium- and long-term inflation and indexation forecasts beyond the five-year period; and annual capital expenditures based on the company's approved investment program.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Gas sales to local energy distributors, legal entities and individuals by QazaqGaz Aimaq JSC ("QG Aimaq") (continued)

The following are the assumptions used to determined the value in use was and to which recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	**December 31, 2025**	December 31, 2024
Growth rates over 5 years	**6.08%**	5.16%
Discount rate after tax	**14.58%**	15.74%
Gas sales volumes until 2031	**108.7 bln. m3**	120.3 bln. m3
Gas transportation volumes until 2031	**75.9 bln. m3**	94 bln. m3
Tariffs for:		
- gas sales (thousand m3)	**from 37.9 thousand tenge**	from 27.6 thousand tenge
- gas transportation (thousand m3)	**from 4.3 thousand tenge**	from 4.2 thousand tenge

As at December 31, 2025 the recoverable amount of non-current assets amounted to 336,458 million tenge, which exceeded their carrying amount by 89,020 million tenge (as of December 31, 2024: 284,628 million tenge, which exceeded their carrying amount by 33,115 million tenge).

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in tariffs for sales and transportation of gas. Decrease in tariffs for sales and transportation of gas by 5.0% would result in impairment charge of 146,646 million tenge.

Other CGUs

Revision to the Group's commodity price and other assumptions have not resulted in impairment charges in any other CGUs in the *Oil-and-gas* segment.

Uranium reserves (estimate)

Uranium reserves are a critical component of the projected cash flow estimates that are used to assess the recoverable values of relevant assets as well as depreciation and amortisation expense. Estimates of uranium reserves also determine the life of mines, which in turn affect asset retirement obligation calculations.

On an annual basis the Group engages an independent consultant to assess the Group's ore reserves and mineral resources in accordance with the Australasian Code for reporting on geological exploration works, mineral resources and ore reserves (hereinafter JORC Code). Independent assessment of reserves and resources was carried out as of December 31, 2025 and 2024. The consultant reviewed all key information upon which the reported mineral resource and ore reserve statements for the mining assets of the Group are based.

The consultant's reports contain an assessment of the tons of uranium contained in ore which has the potential to be extracted by the existing and planned mining operations (the mineral resource), and also the tons of uranium contained in ore currently planned to be extracted as envisaged by the respective life-of-mine plans (the ore reserve). The Group used the ore reserves data for calculation of impairment of long-term assets, unit of production depreciation for each of the Group's mines as well as asset retirement obligation calculations.

Assets related to uranium production

Assets related to uranium mines include property, plant and equipment, mine development assets, mineral rights, exploration and evaluation assets, investments in associates, investments in joint ventures, and other investments. For the purpose of impairment testing assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group has identified each mine (contract territory) as a separate cash-generating unit unless several mines are technologically connected with single processing plant in which case the Group considers such mines as one cash-generating unit.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets related to uranium production (continued)

MC Ortalyk LLP, JV Akbastau JSC and Karatau LLP

Goodwill relates to prior period business combinations of MC Ortalyk LLP in the amount of 5,166 million tenge, Karatau LLP of 24,808 million tenge and JV Akbastau JSC of 18,520 million tenge (*Note 7*). At least annually, goodwill is tested for impairment at the level of a corresponding cash generating unit.

The carrying value of goodwill applicable to each of the entities was allocated to their respective cash generating units, Central Mynkuduk mine (Central block) and separate blocks of Budenovskoye mine for MC Ortalyk LLP and Karatau LLP, JV Akbastau JSC, respectively.

The recoverable amount was determined on a value in use basis, cash flows forecasts were based on approved reserves, estimated production volumes, subsurface use contracts periods and a pre-tax discount rate of 14.30% for 2025 year (2024: 14.65%).

Production volumes are consistent with those agreed with the competent authority and independent consultant's report and are based on the production capacity of the cash-generating units. Key assumptions used in calculations include forecast sales prices, production volumes. Sales prices used in developing forecasted cash flows were based on annual spot and long-term base price projections (denominated in US Dollar per pound of uranium) published by Ux Consulting LLC in the fourth quarter of 2025. Production costs and capital expenditures are based on approved business plans for 2026-2030 and growth of 5% which approximates long-term average inflation rates.

The estimated values in use significantly exceed the carrying amounts of the non-current assets of the three cash-generating units, including goodwill, and therefore even reasonably possible changes in key assumptions would not lead to impairment losses being recognised.

Railway assets

The Group considers freight transportation, passenger transportation, mainline railway infrastructure, and ancillary assets supporting the functional operation of the infrastructure as a single cash-generating unit (CGU), as the cash inflows from these activities are not largely independent.

Railway infrastructure represents a single, technologically indivisible complex that cannot be segregated into separate freight and passenger routes. The operation of the infrastructure is carried out within a unified production process that supports both freight and passenger transportation. In addition, the Group's operations are influenced by factors such as state tariff regulation of mainline railway network services; the temporary balancing fee mechanism established by the Law of the RK "On Railway Transport"; a temporary reduction coefficient applied to tariffs for regulated mainline railway network services in respect of socially significant passenger routes; as well as the legal and functional indivisibility of the mainline railway network, which is not subject to privatisation and is classified as an asset to be transferred to national institutions in accordance with the legislation of the RK. Accordingly, there is no objective and reliable basis for allocating infrastructure assets between individual types of transportation.

These factors result in the redistribution of revenues from freight operations in favor of passenger transportation and infrastructure, creating a systemic economic interdependence of cash inflows, which precludes the generation of separate and largely independent cash inflows for each of these activities.

In view of the above, at present the lowest level at which cash inflows can be identified as largely independent, in accordance with IFRS (IAS) 36, corresponds to the aggregation of these business segments into a single CGU, *Transportation operations*.

In 2025, the Group also identified separate CGUs for other business segments where cash flows are generated independently from the mainline railway infrastructure, freight transportation, passenger transportation, and ancillary services supporting the functional operation of the infrastructure.

The identification of CGUs is applied consistently and is reviewed upon changes in facts and circumstances (including the completion of privatisation or structural reforms approved by the Government of the RK, changes in tariff structures or subsidy mechanisms, the emergence of an active market generating independent cash inflows, etc.).

The Group notes that changes in the operating model or the completion of restructuring processes in future periods may lead to a reassessment of CGU identification and, accordingly, may impact the carrying value of the Group's non-current assets in future periods.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Railway assets (continued)

Analysis of impairment indicators for railway assets

As at December 31, 2025, the Group assessed whether there were any indicators of impairment of property, plant and equipment, including changes in interest rates, an analysis of actual performance compared to planned indicators, as well as an analysis of freight turnover volumes in the transit direction and changes in the KZT/CHF exchange rate, as transit tariffs are denominated in Swiss francs.

Assessing whether each of these external and internal factors constitutes an indicator of impairment requires significant management judgment. A key element of management's judgment is based on the view that, in the context of the current geopolitical environment and the disruption of traditional transport and logistics chains, the development of the country's transit potential is a critical factor in stimulating transcontinental trade.

As at December 31, 2025, the Group's management did not identify any events occurring during 2025 that could be considered indicators of impairment for the single CGU "Transportation Operations", which comprises business segments related to freight and passenger transportation, mainline railway infrastructure, and ancillary assets supporting the functional operation of the infrastructure. For certain other CGUs comprising other business segments, where impairment indicators were identified, management determined the recoverable amounts and concluded that no impairment existed.

In addition, the Group's management assesses the recoverability of goodwill annually as at December 31, or more frequently if indicators of impairment arise, for the CGU that includes the assets of its subsidiary, Kedentransservice JSC.

As at December 31, 2025 and 2024, the carrying amount of goodwill amounted to 15,520 million tenge (*Note 7*).

For the purpose of assessing goodwill impairment, the Group performed an impairment test as at December 31, 2025 and determined the recoverable amount based on a value-in-use calculation.

The Group applied a 10-year cash flow forecast period, consistent with its overall 10-year strategic development plan. Forecasts under this strategy incorporate projected growth in the provision of services, including operational, transport and forwarding, as well as transshipment and terminal activities, based on GDP growth rates in the RK and neighboring regions, as historical periods have shown such a correlation. Given the availability of GDP growth forecasts over a 10-year horizon, management believes it can reliably project cash flows for this period and extrapolate them beyond using projected inflation rates and long-term growth assumptions.

Financial assumptions include significant estimates related to projected tariff levels and applicable discounts. The discount rate (WACC) used in the value-in-use calculation was 12.46%, and cash flows beyond the 10-year period were extrapolated using a growth rate of 3.31%, corresponding to the long-term industry average growth rate.

Management concluded that the recoverable amount of goodwill exceeds its carrying amount as at December 31, 2025.

In the value-in-use calculation, the most significant assumptions relate to the discount rate and projected volumes of operational and transport and forwarding services.

Management considers that a reasonably possible change in the key assumptions on which the recoverable amount of goodwill is based would not result in the carrying amount exceeding its recoverable amount.

Power generating assets

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity

The Group's management performed the analysis of the impairment indicators of property, plant and equipment of subsidiaries Almaty Electric Stations" ("AlES") JSC, Ekibastuz GRES-1 named after Bulat Nurzhanov LLP ("EGRES-1"), Alatau Zharyk Company JSC ("AZhK") and Station Ekibastuzskaya GRES-2 JSC ("EGRES-2") in accordance with IAS 36 *"Impairment of Assets"*.

The key facts and assumptions used in the analysis of impairment indicators included projected medium-term growth in electricity demand in the northern and southern zones of the RK, an increase in the approved electricity tariffs for power-generating organisations by 15–19% effective February 1, 2025, a positive trend in AZhK transmission tariffs, which increased to 13.99 tenge/kWh (excluding VAT) as of October 1, 2025, and the absence of a material impact from changes in interest rates and inflation on the recoverable amount of assets, as these factors are reflected in tariffs through adjustment mechanisms.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity (continued)

As a result of the analysis of external and internal indicators of impairment, the Group's management concluded that no indicators of impairment existed as at the date of the assessment. Accordingly, management decided not to perform an impairment test of property, plant and equipment and intangible assets of these subsidiaries as at December 31, 2025.

"Construction of GRES-3 based on clean coal technology" project

On April 18, 2024, the Minutes of the meeting of the Ministry of Energy on the development of the electric power industry recommended amending the technical specifications for the preliminary feasibility study of the construction project of GRES-3, providing for an increase in the installed capacity of the station to four power units, as well as considering the possibility of using equipment purchased in China, which was originally intended for power unit No. 3 of EGRES-2.

On July 8, 2024, amendments were made to the Law of the RK "On Electric Power Industry" within the framework of the draft law "On Thermal Power Industry" in terms of improving the current tender mechanism for the construction of newly commissioned generating units (in terms of return on investment) for the project "Construction of GRES-3 based on clean coal technology".

In 2025, tender procedures were conducted in accordance with the applicable legislation to select a contractor for the "Construction of GRES-3 Using Clean Coal Technology" project. Following the evaluation of submitted bids, the project winner was determined by the tender commission on October 15, 2025.

However, pursuant to the Protocol of the Government of the RK dated January 21, 2026, the Group has been instructed to complete the preparation of technical documentation for the GRES-3 project in the city of Ekibastuz by December 31, 2026.

Accordingly, management considers the most probable scenario to be the transfer of technological equipment purchased in China to a new entity at its carrying amount. In this regard, an additional provision of 6,096 million tenge was recognised as at December 31, 2025 (as at December 31, 2024: 18,524 million tenge) in respect of costs incurred for the Project of Power Unit No. 3 of EGRES-2, recorded within construction in progress (*Note 24*).

Telecommunication assets

For impairment testing, goodwill related to *Communication* segment acquired through business combinations was allocated to two CGUs, Kcell JSC and IP TV (*Note 7*).

Goodwill relates to the assembled workforce and synergy from integration of the acquired subsidiaries into the Group. The carrying amount of goodwill allocated to each of CGUs was as follows:

In millions of tenge	**2025**	2024
Kcell JSC	**53,490**	53,490
IP TV	**2,706**	2,706
	56,196	56,196

As at December 31, 2025, the Group identified that the excess of net asset value over market capitalization constituted an indicator of impairment. Consequently, an impairment test was performed as at reporting date.

In light of the identified indicators of impairment, the Group performed testing for each individual CGU, including the CGU of Kazakhtelecom JSC. The results of the testing indicated that the recoverable amount of long-term assets exceeded their carrying amount.

In 2025 the recoverable amount of all cash-generating units was determined as value in use using a discounted cash flow model. This valuation method uses cash flow forecasts based on actual operating results and business plans approved by management, as well as appropriate discount rates that reflect the time value of money and the risks associated with the underlying cash-generating units. For periods not covered by management's business plans, terminal value is used. Terminal value is calculated from cash flow forecasts by extrapolating the results of the relevant business plans using a zero real growth rate.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Telecommunication assets (continued)

Assessment of future cash flows require assumptions regarding uncertain factors, including management's expectations regarding earnings before interest, taxes, depreciation and amortisation (EBITDA) margins, the timing and volume of capital expenditures, terminal growth rates and appropriate discount rates to reflect associated risks. The EBITDA margin and capital expenditures used to calculate value in use are primarily derived from internal sources, based on past experience and expanded to reflect management's expectations.

The table below presents the assumptions based on which the value in use of the relevant CGUs was determined:

	2025	2024
Kcell JSC		
EBITDA margin	**36.80% - 48.40%**	36.78% - 48.38%
Capital costs as a percentage of revenue	**19.20%**	18.40%
Growth rates beyond the forecast period	**2.50%**	4.10%
Discount rate	**18.00%**	15.24%
IP TV		
EBITDA margin	**51.73% - 57.48%**	5% - 10.8%
Capital costs as a percentage of revenue	**0.00%**	0.00%
Growth rates beyond the forecast period	**0.00%**	0.00%
Discount rate	**15.93%**	15.03%
Kazakhtelecom JSC		
EBITDA margin	**22.29%- 27.71%**	25.07%
Capital costs as a percentage of revenue	**16.97%**	13.00%
Growth rates beyond the forecast period	**5.31%**	4.10%
Discount rate	**15.93%**	16.24%

Sensitivity to changes in assumptions – IP TV and Kcell JSC

Reasonably possible changes in the EBITDA margin, growth rates beyond the forecast period and discount rates do not lead to additional impairment of IP TV and Kcell JSC.

Sensitivity to changes in assumptions – Kazakhtelecom JSC (hereinafter- "KTC")

As part of the impairment test, Kazakhtelecom JSC calculated the headroom for its CGU. As at the reporting date, the recoverable amount exceeded the carrying amount by 35,069 million tenge.

The value-in-use calculation for the Kazakhtelecom CGU is most sensitive to assumptions such as the EBITDA margin included in the financial plan, post-forecast period growth rates, and the discount rate.

A reduction in the EBITDA margin or post-forecast growth rates by more than 1% throughout the forecast period would not result in an impairment loss, but would reduce the headroom by 34,961 million tenge and 28,273 million tenge, respectively.

An increase in the discount rate by 1% would result in an impairment loss for the Kazakhtelecom CGU of 21,687 million tenge.

Assets retirement obligations

Under the terms of certain subsoil use contracts, legislation and regulations, including the Environmental Code of the Republic of Kazakhstan, the Group has legal obligations to remediate damage caused to the environment from its operations and to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group's obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal of pipes, buildings, decommissioning of mining assets and landfills, dismantling of equipment and recultivation of the contract territories.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

The provision for asset retirement obligations is estimated based upon the Group's interpretation of current environmental legislation in the RK and the Group's related programme for liquidation of subsurface use consequences on the contracted territory and other operations supported by the feasibility study and engineering research in accordance with the applicable restoration and retirement standards and techniques.

Provisions for asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation. Provisions for mining assets and landfills retirement obligations are recognised when there is a certainty of incurring of such liabilities and when it is possible to measure the amounts reliably.

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

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

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

Oil and gas production facilities

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

The long-term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at December 31, 2025 were in the range from 2.19% to 8.55% and from 5.8% to 14.9%, respectively (December 31, 2024: from 2.24% to 8.60% and from 6.85% to 12.15%, respectively). Long-term inflation assumptions were determined taking into account the expected timing of settlement of decommissioning and dismantling obligations, as well as the currency in which the related expenditures required to settle the obligation are expected to be incurred.

As at December 31, 2025 the carrying amounts of the Group's asset retirement obligations relating to decommissioning of oil and gas facilities were 176,704 million tenge (December 31, 2024: 184,354 million tenge) (*Note 18*).

Major oil and gas pipelines

According to the Law of the RK *On Major Pipelines* which was made effective on July 4, 2012 the Group has legal obligation to decommission its major oil pipelines at the end of their operating life and to restore the land to its original condition. Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. As at December 31, 2025, the carrying values of the Group's asset retirement obligations relating to decommissioning of pipelines, compressor stations and land were 111,393 million tenge (December 31, 2024: 119,822 million tenge) (*Note 18*).

Assets related to uranium production

Provision is made based upon the net present values of estimated site restoration and retirement costs as soon as the obligation arises from past mining activities. The scope of work stipulated by the legislation and included in the calculations of the asset retirement obligations contains the dismantling of facilities and infrastructure (pumping, injection and observation wells, technological units for acidification and distribution of solutions, pipelines, access roads, technological sites, landfills, buildings and other facilities) and subsequent restoration of land.

The calculation of the provision for production assets retirement as at December 31, 2025 was performed by the Group's internal specialists and reviewed by an independent consultant.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets related to uranium production (continued)

Principal assumptions used in the estimations include:

- The discount rate that reflects the current market estimates of the time value of money is based on a risk-free rate determined by reference to the interest rate on government bonds with maturity matching the period of the Group's each subsoil use contract, range of 15.89% - 16.53% (2024: 12.33% - 12.65%), risks related to the liability are reflected in the best estimate of nominal costs;
- Long-term inflation rate applied to the nominal costs calculated at current prices of 4.44% - 10.79% in 2025 (2024: average 4.06% - 7.51%);
- Discounting period in accordance with the estimated life of mines and reserves depletion period;
- Low radioactive waste management program assumes removal and disposal at special landfills owned by the Group.

A sensitivity analysis of the key assumptions as of December 31, 2025 and 2024 is presented below:

		(Decrease) / Increase of provisions	
In millions of tenge	Decrease) / Increase of assumptions	2025	2024
Inflation rate	−1%	(3,907)	(5,258)
	+1%	3,436	4,544
Discount rate	−1%	3,580	4,935
	+1%	(3,133)	(4,233)

At December 31, 2025, site restoration provision for mining assets was 39,494 million tenge (2024: 44,662 million tenge) (*Note 18)*.

Assets retirement obligations related to the power generating facilities

The Group calculated the decommissioning and site restoration liabilities based on assessments performed by independent or internal specialists. The scope of work included in the calculation, as required by legislation, covers the dismantling and disposal of primary equipment and machinery directly involved in the production of electricity and heat (such as steam boilers, turbines, generators, fuel supply systems, etc.), engineering systems and structures designed for the removal of combustion products, as well as equipment for fuel oil handling and chemical reagent storage facilities that have a negative impact on the environment and on human life and/or health.

Liabilities are not recognised for assets that can be repurposed and have minimal environmental impact. For thermal power plants classified as Category I facilities, provisions are calculated based on expected costs, with decommissioning timelines determined considering the asset's useful life, maintenance, upgrades, and legislative requirements. For hydroelectric power plants, decommissioning of hydraulic structures is not anticipated; activities are limited to equipment dismantling, and the related provision is not material.

Key assumptions in these assessments include the discount rate, as well as the amount and timing of future cash flows. The discount rate is based on a risk-free rate, determined as the yield on government bonds with maturities aligned to the decommissioning schedules of the assets. The discount rate reflects the time value of money and, where applicable, risks specific to the obligation if they are not already included in the cash flows. The present value was calculated using a discount rate of 13.79–15.72% per annum (2024: 7.1–13.3%) and an inflation rate of 4.8–11.65% (2024: 3.07–8.69%).

A sensitivity analysis of the key assumptions as of December 31, 2025:

		Decrease)/increase in provisions	
In millions of tenge	(Decrease)/increase of key assumptions	2025	2024
Inflations rate	-1%	(2,656)	(4,405)
	+1%	3,514	5,609
Discount rate	-1%	2,950	5,026
	+1%	(2,268)	(3,855)
Liquidation period	-10%	4,419	3,811
	+10%	(3,162)	(3,129)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets retirement obligations related to the power generating facilities (continued)

Since the actual costs of eliminating the consequences of operating the facilities may differ from their estimates due to changes in relevant legislation, interpretation of regulations, technologies, prices and other conditions, and these costs will be incurred in the distant future, the carrying amount of the provisions is subject to regular review and adjustment to take into account such changes.

As of December 31, 2025 provision for assets retirement obligations related to the power generating facilities amounted to 37,100 million tenge (as of December 31, 2024: 29,477 million tenge) (*Note 18*).

VAT recoverability

The Group conducts an assessment of the recoverability of VAT and, if required, makes provisions for doubtful VAT recoverable at each reporting date. The provision for doubtful VAT recoverable is determined based on the management's anticipated VATable turnovers and the likelihood of cash refunds for VAT. As at December 31, 2025, an amount of 564,430 million tenge related to VAT recoverable has been recognised as a current asset (as at December 31, 2024: 602,254 million tenge). The Group anticipates that this amount will either be refunded by the tax authorities or utilised to offset future VAT liabilities in 2026.

Deferred tax assets

Deferred tax assets are recognised for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised deferred tax assets as at December 31, 2025 was equal to 140,073 million tenge (December 31, 2024: 121,591 million tenge). Further details are contained in *Note 28*.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the consolidated financial statements. Further details are disclosed in *Note 32*.

Taxation

In assessing tax risks, management considers to be probable obligations the known areas of tax positions which the Group would not appeal or does not believe it could successfully appeal, if assessed by tax authorities. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsoil use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for tax risks other than on income tax are disclosed under provisions for taxes in *Note 18*. Contingent liabilities for tax risks other than on income tax are disclosed in *Note 33*. Provisions and contingent liabilities related to income tax are included or disclosed as income tax liabilities or contingencies (see *Note 28* and *33*).

Employee benefit liability

The Group uses actuarial valuation method for measurement of the present value of defined employee benefit liability and related current service cost. This involves use of demographic assumptions about the future characteristics of current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, etc.) as well as financial assumptions (discount rate, future annual financial assistance, future annual minimum salary and future average railway ticket price).

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Estimation of expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's credit grading model, which assigns PDs to the individual grades;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as oil price with one year lag, and the effect on PDs, EADs and LGDs.

Accounting treatment of financing arrangements with Industrial Development Fund JSC

The Group, represented by Passenger Transportation JSC and Tulpar Wagon Construction Plant LLP (disposed in 2023), entered into a number of trilateral purchase-sale and finance lease agreements with Industrial Development Fund JSC, which is under the common control of the Shareholder, to renew its passenger carriage fleet. Under the agreements, Industrial Development Fund JSC finances Tulpar Wagon Construction Plant LLP's construction of passenger carriages on a 100% prepayment basis for ownership with a further finance lease to Passenger Transportation JSC.

Management of the Group concluded that the transaction between Tulpar Wagon Construction Plant LLP and Industrial Development Fund JSC does not meet the requirements of IFRS 15 *Revenue from Contracts with Customers* to account for the asset sale at the Group level, as control over passenger carriages is not transferred to Industrial Development Fund JSC, but remains with the Group.

Industrial Development Fund JSC finances the construction of the carriages, but is limited in its ability to direct the subsequent use of and obtain all of the remaining benefits from the asset. Accordingly, the Group recognises the obligation to Industrial Development Fund JSC, before the loss of control over the Railway Passenger Coach Construction Plant LLP, as a financial liability (borrowing) according to IFRS 9 *Financial Instruments* and recognises passenger carriages as right−of−use assets in accordance with IFRS 16.103 *Leases*.

Swap transactions

The Group sells part of its uranium products under swap transactions with separate agreements with the same counterparty, being for sales and purchase of the same volume of uranium for the same price at different delivery points or different timeframes. Effectively, this results in the exchange of own uranium (produced or purchased from the Group's entities) with purchased uranium.

Normally, under a swap transaction, the Group delivers physical uranium to one destination point, and purchases the same volume of uranium at a third-party converter for sale to end customers. Swap transactions are entered into primarily to reduce transportation costs for uranium delivery to end customers.

Despite the fact that swap agreements are not formally related to each other, management concluded that these transactions are in substance linked and would not have occurred on an isolated basis, driven by the existing market demand and supply forces. In management's view, supply of the same volume of homogeneous product (uranium) for the same price represents an exchange of products, which should be presented on a net basis in the consolidated financial statements, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for swap transactions requires judgement.

In 2025, the Group did not recognise sales revenue from swap transactions of 139,157 million tenge (2024: 169,556 million tenge) and related cost of sales of 142,923 million tenge (2024: 158,551 million tenge).

Purchase and sales agreements assume cash transfers on a regular payment terms, similar to contracts with customers. The Group presents cash receipts as "receipts from customers" and cash payments as "payments to suppliers".

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Changes in legislation on the electricity market in the RK from July 1, 2023

In accordance with the Rules for the organisation and functioning of the wholesale electricity market, starting from July 1, 2023 all energy-producing organisations are obliged to sell electrical energy to a single purchaser of electrical energy, the Settlement and Financial Center for Support of Renewable Energy Sources LLP (hereinafter- "RFC"). The RFC then sells electrical energy in accordance with sales agreements by a single purchaser of electrical energy to energy transmission and energy supply organisations, consumers of electrical energy and digital miners on the wholesale electrical energy market.

The Group conducted an analysis to assess the impact of changes on the revenue recognition process in accordance with *IFRS 15 Revenue from Contracts with Customers* and determined that for Group's consolidated financial statements, the electricity sales contracts of power plants and purchase contracts of distribution and trade entities of the Group are considered as repurchase agreements in accordance with IFRS 15. Accordingly, the Group eliminated the cost of purchasing electricity and revenue from sales of electricity by power plants at the consolidation level of the Group. To calculate the amount of elimination, the Group used the actual electricity volume purchased by Group's subsidiaries from the RFC and weighted average selling price of electricity in accordance with the approved cap tariffs of the Group's power plants.

The elimination amount for 2025 amounted to 224,147 million tenge (2024: 190,864 million tenge). This adjustment is reflected for the purpose of presenting the revenue and costs of sales of the Group from a single economic unit perspective and does not affect the financial results of the Group.

Apart from the above, the new model of power market, which came into force on July 1, 2023 did not have a significant impact on the revenue recognition.

5. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER

Disposals in 2025

Mobile Telecom Service LLP (hereinafter - MTS)

On January 14, 2025, the Group completed the sale of 100% interest in MTS in favor of PIH Communication LLC by signing the corresponding document for consideration of 1,100 million US dollars, including contingent consideration of 400 million US dollars payable in three years, and lost control over the subsidiary. The contingent consideration was recognised at fair value and amounted to 349 million US dollars (equivalent to 184,254 million tenge as at disposal date).

On January 16, 2025 the Group received the first tranche of 700 million US Dollars (equivalent to 369,964 million tenge as at disposal date) according to this sale contract.

The net cash flows of MTS for the period from January 1, 2025 through the date of loss of control are as follows:

In millions of tenge	
Operating	9,111
Investing	(572)
Financing	(417)
Net increase in cash and cash equivalents	**8,122**

5. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2025 (continued)

Mobile Telecom Service LLP (hereinafter - MTS) (continued)

At the date of loss of control assets and liabilities of MTS were as follows:

In millions of tenge	**Net assets at the date of disposal**
Assets	
Property, plant and equipment	251,504
Intangible assets	256,467
Other non-current financial assets	80
Other non-current assets	2,141
Inventories	4,253
Trade accounts receivable	5,962
Other current assets	6,513
Cash and cash equivalents	59,281
Total assets	**586,201**
Liabilities	
Borrowings	30,769
Provisions	20,615
Lease liabilities	39,588
Other non-current liabilities	18,415
Deferred tax liabilities	12,413
Income taxes payable	893
Trade and other payables	20,196
Employee benefit liabilities	4,548
Other current liabilities	24,088
Total liabilities	**171,525**
Net assets	**414,676**

The result of the disposal of the subsidiary is presented as follows:

In millions of tenge	
Cash consideration received at the date of disposal of subsidiary	369,964
Fair value of the additional consideration receivable at the date of disposal of subsidiary (*Note 13*)	184,254
Recognition of receivables from the disposed entity	4,719
Recognition of liabilities due to the disposed entity	(7,858)
Net assets disposed	(414,676)
Gain from disposal of subsidiary	**136,403**

The business of MTS was presented in the Group's *Communication* segment.

Polimer Production LLP (further - Polimer)

On March 17, 2025, the Group and Sibur Holding PJSC signed a purchase and sale agreement for a 60% share of Polimer, subsidiary of the Group. On April 4, 2025, Polimer was re-registered. As a result, the Group lost control over Polimer and retained 40% interest.

The sale price of a 60% share in Polimer was 1,188 million tenge. The investment retained in the former subsidiary is accounted as an investment in joint venture accounted for using the equity method and with initial fair value of 792 million tenge at the date of loss of control. Net liabilities of Polymer at the date of disposal equaled 1,020 million tenge.

The business of Polimer was presented in the Group's *Oil-and-Gas* segment.

5. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

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:

In millions of tenge	**Segment**	**December 31, 2025**	December 31, 2024
Assets classified as held for sale, including		**422,017**	833,309
GPC Investment LLP	*Oil-and-gas*	***323,346***	*239,133*
JV Alaygyr LLP	*Mining*	***19,605***	–
Mobile Telecom Service LLP	*Communication*	**–**	*577,345*
Qazaq Air JSC	*Transportation*	**–**	*14,944*
Other		***79,066***	*1,887*
Assets classified as held for distribution to the Shareholder		**3,377**	2,582
		425,394	835,891

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

In millions of tenge	**Segment**	**December 31, 2025**	December 31, 2024
Liabilities associated with assets classified as held for sale		**(232,818)**	(343,940)
GPC Investment LLP	*Oil-and-gas*	***(232,233)***	*(172,717)*
JV Alaygyr LLP	*Mining*	***(585)***	–
Mobile Telecom Service LLP	*Communication*	**–**	*(167,487)*
Qazaq Air JSC	*Transportation*	**–**	*(3,736)*
		(232,818)	(343,940)

GPC Investment LLP (hereinafter- GPCI)

As part of the strategic investment projects agreement signed between the RK and the State of Qatar, it is planned to sell the stake in the project company GPCI with retention of Group's share of 25%, and therefore, GPCI was classified as disposal group in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in these consolidated financial statements. The Group plans to complete the sale of a 75% share in GPCI by the end of 2026.

The disposal was not completed within 12 months from the date of the initial classification of the asset as a disposal group. This was primarily due to the intergovernmental nature of the transaction and ongoing negotiations with the Buyer on certain commercial and contractual matters. As at December 31, 2025, negotiations were ongoing, and both parties remained committed to completing the transaction by the end of 2026.

JV Alaygyr LLP

On December 31, 2025, the Group signed a purchase and sale agreement providing for the disposal of a 100% share in JV Alaygyr LLP. Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. The management of the Group expects the transaction will be completed within 12 months after the reporting date, therefore the net assets of JV Alaygyr LLP of 19,020 million tenge were classified as assets held for sale as at December 31, 2025.

Forum Muider Limited

On December 30, 2025, the Group signed an agreement for sale of its 35% share in Forum Muider Limited. The agreement contains a number of conditions precedent, one of which is the execution by the Group, Forum Muider Limited, the Buyer, and Bogatyr Komir LLP of a Deed of Undertaking governing the legal mechanism for the declaration and payment of dividends to the Group and Miradore Enterprises Limited (the other shareholder), in accordance with the terms and provisions of the Shareholders' Agreement dated September 24, 2025 and the Deed of Undertaking. The Group's management believes that the conditions precedent will be satisfied and that the disposal of the Group's 35% share in Forum Muider Limited will be completed in 2026.

Accordingly, the Group classified investments in Forum Muider Limited as asset held for sale as at December 31, 2025. The carrying amount of the asset held for sale as at December 31, 2025 amounted to 77,097 million tenge (*Note 8*). During the year ended December 31, 2025, the Group recognised an impairment and the deemed disposal loss of the investment amounting to 15,734 million tenge (*Note 24*).

6. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	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, 2024	4,716,859	2,159,680	1,171,110	1,418,728	4,042,238	229,490	241,348	1,440,110	15,419,563
Foreign currency translation	572,926	40,691	15,348	(41)	13,571	–	23,227	35,797	701,519
Changes in estimates	(8,735)	(14,655)	(2,172)	–	2,228	(1,795)	1	–	(25,128)
Additions	60,100	310,627	9,960	365	125,265	154,665	11,292	2,080,332	2,752,606
Acquisition through business combinations (*Note 29*)	–	3,005	2,191	–	223	23,318	15	604	29,356
Acquisition under common control (*Note 2*)	5,879	–	1,825	–	853	–	54	652	9,263
Additions through lease agreements	3,343	–	10,720	–	184,754	–	12,866	–	211,683
Capitalised repair works on right-of-use assets	–	–	–	–	23	–	–	–	23
Lease modifications	–	88	4,244	–	7,750	–	4,679	–	16,761
Disposals	(8,212)	(103)	(3,609)	(161)	(5,945)	–	(1,609)	(5,182)	(24,821)
Loss of control over subsidiaries	–	–	–	–	–	–	(28)	–	(28)
Depreciation charge	(400,901)	(156,934)	(64,095)	(42,330)	(347,922)	(68,345)	(24,489)	–	(1,105,016)
Impairment, net of reversal of impairment *(Note 24)*	–	(6,576)	5,988	(59)	(2,670)	–	138	(93,458)	(96,637)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	(785)	(16,639)	–	(145,501)	–	(2,607)	(70,933)	(236,465)
Transfers from/(to) exploration and evaluation assets, investment property, net	58	(425)	(5,890)	–	(27)	13,423	(4)	(618)	6,517
Transfer from/(to) inventories, net	437	169	(57)	(4,011)	2,161	–	908	9,265	8,872
Other transfers and reclassifications	231,209	134,354	116,841	166,546	987,482	5,986	13,594	(1,656,012)	–
Other changes	(387)	–	–	–	691	–	3	(1,674)	(1,367)
Net book value at December 31, 2024 (restated)	5,172,576	2,469,136	1,245,765	1,539,037	4,865,174	356,742	279,388	1,738,883	17,666,701
Historical cost	8,781,979	5,063,347	2,142,280	1,938,676	8,118,340	734,297	528,777	1,961,545	29,269,241
Accumulated depreciation and impairment	(3,609,403)	(2,594,211)	(896,515)	(399,639)	(3,253,166)	(377,555)	(249,389)	(222,662)	(11,602,540)
Net book value at December 31, 2024 (restated)	5,172,576	2,469,136	1,245,765	1,539,037	4,865,174	356,742	279,388	1,738,883	17,666,701

6. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Including right−of−use assets under lease agreements									
Net book value at January 1, 2024	10,794	72,685	30,597	−	200,320	−	66,683	−	381,079
Foreign currency translation	1,510	816	2,017	−	97	−	10,595	−	15,035
Additions through lease agreements	3,343	−	10,720	−	184,754	−	12,866	−	211,683
Capitalised repair works	−	−	−	−	23	−	−	−	23
Lease modifications	−	88	4,244	−	7,750	−	4,679	−	16,761
Termination of lease agreements	(782)	−	(2,038)	−	(604)	−	(88)	−	(3,512)
Depreciation charge	(6,714)	(22,636)	(8,256)	−	(25,838)	−	(6,667)	−	(70,111)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	−	−	(2,188)	−	(44,874)	−	−	−	(47,062)
Transfer to property, plant and equipment	−	−	−	−	(672)	−	(44)	−	(716)
Net book value at December 31, 2024	8,151	50,953	35,096	−	320,956	−	88,024	−	503,180
Historical cost of right−of−use assets under lease agreements	24,642	120,268	66,507	−	395,566	−	111,218	−	718,201
Accumulated depreciation and impairment of right−of−use assets under lease agreements	(16,491)	(69,315)	(31,411)	−	(74,610)	−	(23,194)	−	(215,021)
Net book value at December 31, 2024	8,151	50,953	35,096	−	320,956	−	88,024	−	503,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Net book value at January 1, 2025 (restated)	5,172,576	2,469,136	1,245,765	1,539,037	4,865,174	356,742	279,388	1,738,883	17,666,701
Foreign currency translation	**(152,153)**	**(10,841)**	**(4,829)**	**(29)**	**(5,187)**	**–**	**(7,258)**	**(6,619)**	**(186,916)**
Changes in estimates	**(13,651)**	**(28,429)**	**(7,675)**	**–**	**3,505**	**(6,714)**	**(227)**	**–**	**(53,191)**
Additions	**50,397**	**5,326**	**13,171**	**1,959**	**141,095**	**182,505**	**13,818**	**2,704,549**	**3,112,820**
Additions through lease agreements	**2,681**	**48**	**6,293**	**–**	**199,218**	**–**	**621**	**90**	**208,951**
Capitalised repair works on right-of-use assets	**–**	**–**	**–**	**–**	**536**	**–**	**–**	**–**	**536**
Lease modifications	**(325)**	**982**	**8,672**	**–**	**9,628**	**–**	**180**	**–**	**19,137**
Disposals	**(15,450)**	**(414)**	**(8,713)**	**(1,336)**	**(12,739)**	**(45)**	**(2,830)**	**(1,612)**	**(43,139)**
Loss of control over subsidiaries (*Note 5*)	**–**	**–**	**(944)**	**–**	**(21)**	**–**	**(9)**	**–**	**(974)**
Depreciation charge	**(458,004)**	**(172,025)**	**(71,837)**	**(49,285)**	**(397,013)**	**(87,367)**	**(27,909)**	**–**	**(1,263,440)**
Impairment, net of reversal of impairment *(Note 24)*	**(6,948)**	**(41,403)**	**(4,783)**	**960**	**94**	**122**	**10,787**	**(48,247)**	**(89,418)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	**–**	**–**	**(5,767)**	**–**	**(632)**	**(5,888)**	**(442)**	**(4,751)**	**(17,480)**
Transfers from/(to) exploration and evaluation assets, investment property, net	**11,207**	**17**	**3,268**	**–**	**–**	**–**	**(11)**	**(43)**	**14,438**
Transfer from/(to) inventories, net	**8**	**(8)**	**(72)**	**(3,943)**	**719**	**–**	**1,197**	**8,935**	**6,836**
Other transfers and reclassifications	**261,388**	**321,433**	**113,658**	**560,776**	**971,480**	**2,228**	**10,626**	**(2,241,589)**	**–**
Other changes	**(138)**	**–**	**–**	**–**	**–**	**–**	**3**	**(1,235)**	**(1,370)**
Net book value at December 31, 2025	**4,851,588**	**2,543,822**	**1,286,207**	**2,048,139**	**5,775,857**	**441,583**	**277,934**	**2,148,361**	**19,373,491**
Historical cost	**8,710,725**	**5,276,365**	**2,222,300**	**2,487,259**	**9,325,495**	**906,380**	**532,846**	**2,343,883**	**31,805,253**
Accumulated depreciation and impairment	**(3,859,137)**	**(2,732,543)**	**(936,093)**	**(439,120)**	**(3,549,638)**	**(464,797)**	**(254,912)**	**(195,522)**	**(12,431,762)**
Net book value at December 31, 2025	**4,851,588**	**2,543,822**	**1,286,207**	**2,048,139**	**5,775,857**	**441,583**	**277,934**	**2,148,361**	**19,373,491**

6. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Including right−of−use assets under lease agreements									
Net book value at January 1, 2025	8,151	50,953	35,096	−	320,956	−	88,024	−	503,180
Foreign currency translation	**(224)**	**(243)**	**(647)**	**−**	**(110)**	**−**	**(2,848)**	**−**	**(4,072)**
Changes in estimates	**−**	**−**	**−**	**−**	**−**	**−**	**(262)**	**−**	**(262)**
Additions through lease agreements	**2,681**	**48**	**6,293**	**−**	**199,218**	**−**	**621**	**90**	**208,951**
Capitalised repair works	**−**	**−**	**−**	**−**	**536**	**−**	**−**	**−**	**536**
Lease modifications	**(325)**	**982**	**8,672**	**−**	**9,628**	**−**	**180**	**−**	**19,137**
Termination of lease agreements	**1**	**−**	**(4,452)**	**−**	**(80)**	**−**	**(309)**	**−**	**(4,840)**
Depreciation charge	**(6,549)**	**(22,665)**	**(6,491)**	**−**	**(32,670)**	**−**	**(8,136)**	**−**	**(76,511)**
Impairment, net of reversal of impairment	**−**	**−**	**−**	**−**	**−**	**−**	**(621)**	**−**	**(621)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	**−**	**−**	**−**	**−**	**−**	**−**	**(6)**	**−**	**(6)**
Transfer to property, plant and equipment	**−**	**−**	**−**	**−**	**(752)**	**−**	**(127)**	**7**	**(872)**
Other changes	**−**	**−**	**(227)**	**−**	**276**	**−**	**−**	**(49)**	**−**
Net book value at December 31, 2025	**3,735**	**29,075**	**38,244**	**−**	**497,002**	**−**	**76,516**	**48**	**644,620**
Historical cost of right−of−use assets under lease agreements	**3,900**	**120,769**	**73,746**	**−**	**597,589**	**−**	**107,571**	**48**	**903,623**
Accumulated depreciation and impairment of right−of−use assets under lease agreements	**(165)**	**(91,694)**	**(35,502)**	**−**	**(100,587)**	**−**	**(31,055)**	**−**	**(259,003)**
Net book value at December 31, 2025	**3,735**	**29,075**	**38,244**	**−**	**497,002**	**−**	**76,516**	**48**	**644,620**

As at December 31, 2025 property, plant and equipment with net book value of 239,121 million tenge was pledged as collateral for some of the Group's borrowings (December 31, 2024: 269,087 million tenge).

As at December 31, 2025 the cost of fully amortised property, plant and equipment of the Group was equal to 1,513,096 million tenge (December 31, 2024: 1,479,159 million tenge).

In 2025 the Group capitalised borrowing costs at an average interest rate of 14.05% in the amount of 172,578 million tenge *(Notes 16, 17)* less investment income of 9,158 million tenge (2024: at an average interest rate of 12.93% in the amount of 107,098 million tenge less investment income of 465 million tenge).

7. INTANGIBLE ASSETS

In millions of tenge	Licenses	Subsur-face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2024	795,892	753,009	326,675	26,809	57,669	66,048	2,026,102
Foreign currency translation	71,155	29,423	1,845	4,161	909	2,243	109,736
Additions	12,653	178	–	–	7,387	20,728	40,946
Acquisition through business combinations (*Note 29*)	18	710,080	–	–	–	1	710,099
Additions through lease agreements	678	–	–	–	1,901	–	2,579
Disposals	(5)	–	–	–	(104)	(167)	(276)
Amortisation charge	(56,355)	(47,549)	–	–	(21,614)	(3,575)	(129,093)
(Impairment)/reversal of impairment, net *(Note 24)*	–	–	–	–	(23)	(305)	(328)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	(151,210)	–	(96,206)	–	(2,501)	(3,222)	(253,139)
Other transfers and reclassifications	1,694	–	–	–	7,593	(9,287)	–
Other changes	–	1,953	–	–	253	(9,205)	(6,999)
Net book value at December 31, 2024 (restated)	674,520	1,447,094	232,314	30,970	51,470	63,259	2,499,627
Foreign currency translation	**(18,388)**	**(7,776)**	**(512)**	**(1,155)**	**(210)**	**(619)**	**(28,660)**
Additions	**6,878**	**5,214**	**–**	**–**	**13,373**	**20,291**	**45,756**
Disposals	**(29)**	**(297)**	**–**	**–**	**(42)**	**(4,161)**	**(4,529)**
Loss of control over subsidiaries (*Note 5*)	**–**	**–**	**–**	**–**	**(4)**	**–**	**(4)**
Amortisation charge	**(59,460)**	**(54,582)**	**–**	**–**	**(20,672)**	**(2,862)**	**(137,576)**
(Impairment)/reversal of impairment, net *(Note 24)*	**(7)**	**–**	**–**	**–**	**73**	**(141)**	**(75)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	**–**	**–**	**–**	**–**	**(138)**	**–**	**(138)**
Other transfers and reclassifications	**1,114**	**7**	**–**	**–**	**11,333**	**(12,454)**	**–**
Other changes	**(1)**	**457**	**–**	**–**	**1,276**	**10,832**	**12,564**
Net book value at December 31, 2025	**604,627**	**1,390,117**	**231,802**	**29,815**	**56,459**	**74,145**	**2,386,965**
Historical cost	1,016,883	1,726,862	346,005	79,497	238,686	156,859	3,564,792
Accumulated amortisation and impairment	(342,363)	(279,768)	(113,691)	(48,527)	(187,216)	(93,600)	(1,065,165)
Net book value at December 31, 2024 (restated)	674,520	1,447,094	232,314	30,970	51,470	63,259	2,499,627
Historical cost	**993,300**	**1,719,492**	**345,493**	**76,533**	**258,220**	**168,197**	**3,561,235**
Accumulated amortisation and impairment	**(388,673)**	**(329,375)**	**(113,691)**	**(46,718)**	**(201,761)**	**(94,052)**	**(1,174,270)**
Net book value at December 31, 2025	**604,627**	**1,390,117**	**231,802**	**29,815**	**56,459**	**74,145**	**2,386,965**

7. INTANGIBLE ASSETS (continued)

As at December 31, 2025 intangible assets include software use rights of 1,444 million tenge (as at December 31, 2024: 1,863 million tenge).

As at December 31, 2025 and 2024, marketing related intangible assets were represented by trademarks of KMGI.

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

Cash-generating unit	**December 31, 2025**	December 31, 2024
Pavlodar refinery CGU	**88,553**	88,553
Kcell JSC CGU	**53,490**	53,490
Karatau LLP CGU	**24,808**	24,808
JV Akbastau JSC CGU	**18,520**	18,520
National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") CGU	**15,520**	15,520
CGUs of KMGI	**13,225**	13,737
CGU Dunga	**9,814**	9,814
MC Ortalyk LLP CGU	**5,166**	5,166
IP TV CGU	**2,706**	2,706
Total goodwill	**231,802**	232,314

In 2025 and 2024, based on the impairment test results, no impairment of goodwill was recognised. For the detailed discussion of goodwill impairment test refer to *Note 4*.

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

As at December 31 investments in joint ventures and associates comprised the following:

			2025		2024 (restated)	
In millions of tenge	**Main activity**	**Place of business**	**Carrying amount**	**Percentage ownership**	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP[1]	Oil and gas exploration and production	Kazakhstan	**3,449,897**	**20.00%**	3,987,223	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**741,970**	**50.00%**	781,532	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**313,272**	**50.00%**	307,283	50.00%
Mangistau Investments B.V. Group	Oil and gas development and production	Kazakhstan	**227,787**	**50.00%**	196,938	50.00%
Silleno LLP[2]	Construction of the first integrated gas-chemical complex	Kazakhstan	**108,160**	**40.00%**	65,190	40.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	**84,370**	**50.00%**	88,018	50.00%
Kazakhstan − China Pipeline LLP	Oil transportation	Kazakhstan	**67,741**	**50.00%**	66,202	50.00%
Ural Group Limited	Oil and gas exploration and production		**58,042**	**50.00%**	67,860	50.00%
Valsera Holdings B.V. Group	Oil refining	Kazakhstan	**53,725**	**50.00%**	37,688	50.00%
KC Energy Group[3]	Sale of liquefied gas and oil products	Kazakhstan	**51,705**	**49.00%**	27,749	49.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	**48,347**	**50.00%**	66,539	50.00%
Semizbay-U LLP	Extraction, processing and export of uranium products	Kazakhstan	**43,310**	**51.00%**	39,763	51.00%
Other			**257,057**		287,296	
Total joint ventures			**5,505,383**		6,019,281	
Associates						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	**519,753**	**29.82%**	540,455	29.82%
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	**493,443**	**20.75%**	484,247	20.75%
JV KATCO LLP	Exploration, production, processing and export of uranium	Kazakhstan	**205,473**	**49.00%**	138,146	49.00%
Air Astana JSC	Air transportation	Kazakhstan	**160,343**	**41.00%**	168,737	41.00%
PetroKazakhstan Inc. ("PKI")	Exploration, production and processing of oil and gas	Kazakhstan	**68,172**	**33.00%**	82,175	33.00%
Other			**291,469**		272,828	
Total associates			**1,738,653**		1,686,588	
			7,244,036		7,705,869	

[1] *The share of 20% provides the Group the joint control over Tengizchevroil LLP where decisions about the relevant activities require unanimous consent.*

[2] *The share of 40% provides the Group the joint control over Silleno LLP where decisions about the relevant activities require unanimous consent.*

[3] *KC Energy Group was founded under conditions similar to the current activities of Petrosun with the same composition of participants and the same management mechanisms. The activities of PETROSUN LLP were transferred to KC Energy Group LLP. PETROSUN LLP is on the process of liquidation. The share of 49% provides the Group the joint control over KC Energy Group LLP where decisions about the relevant activities require unanimous consent.*

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of significant joint ventures, based on the financial statements of these entities for 2025, prepared in accordance with IFRS accounting standards, reflecting equity method accounting adjustments:

In millions of tenge	Tengiz-chevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	Silleno LLP	TOO Kalamkas-Khazar Operating	Kazakhstan – China Pipeline LLP	Ural Group Limited	Valsera Holdings B.V. Group	KC Energy Group LLP	KazRosGas LLP	Semizbay-U LLP
Joint ventures												
Non-current assets	**22,745,433**	**983,352**	**556,423**	**502,915**	**655,397**	**245,274**	**113,323**	**206,629**	**383,750**	**160**	**19,590**	**39,488**
Current assets, including	**3,148,034**	**713,416**	**70,475**	**241,152**	**31,075**	**423**	**59,902**	**34,248**	**74,079**	**207,308**	**94,183**	**67,223**
Cash and cash equivalents	**573,562**	**507,854**	**40,294**	**79,330**	**10,413**	**14**	**42,053**	**22,328**	**10,445**	**88,165**	**47,507**	**29,882**
Non-current liabilities, including	**5,748,888**	**170,060**	**12,501**	**175,149**	**407,891**	**68,351**	**22,831**	**68,033**	**185,567**	**–**	**516**	**7,645**
Non-current financial liabilities	**1,516,590**	**–**	**3,268**	**–**	**–**	**–**	**–**	**27,193**	**143,059**	**–**	**–**	**–**
Current liabilities, including	**2,895,094**	**42,768**	**24,130**	**138,054**	**13,286**	**8,606**	**14,912**	**16,759**	**112,706**	**101,084**	**16,563**	**15,703**
Current financial liabilities	**2,022,120**	**–**	**1,314**	**–**	**–**	**–**	**–**	**–**	**78,682**	**-**	**-**	**8,193**
Equity	**17,249,485**	**1,483,940**	**590,267**	**430,864**	**265,295**	**168,740**	**135,482**	**156,085**	**159,556**	**106,384**	**96,694**	**83,363**
Share of ownership	**20.00%**	**50.00%**	**50.00%**	**50.00%**	**40.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**49.00%**	**50.00%**	**51.00%**
Impairment of the investment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20,000)**	**–**	**–**	**–**	**–**
Goodwill	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,105**
Unrealised loss	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,442)**
Consolidation adjustments	**–**	**–**	**18,138**	**12,355**	**2,042**	**–**	**–**	**–**	**(26,053)**	**(423)**	**–**	**132**
Carrying amount of investment as at December 31, 2025	**3,449,897**	**741,970**	**313,272**	**227,787**	**108,160**	**84,370**	**67,741**	**58,042**	**53,725**	**51,705**	**48,347**	**43,310**
Revenue	**10,799,781**	**933,098**	**110,210**	**852,320**	**–**	**–**	**76,217**	**3,431**	**284,489**	**1,614,120**	**227,543**	**81,114**
Depreciation, depletion and amortisation	**(3,564,404)**	**(73,801)**	**(30,770)**	**(73,373)**	**88**	**(64)**	**(10,306)**	**(11)**	**(47,714)**	**(40)**	**(346)**	**(9,544)**
Finance income	**117,644**	**19,988**	**5,163**	**2,922**	**1**	**5,076**	**6,410**	**–**	**2,143**	**12,069**	**6,620**	**1,535**
Finance costs	**(385,389)**	**(5,470)**	**(5,027)**	**(16,536)**	**–**	**(4,357)**	**–**	**(625)**	**(24,123)**	**(1,100)**	**–**	**(1,414)**
Income tax (expenses)/benefit	**(883,840)**	**(142,307)**	**–**	**(33,748)**	**(2)**	**(637)**	**(8,314)**	**2,481**	**(12,802)**	**(32,984)**	**(4,729)**	**(8,167)**
Profit/(loss) for the year	**2,062,293**	**570,039**	**43,979**	**102,619**	**8,770**	**(7,296)**	**33,079**	**(10,425)**	**41,979**	**131,754**	**6,040**	**35,808**
Other comprehensive (loss)/income for the year	**(706,681)**	**2,283**	**–**	**(1,302)**	**–**	**–**	**(1)**	**(9,211)**	**–**	**–**	**(4,109)**	**18**
Total comprehensive income/(loss) for the year	**1,355,613**	**572,322**	**43,979**	**101,317**	**8,770**	**(7,296)**	**33,078**	**(19,636)**	**41,979**	**131,754**	**1,931**	**35,826**
Unrealised profit	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,115)**
Dividends received	**804,333**	**325,723**	**16,000**	**19,810**	**–**	**–**	**15,000**	**–**	**4,952**	**40,180**	**19,157**	**19,838**

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of significant joint ventures, based on the financial statements of these entities for 2024, prepared in accordance with IFRS accounting standards, reflecting equity method accounting adjustments:

In millions of tenge	Tengiz-chevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	Silleno LLP	TOO Kalamkas-Khazar Operating	Kazakhstan – China Pipeline LLP	Ural Group Limited	Valsera Holdings B.V. Group	KC Energy Group LLP	KazRosGas LLP	Semizbay-U LLP
Joint ventures												
Non-current assets	26,176,361	1,033,027	572,890	453,936	132,833	218,477	119,017	242,666	414,933	133	19,368	34,155
Current assets, including	2,664,463	731,998	126,431	237,009	1,918	6,307	49,543	23,706	111,847	176,367	127,977	75,899
Cash and cash equivalents	1,142,568	634,950	86,021	84,851	1,884	6,301	39,103	15,317	48,361	42,673	75,084	5,034
Non-current liabilities, including	7,086,258	164,754	67,684	140,577	–	43,328	22,936	47,481	278,761	–	403	7,316
Non-current financial liabilities	3,675,770	–	58,267	–	–	–	–	24,832	226,189	–	–	66
Current liabilities, including	1,818,449	37,207	53,348	159,532	5,623	5,819	13,220	19,923	120,536	119,870	13,864	16,301
Current financial liabilities	1,050,220	–	16,276	–	–	–	–	–	71,775	-	–	7,952
Equity	19,936,117	1,563,064	578,289	390,836	129,128	175,638	132,404	198,968	127,483	56,630	133,078	86,437
Share of ownership	20.00%	50.00%	50.00%	50.00%	40.00%	50.00%	50.00%	50.00%	50.00%	49.00%	50.00%	51.00%
Impairment of the investment	–	–	–	–	–	–	–	(20,000)	–	–	–	–
Goodwill	–	–	–	–	–	–	–	–	–	–	–	4,105
Unrealised income/(loss)	–	–	–	–	–	199	–	–	–	–	–	(8,557)
Consolidation adjustments	–	–	18,138	1,520	13,539	–	–	(11,624)	(26,053)	–	–	132
Carrying amount of investment as at December 31, 2024	3,987,223	781,532	307,283	196,938	65,190	88,018	66,202	67,860	37,688	27,749	66,539	39,763
Revenue	8,358,505	897,105	164,864	871,754	–	–	87,939	26,561	256,007	791,620	255,369	95,508
Depreciation, depletion and amortisation	(2,615,840)	(73,064)	(30,168)	(94,355)	–	–	(10,267)	(6)	(33,021)	–	(312)	(7,869)
Finance income	116,985	39,451	4,538	1,800	–	139	2,688	–	1,968	2,374	6,602	752
Finance costs	(240,018)	(4,299)	(9,684)	(17,802)	–	(1,495)	(333)	(586)	(29,742)	(1,170)	–	(1,178)
Income tax (expenses)/benefit	(669,126)	(164,140)	–	(38,238)	–	–	(10,519)	9,581	(7,484)	(13,918)	(14,569)	(12,612)
Profit/(loss) for the year	1,517,402	651,445	89,965	71,452	(2,138)	(10,479)	41,688	(17,922)	(353)	55,690	38,315	48,624
Other comprehensive income/(loss) for the year	2,693,108	725	–	4,365	–	–	(1)	33,035	(86)	–	20,454	(38)
Total comprehensive income/(loss) for the year	4,210,510	652,170	89,965	75,817	(2,138)	(10,479)	41,687	15,113	(439)	55,690	58,769	48,586
Unrealised profit	–	–	–	–	–	–	–	–	–	–	–	3,057
Dividends received	458,813	523,089	18,000	44,584	–	–	8,000	–	3,285	–	53,276	13,277

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of significant associates, based on financial statements of these entities for 2025 and 2024, prepared in accordance with IFRS accounting standards, reflecting equity method accounting adjustments:

	2025					2024				
In millions of tenge	**Kazzinc LLP**	**Caspian Pipeline Consortium JSC**	**Air Astana JSC**	**JV KATCO LLP**	**Petro-Kazakhstan Inc. ("PKI")**	Kazzinc LLP	Caspian Pipeline Consortium JSC	Air Astana JSC	JV KATCO LLP	Petro-Kazakhstan Inc. ("PKI")
Associates										
Non-current assets	**1,032,261**	**2,256,422**	**715,584**	**249,522**	**150,114**	1,102,652	2,109,714	651,008	221,614	174,833
Current assets	**1,079,766**	**318,864**	**357,127**	**203,628**	**122,579**	1,068,419	288,618	334,104	110,132	139,072
Non-current liabilities	**137,247**	**147,943**	**564,556**	**19,217**	**12,124**	97,412	8,147	529,300	14,464	16,382
Current liabilities	**231,934**	**283,198**	**288,408**	**29,079**	**33,450**	261,394	299,418	215,592	26,587	27,971
Equity	**1,742,846**	**2,144,145**	**219,747**	**404,854**	**227,119**	1,812,265	2,090,767	240,220	290,695	269,552
Share of ownership	**29.82%**	**20.75%**	**41.00%**	**49.00%**	**33.00%**	29.82%	20.75%	41.00%	49.00%	33.00%
Goodwill	**–**	**48,533**	**70,247**	**68**	**–**	–	50,413	70,247	68	–
Unrealised profit	**–**	**–**	**–**	**(20,736)**	**–**	–	–	–	(19,567)	–
Additional allocation of profits	**–**	**–**	**–**	**27,763**	**–**	–	–	–	15,205	–
Impairment of the investment	**–**	**–**	**–**	**–**	**(6,778)**	–	–	–	–	(6,778)
Carrying amount of investment	**519,753**	**493,443**	**160,343**	**205,473**	**68,172**	540,455	484,247	168,737	138,146	82,175
Revenue	**2,644,048**	**1,339,068**	**758,967**	**368,884**	**112,326**	1,925,032	1,063,100	557,069	242,535	132,943
Profit/(loss) for the year	**402,264**	**881,670**	**7,023**	**190,183**	**8,121**	215,884	392,890	26,800	138,226	6,828
Other comprehensive (loss)/ income for the year	**(54,466)**	**(98,998)**	**(4,604)**	**–**	**(2,761)**	250,855	334,726	32,042	–	20,354
Total comprehensive income for the year	**347,798**	**782,672**	**2,419**	**190,183**	**5,360**	466,739	727,616	58,842	138,226	27,182
Unrealised profit	**–**	**–**	**–**	**(1,169)**	**–**	–	–	–	(2,687)	–
Dividends received	**124,395**	**157,064**	**7,850**	**45,478**	**15,015**	31,293	115,804	–	40,233	17,920

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

8. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate aggregate financial information of individually insignificant joint ventures (the Group's proportional interest):

In millions of tenge	**2025**	2024
Carrying amount of investments as at December 31	**257,057**	287,296
Net profit for the year	**47,205**	51,562
Other comprehensive (loss)/income for the year	**(803)**	4,619
Total comprehensive income for the year	**46,402**	56,181

The following tables illustrate aggregate financial information of individually insignificant associates (the Group's proportional interest):

In millions of tenge	**2025**	2024
Carrying amount of investments as at December 31	**291,469**	272,828
Net profit for the year	**73,225**	74,179
Other comprehensive (loss)/income for the year	**(1,933)**	12,952
Total comprehensive income for the year	**71,292**	87,131

In 2025 dividends received from individually insignificant joint ventures and associates were equal to 113,538 million tenge (2024: 120,864 million tenge).

The following table summarises the movements in equity investments in joint ventures and associates in 2025 and 2024:

In millions of tenge	**2025**	2024
Balance as at January 1	**7,705,869**	6,900,007
Share in profit of joint ventures and associates, net *(Note 27)*	**1,435,722**	1,148,846
Dividends received	**(1,728,333)**	(1,448,438)
Change in dividends receivable (*Note 13*)	**(4,986)**	21,395
Additional contributions without change in ownership	**62,987**	75,610
Acquisitions	**32,261**	219,234
Adjustment of unrealised income*	**(3,122)**	(322)
Disposals	**–**	(7,169)
Disposal of an interest in a joint venture without loss of joint control	**–**	(6,393)
Transfer to assets classified as held for sale or distribution to the Shareholder (*Note 5*)	**(77,097)**	–
Foreign currency translation	**(192,150)**	738,074
Other comprehensive income, other than foreign currency translation	**798**	11,467
Impairment, net *(Note 24)*	**(11,749)**	(4,420)
Other changes in the equity of the joint venture	**23,836**	57,978
Balance as at December 31	**7,244,036**	7,705,869

As at December 31, 2025, the Group's share in unrecognised losses of joint ventures and associates was equal to 168,442 million tenge (December 31, 2024: 158,588 million tenge).

9. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at December 31 amounts due from credit institutions comprised the following:

In millions of tenge	**2025**	2024
Bank deposits	**1,890,281**	1,525,420
Loans to credit institutions	**25,204**	32,345
Less: allowance for expected credit losses	**(253)**	(260)
Amounts due from credit institutions, net	**1,915,232**	1,557,505
Less: current portion	**(1,886,552)**	(1,523,660)
Non-current portion	**28,680**	33,845

In millions of tenge	**2025**	**Weighted average effective interest rate**	2024	Weighted average effective interest rate
Amounts due from credit institutions, denominated in US dollars	**1,876,853**	4.37%	1,515,113	4.88%
Amounts due from credit institutions, denominated in tenge	**34,139**	11.67%	42,024	6.58%
Amounts due from credit institutions, denominated in other currencies	**4,240**	10.16%	368	9.97%
	1,915,232		1,557,505	

As at December 31, 2025 there has not been a significant increase in credit risk for amounts due from credit institutions since their initial recognition.

10. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE

As at December 31, loans issued and net investment in finance lease comprised the following:

In millions of tenge	**2025**	**Weighted average effective interest rate**	2024	Weighted average effective interest rate
Loans issued at amortised cost	**200,573**	11.00%	195,606	12.61%
Loans issued at fair value through profit or loss	**155,490**	7.48%	82,945	8.71%
Net investment in finance lease	**30,960**	9.29%	37,489	10.54%
Total loans and net investment in finance lease	**387,023**		316,040	
Less: allowance for expected credit losses	**(22,341)**		(22,224)	
Loans issued and net investment in finance lease, net	**364,682**		293,816	
Less: current portion	**(41,647)**		(65,682)	
Non-current portion	**323,035**		228,134	

10. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE (continued)

Movements in the loan allowance for expected credit losses for the years ended December 31 were as follows:

In millions of tenge	**2025**	2024
Allowance at January 1	**22,224**	28,756
Charged, net	**251**	(1,161)
Transfer to assets classified as held for sale or distribution to the Shareholder	**–**	(1,280)
Write-off	**(243)**	(3,956)
Loss of control over subsidiaries	**117**	–
Other changes	**(8)**	(135)
Allowance at December 31	**22,341**	22,224

As at December 31, 2025 and 2024, for loans and the Group's net investments in finance leases for which there has been no significant increase in credit risk since initial recognition, a loss allowance is recognised in the amount of expected credit losses arising from possible default events within the next 12 months (12-month expected credit losses). Since initial recognition of loans and receivables from related parties, no significant increase in credit risk has been observed.

As at December 31 the components of net investment in finance lease are as follows:

In millions of tenge	**2025**	2024
Within one year	**9,177**	10,614
Later than one year, but not later than five years	**22,256**	26,120
After five years	**8,306**	13,545
Lease payments	**39,739**	50,279
Less: unearned finance income	**(8,779)**	(12,790)
Net investment in finance lease	**30,960**	37,489

In millions of tenge	**2025**	2024
Loans issued and net investment in finance lease in tenge	**214,281**	210,884
Loans issued in US dollars	**150,401**	82,932
	364,682	293,816

11. FINANCIAL INVESTMENTS IN DEBT AND EQUITY INSTRUMENTS

As at December 31 financial investments in debt and equity instruments comprised the following:

In millions of tenge	**2025**	2024 (restated)
Financial investments in debt and equity instruments at fair value through other comprehensive income, including:	**977,680**	436,964
Treasury notes of foreign governments	**765,650**	274,390
Treasury bills of the Ministry of Finance of the RK	**101,551**	98,599
Corporate bonds	**76,833**	58,827
Bonds of Kazakhstani financial institutions	**27,092**	–
Eurobonds of the Ministry of Finance of the RK	**4,881**	5,075
Bonds of foreign financial institutions	**1,600**	–
Equity securities	**73**	73
Financial investments in debt and equity instruments at amortised cost, including:	**958,742**	774,817
Bonds of Kazakhstani financial institutions	**412,697**	459,758
Treasury notes of foreign governments	**202,715**	76,425
Notes of the National Bank of the RK	**150,109**	69,901
Corporate bonds	**88,255**	138,375
Bonds of foreign financial institutions	**59,570**	–
Treasury bills of the Ministry of Finance of the RK	**43,359**	33,676
Eurobonds of the Ministry of Finance of the RK	**10,297**	6,030
Less: allowance for expected credit losses	**(8,260)**	(9,348)
Financial investments in debt and equity instruments at fair value through profit or loss, including:	**250,534**	169,411
Equity securities	**242,411**	169,060
Forwards and futures	**7,781**	–
Corporate bonds	**342**	351
Total financial assets	**2,186,956**	1,381,192
Less: current portion	**(1,299,915)**	(520,886)
Non-current portion	**887,041**	860,306

During the year ended December 31, 2025 as part of its free cash flow management strategy the Group was investing into notes of the National Bank of the RK with maturities of less than twelve months, that are usually held to maturity. As of December 31, 2025 the investment amounted to 150,109 million tenge (December 31, 2024: 69,901 million tenge).

During the year ended December 31, 2025 the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury), Ministries of Finance of the RK and other foreign countries. As of December 31, 2025 the investment amounted to 1,128,453 million tenge (December 31, 2024: 494,195 million tenge).

As at December 31 financial investments in debt and equity instruments by currency, except for derivatives, comprised:

In millions of tenge	**2025**	2024 (restated)
Financial investments in debt and equity instruments, denominated in US dollars	**1,337,884**	584,090
Financial investments in debt and equity instruments, denominated in tenge	**841,291**	792,074
Financial investments in debt and equity instruments, denominated in euro	**–**	150
Financial investments in debt and equity instruments, denominated in other currency	**–**	4,878
	2,179,175	1,381,192

12. INVENTORIES

As at December 31 inventories comprised the following:

In millions of tenge	**2025**	2024 (restated)
Uranium products	**322,386**	314,367
Production materials and supplies	**138,864**	143,470
Crude oil	**109,686**	90,597
Work in progress	**93,928**	80,658
Gas processed products	**79,733**	87,291
Fuel	**56,244**	34,101
Oil refined products for sale	**55,352**	92,650
Goods for resale	**53,014**	69,998
Oil and gas industry materials and supplies	**49,111**	45,979
Railway industry materials and supplies	**37,249**	23,496
Electric transmission equipment spare parts	**14,017**	8,333
Telecommunication equipment spare parts	**3,075**	2,488
Uranium industry materials and supplies	**2,874**	2,701
Other materials and supplies	**39,142**	34,746
	1,054,675	1,030,875

As at December 31, 2025 carrying value of inventories under pledge as collateral amounted to 189,660 million tenge (December 31, 2024: 225,074 million tenge).

13. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS

As at December 31 trade accounts receivable comprised the following:

In millions of tenge	**2025**	2024 (restated)
Trade accounts receivable	**1,362,186**	1,514,292
Less: allowance for expected credit losses	**(72,992)**	(64,587)
	1,289,194	1,449,705

At December 31, 2025 the Group's receivables of 174,372 million tenge were pledged under certain Group borrowings (December 31, 2024: 181,346 million tenge).

As at December 31 trade accounts receivable by currency comprised:

In millions of tenge	**2025**	2024 (restated)
Trade accounts receivable in US dollars	**607,672**	819,945
Trade accounts receivable in tenge	**585,252**	556,437
Trade accounts receivable in Romanian lei	**80,780**	63,296
Trade accounts receivable in other currency	**15,490**	10,027
	1,289,194	1,449,705

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

	Days past due					
In millions of tenge	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
December 31, 2025						
Expected credit loss rate	**0.30%**	**1.09%**	**3.60%**	**15.17%**	**65.21%**	
Trade accounts receivable	**1,087,173**	**119,719**	**41,160**	**14,881**	**99,253**	**1,362,186**
Expected credit losses	**(3,233)**	**(1,299)**	**(1,481)**	**(2,258)**	**(64,721)**	**(72,992)**
December 31, 2024						
Expected credit loss rate	0.27%	1.38%	3.72%	5.92%	79.31%	
Trade accounts receivable	1,344,677	65,951	18,526	11,208	73,930	1,514,292
Expected credit losses	(3,686)	(913)	(689)	(664)	(58,635)	(64,587)

13. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS (continued)

As at December 31 other assets comprised the following:

In millions of tenge	**2025**	2024 (restated)
Other financial assets:		
At amortised cost		
Restricted cash	**308,456**	223,377
Other accounts receivable	**157,409**	227,660
Dividends receivable (*Note 8*)	**8,170**	8,308
Other	**22,552**	24,965
Less: allowance for expected credit losses	**(104,390)**	(124,363)
At fair value through profit or loss		
Additional consideration for sale of a subsidiary (*Note 5*)	**186,878**	17,461
Guaranteed returns from a shareholder of a joint venture	**11,289**	10,798
Other	**77**	–
	590,441	388,206
Less: current portion	**(167,552)**	(183,391)
Non-current portion	**422,889**	204,815
Other non-financial assets:		
Advances paid for non-current assets	**1,629,171**	932,942
Long-term VAT receivable	**647,002**	401,768
Other advances paid and prepaid expenses	**220,385**	222,645
Other prepaid taxes	**119,978**	88,216
Long-term inventories	**35,197**	25,061
Assets under agency agreements	**32,144**	278,515
Investment property	**22,647**	26,320
Assets for distribution to the Shareholder	**–**	20,149
Other	**44,733**	39,085
Less: impairment allowance	**(125,831)**	(153,333)
Total other assets	**2,625,426**	1,881,368
Less: current portion	**(366,637)**	(535,950)
Non-current portion	**2,258,789**	1,345,418

Restricted cash primarily comprises long-term bank deposits designated to fund future site restoration activities in accordance with subsoil use contracts, as well as to secure settlement of certain tax obligations.

Assets under agency agreements are mainly represented by the funds of 21,843 million tenge transferred to the construction companies as part of the execution of contracts on comprehensive works and services for the construction of facilities within the framework of the pilot National project "Comfort School", where the Group acts as an agent under IFRS 15 (as at December 31, 2024: 272,513 million tenge) (*Note 19*).

As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk city which was the subject for further transfer to the Shareholder. On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act.

Movements in the allowance for expected credit losses for trade accounts receivable and other assets for the years ended December 31 were as follows:

In millions of tenge	**Trade accounts receivable**	**Other financial assets**	**Other non-financial assets**
Allowance at January 1, 2024	73,988	107,651	128,961
Charged, net	(4,578)	14,644	27,221
Write-off	(6,014)	(4,457)	(808)
Transfers to assets classified as held for sale or distribution to the Shareholder	(1,468)	(253)	(1,219)
Foreign exchange difference, net	2,300	6,046	168
Other changes	359	732	(990)
Allowance at December 31, 2024	64,587	124,363	153,333
Charged, net	**17,721**	**(15,644)**	**16,509**
Write-off	**(9,226)**	**(3,377)**	**(42,065)**
Transfers to assets classified as held for sale or distribution to the Shareholder	**(147)**	**(1,952)**	**(1,580)**
Foreign exchange difference, net	**168**	**(1,400)**	**(20)**
Other changes	**(111)**	**2,400**	**(346)**
Allowance at December 31, 2025	**72,992**	**104,390**	**125,831**

14. CASH AND CASH EQUIVALENTS

As at December 31 cash and cash equivalents comprised the following:

In millions of tenge	**2025**	2024 (restated)
Bank deposits − tenge	**1,059,877**	781,216
Bank deposits − US dollars	**868,349**	1,018,564
Bank deposits − other currency	**275,804**	64,303
Current accounts with banks − US dollars	**394,077**	496,029
Current accounts with banks − tenge	**136,249**	111,649
Current accounts with banks − other currency	**65,496**	24,415
Reverse repurchase agreements with contractual maturity of three months or less	**745,959**	367,286
Cash on digital accounts	**22,882**	117,719
Cash in accounts for servicing budget programs in accordance with the legislation of the RK	**21,068**	221,505
Cash on hand	**8,092**	8,404
Cash in transit	**5,700**	2,140
Balances on brokerage accounts payable on demand	**1,356**	706
Less: allowance for expected credit losses	**(880)**	(1,657)
	3,604,029	3,212,279

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 and other securities with maturities of up to 3 months.

As at December 31, 2025 cash on digital accounts of 22,882 million tenge represents programmable digital tenge for the modernisation of the Dostyk-Moiynty railway transport corridor (as at December 31, 2024: 116,635 million tenge).

At December 31, 2025, the Group had cash in the amount of 21,068 million tenge (at December 31, 2024: 199,897 million tenge) which is represented by a cash control account in the regional treasury department of the Ministry of Finance of RK opened with a purpose of the implementation of the "Comfortable School" pilot national project (*Notes 13, 19*).

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 December 31, 2025 the weighted average interest rates for short-term bank deposits were 17.25% in tenge, 3.77% in US dollars, 2.07% in other currency; and current accounts were 1.91% in tenge, 3.11% in USD dollars, 0.75% in other currency, respectively (December 31, 2024: the weighted average interest rates for short-term bank deposits were 14.74% in tenge, 4.07% in US dollars, 5.18% in other currency; and current accounts were 1.53% in tenge, 2.67% in USD dollars, 1.88% in other currency, respectively).

15. EQUITY

15.1 Share capital

During 2025 and 2024 the Fund issued common shares, which were paid as follows:

Payment for shares	**Number of shares authorised and issued**	**Par value per share, in tenge**	**Share capital in millions of tenge**
As of January 1, 2024	3,481,968,620		5,492,783
Shares issued during the year:			
Shares issued and paid by contributions of state-owned interests in subsidiary and joint venture	100	387,371,430	38,737
	100	92,941,670	9,294
	1	57,672,000	58
As of December 31, 2024	3,481,968,821		5,540,872
Shares issued during the year:			
Shares issued and paid by contributions of state-owned interests in subsidiary and joint venture			
	1,000	**8,116,947**	**8,117**
	1	**491,267,000**	**491**
Shares issued and paid by contribution of property			
	1,000	**243,931,446**	**243,931**
	10	**29,990,500**	**300**
	10	**385,505,300**	**3,855**
As of December 31, 2025	**3,481,970,842**		**5,797,566**

15. EQUITY (continued)

15.1 Share capital (continued)

As at December 31, 2025: 3,481,970,842 shares of the Fund were fully paid (December 31, 2024: 3,481,968,821 shares).

Contribution of state-owned interests in subsidiaries

On January 9, 2025, the Fund issued 1,000 shares at par value of 8,116,947 tenge for the total amount of 8,117 million tenge, which were paid off by the Shareholder by means of 100% shares of Phystech II (*Note 2*). This transaction represents business combination of entities under common control and is accounted for retrospectively based on the predecessor’s values. Accordingly, consolidated financial statements for 2024 were presented as if the interests of entities were transferred at the beginning of the earliest presented period. As a result of this transaction the share capital of the Fund was increased by 8,117 million tenge with respective decrease in the retained earnings in consolidated financial statements.

On February 14, 2025, the Fund issued 1 share at par value of 491,267,000 tenge, which were paid off by the Shareholder by means of 100% shares of Akmolit LLP, Topaz-NS LLP and Markhit LLP with a fair value of 491 million tenge.

Property contributions

On February 25, 2025, the Fund issued 1,000 shares at par value of 243,931,446 tenge in exchange for previously received gas supply assets with a fair value of 243,931 million tenge. As at December 31, 2024, the assets received were recognised as additional paid-in capital. The Fund contributed these gas supply assets to the charter capital of its subsidiary, National Company QazaqGaz JSC.

On March 27, 2025, the Fund issued 10 shares with a nominal value of 29,990,500 tenge, which were paid off by the Shareholder by means of assets with a fair value of 300 million tenge.

On November 5, 2025 the Fund issued 10 shares with a nominal value of 385,505,300 tenge, which were paid off by the Shareholder by means of railway assets with a fair value of 3,855 million tenge. The Fund contributed these railway objects to the charter capital of its subsidiary, National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”).

15.2 Distributions to the Public Foundation “Qazaqstan halqyna”

In accordance with Article 20 of the Law of the RK “On the National Welfare Fund”, the Fund annually allocates funds to a non-profit organisation represented by the public foundation "Qazaqstan halqyna" (hereinafter - "Public Foundation") in the amount of not less than 7% of the Fund's net income according to separate financial statements. According to the Shareholder's resolution, the Fund has recognised an obligation to allocate funds to the Public Foundation in the amount of 74,760 million tenge (in 2024: 50,000 million tenge). During 2025 the Fund transferred the funds to the Public Foundation in the amount of 50,000 million tenge (during 2024: 45,964 million tenge).

15.3 Other distributions to the Shareholder

Social projects financing

During 2025 in accordance with the Shareholder’s resolution, the Fund recognised liabilities for financing of gasification projects of settlements of RK for the amount 46,560 million tenge (during 2024: 105,094million tenge) as other distributions to the Shareholder in the consolidated statement of changes in equity. As at December 31, 2025 and 2024 the Fund fully repaid these liabilities.

Also, during 2025 in accordance with the Shareholder’s resolutions, the Fund recognised liabilities for financing of various social projects, including financing of the projects aimed at the development of physical culture and sports of RK in the total amount of 53,224 million tenge (2024: 30,736 million tenge). As at December 31, 2025 the Fund repaid these liabilities in the total amount of 35,603 million tenge (2024: 32,779 million tenge).

Financing construction of social facilities

In 2025, in accordance with the Shareholder’s resolution regarding the construction of social infrastructure in the city of Zhanaozen and the provision of housing to its residents, the Group recognised and settled obligations in the amounts of 4,199 million tenge and 1,644 million tenge, respectively (2024: 16 million tenge and 2,059 million tenge, respectively).

15. EQUITY (continued)

15.3 Other distributions to the Shareholder (continued)

Financing construction of social facilities (continued)

Also, during 2025 in accordance with the Shareholder's resolutions, the Fund recognised liabilities for financing construction of other social facilities in the total amount of 74,424 million tenge (2024: 60,580 million tenge) as other distribution to the Shareholder in the consolidated statement of changes in equity. During 2025 the Group made repayment of these liabilities in the total amount of 45,756 million tenge (2024: 10,579 million tenge).

During 2025 the Fund purchased bonds issued by "NMH Baiterek" JSC in the amount of 100,000 million tenge with an interest rate of 0.1% and maturity of 30 years for the purpose of financing the project in accordance with the resolution of the Government of RK. The difference between nominal and fair value of bonds of 97,302 million tenge was recognised as a decrease in retained earnings in the consolidated statement of changes in equity.

During 2025 the Fund purchased bonds issued by second-tier banks in the amount of 224,790 million tenge with an interest rate of 0.1% and maturity in 2034 for the purpose of financing the project in accordance with the resolution of the Government of RK. The difference between nominal and fair value of bonds of 104,227 million tenge was recognised as a decrease in retained earnings in the consolidated statement of changes in equity.

15.4 Transfer of assets to the Shareholder

On December 31, 2025 in accordance with the Shareholder's resolution the Group transferred 100% shares of Kazakhstan nuclear power plants LLP with the net assets of 24,483 million tenge to the State property and privatization committee of the Ministry of finance of the RK. This transaction was recognised as transfer of assets to the Shareholder in consolidated statement of changes in equity.

In 2025 in accordance with the Shareholder's resolution the Group recognised obligation on transfer of movable and immovable assets with the book value of 3,597 million tenge as transfer of assets to the Shareholder in the consolidated statement of changes in equity (2024: 14,848 million tenge). During 2025 the Group transferred to the Shareholder movable and immovable assets with the book value of 2,007 million tenge (in 2024: 12,370 million tenge).

15.5 Discount on loans from the Government

During 2025 the Fund placed bonds in the amount of 91,203 million tenge (during 2024: 238,256 million tenge). The difference between nominal and fair value in the amount of 27,941 million tenge net of deferred tax of 5,588 million tenge (in 2024: 49,204 million tenge net of deferred tax of 9,841 million tenge) was recognised as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 17*).

During 2025 the Fund received loan in the amount of 65,480 million tenge. The difference between nominal and fair value in the amount of 57,003 million tenge net of deferred tax of 11,401 million tenge was recognised as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 17*).

15.6 Dividends attributable to non-controlling interests

During 2025 the Group declared dividends of 531,697 million tenge to the holders of non-controlling interests in groups of National Company "KazMunayGas" JSC ("NC KMG"), National Atomic Company "Kazatomprom" JSC ("NAC KAP"), Kazakhtelecom JSC ("KTC"), Kazakhstan Electricity Grid Operating Company JSC ("KEGOC"), NC KTZh and Samruk-Energy JSC. Total amount of dividends paid to the holders of non-controlling interests during in 2025 equaled 531,632 million tenge.

During 2024 the Group declared dividends of 313,079 million tenge to the holders of non-controlling interests in groups of NC KMG, NAC KAP, KTC, KEGOC, NC KTZh and "Samruk-Kazyna Business Service" LLP. Total amount of dividends paid to the holders of non-controlling interests during in 2024 equaled 313,311 million tenge.

15.7 Change in ownership interests of subsidiaries − disposal of interest that does not result in the loss of control

In accordance with the Shareholder's resolution, in July 2024 the Fund sold 12.01% shares of NAC KAP to the National Fund of the RK (trustee manager of the "National Bank of the RK"). As a result of the deal the Fund received proceeds of 467,423 million tenge, non-controlling interests increased by 169,024 million tenge, and the difference of 327 million tenge and 298,726 million tenge was recognised as decrease of revaluation reserve of investments at fair value through other comprehensive income and increase of retained earnings, respectively.

15. EQUITY (continued)

15.8 Non-controlling interests

The following tables illustrate information of subsidiaries in which there is significant non-controlling interests as at December 31:

	Non-controlling interests			
	2025		2024	
	Share	**Carrying amount**	Share	Carrying amount
NC KazMunayGas JSC	32.58%	**4,239,133**	32.58%	4,064,435
NAC Kazatomprom JSC	37.01%	**1,734,135**	37.01%	1,642,030
Kazakhtelecom JSC	19.15%	**163,364**	19.15%	193,495
KEGOC JSC	15%	**71,569**	15%	63,302
Other		**24,405**		26,068
		6,232,606		5,989,330

All significant subsidiaries with non-controlling interests are registered in Kazakhstan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. EQUITY (continued)

15.8 Non-controlling interests (continued)

The following tables illustrate summarised financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2025 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC*	Kazakhtelecom JSC	KEGOC JSC
Summarised statement of financial position				
Non-current assets	**14,359,804**	**2,448,664**	**1,157,446**	**608,970**
Current assets	**4,488,642**	**1,578,572**	**247,230**	**120,927**
Non-current liabilities	**5,049,729**	**331,306**	**303,185**	**204,411**
Current liabilities	**1,412,392**	**454,226**	**370,357**	**55,007**
Total equity	**12,386,325**	**3,241,704**	**731,134**	**470,479**
Attributable to:				
Shareholder	**8,147,192**	**1,507,569**	**567,770**	**398,910**
Non-controlling interests	**4,239,133**	**1,734,135**	**163,364**	**71,569**
Summarised statement of comprehensive income				
Revenue	**9,371,488**	**1,803,049**	**578,759**	**397,737**
Profit for the year	**1,072,054**	**806,707**	**146,962**	**99,689**
Other comprehensive (loss)/income	**(289,508)**	**(1,107)**	**1,255**	**(2)**
Total comprehensive income for the year, net of tax	**782,546**	**805,600**	**148,217**	**99,687**
Attributable to:				
Shareholder	**506,470**	**358,670**	**115,776**	**84,734**
Non-controlling interests	**276,076**	**446,930**	**32,441**	**14,953**
Dividends declared to non-controlling interests	**101,362**	**354,918**	**62,553**	**6,685**
Summarised cash flow information				
Operating activity	**781,297**	**809,845**	**124,501**	**131,087**
Investing activity	**(56,643)**	**(258,557)**	**155,403**	**(79,415)**
Financing activity	**(681,273)**	**(488,144)**	**(228,706)**	**(47,408)**
Net increase in cash and cash equivalents	**43,381**	**63,144**	**51,198**	**4,264**

* *The Group's non-controlling interest in NAC KAP exceeds the amount calculated as 37.01% of the company's equity, as it also includes NAC KAP's non-controlling interests in its subsidiaries.*

15. EQUITY (continued)

15.8 Non-controlling interests (continued)

The following tables illustrate summarised financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2024 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC*	Kazakhtelecom JSC	KEGOC JSC
Summarised statement of financial position				
Non-current assets	14,928,977	2,195,342	869,853	516,984
Current assets	4,005,670	1,626,539	773,568	136,886
Non-current liabilities	5,566,680	403,345	315,938	200,594
Current liabilities	1,443,683	420,985	472,637	37,914
Total equity	11,924,284	2,997,551	854,846	415,362
Attributable to:				
Shareholder	7,859,849	1,355,521	661,351	352,060
Non-controlling interests	4,064,435	1,642,030	193,495	63,302
Summarised statement of comprehensive income				
Revenue	8,330,261	1,813,352	731,118	319,906
Profit for the year	1,094,247	1,132,115	77,231	92,199
Other comprehensive income/ (loss)	1,042,821	853	(3,064)	–
Total comprehensive income for the year, net of tax	2,137,068	1,132,968	74,167	92,199
Attributable to:				
Shareholder	1,440,262	549,986	57,501	78,369
Non-controlling interests	696,806	582,982	16,666	13,830
Dividends declared to non-controlling interests	100,546	198,608	4,836	6,685
Summarised cash flow information				
Operating activity	1,064,031	516,487	199,578	106,359
Investing activity	(263,134)	(42,415)	(242,358)	(53,687)
Financing activity	(780,560)	(415,264)	(5,065)	(46,145)
Net increase/(decrease) in cash and cash equivalents	20,337	58,808	(47,845)	6,527

* *The Group's non-controlling interest in NAC KAP exceeds the amount calculated as 37.01% of the company's equity, as it also includes NAC KAP's non-controlling interests in its subsidiaries.*

15. EQUITY (continued)

15.9 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. In 2025 foreign translation difference changed by 441,253 million tenge before tax of 23,255 million tenge (2024: 1,573,410 million tenge before tax of 90,712 million tenge).

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As of December 31, 2025, the nominal value of these borrowings was 4,760 million US dollars (as at December 31, 2024: 5,012 million US dollars). The maturity of the hedging instruments ranges from 2 to 23 years. As at December 31, 2025 unrealised foreign currency gain of 93,515 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognised in other comprehensive income (2024: loss of 363,581 million tenge).

15.10 Hedge reserve

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.

For the year ended December 31, 2025, the effective part of 9,102 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value loss on cash flow hedging instruments (for the year ended December 31, 2024: 1,464 million tenge as net fair value gain on cash flow hedging instruments). Hedge expense attributable to non-controlling interests comprised 2,965 million tenge (2024: hedge income attributable to non-controlling interests of 477 million tenge).

NC KTZh

During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss Francs. To confirm highly probable transactions, the Group relied on the existence of a history of cash flows from freight transit transportation in Swiss Francs, sufficient infrastructure, as well as a favourable geographical location for freight transit transportation. The Group has a monopoly in terms of access to the main railway network and dominates in freight transportation services.

The principal debt of the Group's loans of 1,070 million Swiss Francs, with fixed repayment schedules fully consistent with projected freight transit revenue flows in Swiss Francs, is a hedging instrument that is separately identifiable and reliably measurable. As at December 31, 2025, the carrying value of these loans amounted to 534,250 million tenge (as at December 31, 2024: 567,213 million tenge). The hedged item in this respect is the highly probable revenue from transit transportation of 1,070 million Swiss Francs for the period from November 21, 2024 to November 15, 2034, of which 139 million Swiss Francs is expected in 2025.

In 2025 the effective portion of 53,550 million tenge was allocated to the hedge reserve in other comprehensive income as fair value loss arising on cash flow hedging instruments (in 2024: 20,399 million tenge). The deferred tax effect amounted to 10,710 million tenge (2024: 4,080 million tenge).

During 2025 the revenue from freight transportation in international (transit) route, which is the cash flow hedged item, was received, and respectively, the accumulated loss of 8,521 million tenge (2024: loss of 412 million tenge) attributable to the hedging instrument was reclassified from other comprehensive income to revenue from freight transportation. The deferred tax effect amounted to 1,704 million tenge (2024: 82 million tenge).

15. EQUITY (continued)

15.11 Book value and earnings per share

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.

In millions of tenge	**2025**	2024 (restated)
Total assets	**44,242,913**	41,112,604
Less: intangible assets	**(2,386,965)**	(2,499,627)
Less: total liabilities	**(17,062,631)**	(15,810,432)
Net assets for common shares	**24,793,317**	22,802,545
Number of common shares as at December 31	**3,481,970,842**	3,481,968,821
Book value per common share, tenge	**7,120**	6,549
Earnings per share		
Net profit for the year attributable to the Shareholder	**2,341,491**	2,360,517
Weighted average number of common shares for basic and diluted earnings per share	**3,481,970,658**	3,481,968,741
Basic and diluted share in net profit for the period attributable to the Shareholder	**672.46**	677.93

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

Basic earnings per share is calculated by dividing the profit or loss attributable to the Shareholder by the weighted average number of common shares during the year. The Group has no dilutive potential common shares, therefore, the diluted earnings per share equals the basic earnings per share.

16. BORROWINGS

As at December 31 borrowings, including interest payable, comprised the following:

In millions of tenge	**2025**	**Weighted average effective rate**	2024	Weighted average effective rate
Fixed interest rate borrowings	***4,677,099***		*4,712,432*	
Loans received	**797,713**	**12.82%**	816,521	9.87%
Debt securities issued	**3,879,386**	**6.86%**	3,895,911	6.11%
Floating interest rate borrowings	***3,410,022***		*1,955,736*	
Loans received	**3,272,722**	**6.17%**	1,818,519	8.09%
Debt securities issued	**137,300**	**13.85%**	137,217	15.45%
	8,087,121		6,668,168	
Less: amounts due for settlement within 12 months	**(1,370,737)**		(836,272)	
Amounts due for settlement after 12 months	**6,716,384**		5,831,896	

In millions of tenge	**2025**	2024
US dollar-denominated borrowings	**3,105,350**	3,652,455
Tenge-denominated borrowings	**2,297,494**	1,928,150
Swiss francs-denominated borrowings	**1,126,780**	687,822
Chinese yuan-denominated borrowings	**845,343**	–
Euro-denominated borrowings	**610,493**	309,261
Rubles-denominated borrowings	**92,152**	79,276
Other currency-denominated borrowings	**9,509**	11,204
	8,087,121	6,668,168

16. BORROWINGS (continued)

As at December 31, the bonds comprised:

In millions of tenge	Issuance amount	Redemption date	Effective interest rate	2025	2024
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	**625,316**	778,795
Bonds LSE 2018	1.25 billion USD	2030	5.375%	**615,017**	644,556
Bonds LSE 2017	1.25 billion USD	2047	5.75%	**493,105**	639,143
Bonds LSE 2020	750 million USD	2033	3.50%	**375,973**	389,109
Bonds ISE 2017	750 million USD	2027	4.60%	**352,887**	373,513
Bonds KASE 2019	300 billion KZT	2034	11.50%	**308,433**	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	**252,946**	261,878
Bonds KASE 2025	210 billion KZT	2040	15.6%-17.7%	**314,654**	–
Bonds LSE 2017	1 billion USD	2027	4.75%	**121,973**	131,604
Bonds AIX and HKEX 2025	1.25 billion CNY	2030	2.95%	**89,798**	–
Bonds KASE 2019	80 billion KZT	2026	11.86%	**80,298**	80,280
Bonds KASE 2024	100 billion KZT	2034	11.70%	**77,072**	75,621
Bonds KASE 2016	50 billion KZT	2026	Inflation rate + 2.52%	**53,886**	54,090
Bonds KASE 2016	47.5 billion KZT	2031	Inflation rate + 2.9%	**51,093**	50,830
Bonds KASE 2019	40 billion KZT	2034	11.5%	**41,380**	41,380
Other	–	–	–	**162,855**	203,896
Total				**4,016,686**	4,033,128

LSE- London Stock Exchange;
ISE- Irish Stock Exchange;
AIX- Astana International Exchange;
HKEX - Hong Kong Exchanges and Clearing Limited.

Loans received

Information below describes the most relevant new borrowings made during the year.

During 2025 the Group, as part of its loan agreement with Societe Generale and Natixis and under the guarantee issued by BPIfrance, an export credit agency, dated December 13, 2024 to finance the acquisition of freight locomotives for a total amount of 770 million euros, borrowed 280 million euros (equivalent to 159,028 million tenge) (including the BPIfrance premium). The interest on the loan is paid semi-annually at the interest rate of Euribor 6m + 0.8%. The principal amount is repaid semi-annually until full repayment in 2035.

During 2025 the Group, under the credit facility agreement with Citibank dated April 4, 2024, received a loan for total amount of 250 million Swiss Francs (equivalent to 159,514 million tenge) with interest rate of SARON + 2% and maturity within one year. The Group made a partial early repayment of the borrowings in the amount of 62 million Swiss Francs (equivalent to 41,418 million tenge).

In August, 2025, the Group, under the credit facility agreement with Deutsche Bank AG and Abu Dhabi Commercial Bank PJSC dated July 18, 2025, for the financing of major railway infrastructure projects and the modernisation of existing railway lines in a total amount of 600 million US dollars in Swiss Francs equivalent, the Group drew down borrowings totaling 485 million Swiss Francs (equivalent to 324,954 million tenge). The interest on the loan is paid semi-annually at the interest rate of SARON 6m + 1.6%. The principal amount is repayable in a single bullet payment in July 2028.

During 2025 the Group, as part of its loan agreement with Deutsche Bank Luxembourg S.A. and Banco Santander S.A. and under the guarantee issued by Export-Import Bank of the United States (US EXIM Bank), dated November 26, 2025 to finance the acquisition of freight locomotives for a total amount of 445 million US dollars in Swiss Francs equivalent, borrowed 146 million Swiss Francs (equivalent to 94,956 million tenge) (including the US EXIM Bank premium). The interest on the loan is paid quarterly at the interest rate of SARON O/N + 0.48%. The principal amount is repaid quarterly until full repayment in 2035.

In December, 2025 the Group received a loan from China Development Bank in the amount of 10 billion yuans (equivalent to 729,042 million tenge) with floating interest rate of LPR1Y-0.53% and maturity on December 29, 2028.

In 2025, based on the notification of the Ministry of Energy of the RK on the termination of the contract for subsoil use under the Abay project, the Group derecognised the loan received from Eni Isatay in the amount of 24,775 million tenge (*Note 26).*

16. BORROWINGS (continued)

Covenants

The carrying value of the Group's non-current borrowings include borrowings amounting to 6,301,970 million tenge (as at December 31, 2024: 5,698,779 million tenge) that contain certain financial and non-financial covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than twelve months after the end of reporting period. According to credit documentation the next remeasurement date for the covenants is March 31, 2026.

As at December 31, 2025 and December 31, 2024 the respective subsidiaries of the Group complied with all the covenants that were required to be met on or before December 31, 2025 and December 31, 2024. The Group reviews compliance with all the Group loan covenants at each reporting date.

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

In millions of tenge	**2025**	2024
NC KMG and its subsidiaries	**2,803,307**	3,261,602
NC KTZh and its subsidiaries	**2,210,856**	1,650,814
The Fund	**1,398,954**	368,455
Samruk-Energy and its subsidiaries	**465,217**	253,055
Qazaq Gaz and its subsidiaries	**362,676**	396,116
CCGT Turkistan LLP	**318,306**	275,017
KEGOC and its subsidiaries	**160,577**	161,581
Kazakhtelecom and its subsidiaries	**150,549**	108,399
EGRES-2	**104,151**	100,744
NAC KAP and its subsidiaries	**104,035**	44,228
NMC TKS and subsidiaries	**–**	20,365
Other subsidiaries of the Fund	**8,493**	27,792
Total borrowings	**8,087,121**	6,668,168

Changes in borrowings are as follows:

In millions of tenge	**2025**	2024
Balance as at January 1	**6,668,168**	6,363,902
Received by cash*	**2,624,902**	1,455,334
Interest accrued	**387,201**	408,497
Discount	**(31,459)**	(32,829)
Interest capitalised *(Note 6)*	**115,240**	72,229
Interest paid	**(436,863)**	(452,254)
Repayment of principal*	**(1,478,642)**	(1,759,390)
Purchase of property plant and equipment financed by borrowings	**272,755**	67,738
Transfer to assets classified as held for sale or distribution to the Shareholder	**–**	(48,170)
Amortisation of discount	**45,126**	26,729
Foreign currency translation	**(31,523)**	584,795
Derecognition of loan (*Note 26*)	**(24,825)**	(48,442)
Acquisition through business combinations	**–**	29,118
Other	**(22,959)**	911
Balance as at December 31	**8,087,121**	6,668,168

* *The amounts are not reconciled to cash flows shown within financing activities of the consolidated statement of cash flows, as do not contain the changes with respect to liabilities associated with assets classified as held for sale (Note 5).*

17. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

As at December 31 loans from the Government of the Republic of Kazakhstan comprised the following:

In millions of tenge	Redemption date	Effective interest rate	2025	2024
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2034-2063	5.56%-17.75%	**1,154,728**	1,053,179
Loans from the Government of the Republic of Kazakhstan	2029-2055	5.96-12.35%	**46,348**	33,893
			1,201,076	1,087,072
Less: amounts due for settlement within 12 months			**(115,690)**	(12,204)
Amounts due for settlement after 12 months			**1,085,386**	1,074,868

The change in loans from the Government of the Republic of Kazakhstan are represented as follows:

In millions of tenge	2025	2024
Balance as at 1 January	**1,087,072**	872,846
Received by cash	**156,683**	238,256
Interest accrued	**18,948**	11,787
Interest capitalised (*Note 6*)	**57,412**	34,869
Discount (*Note 15.5*)	**(84,944)**	(49,204)
Interest paid	**(60,464)**	(44,636)
Repayment of principal	**–**	(7,097)
Amortisation of discount	**26,369**	30,251
Balance as at 31 December	**1,201,076**	1,087,072

Bonds acquired by the National Bank of the RK

In December 2022, the Fund's bond issue was registered in the amount of 542,863 million tenge, with an annual coupon of 7.37% per annum. During 2025, under this issuance the Fund placed bonds in the total amount of 42,326 million tenge (2024: 163,969 million tenge) for financing the construction of the second tracks of the Dostyk-Moiynty railway section, aimed at increasing the transit and export potential of the country. The bonds were purchased by the National Bank of the RK funded by the National Fund. The fair value of bonds was 26,120 million tenge (2024: 130,444 million tenge). The difference between nominal and fair value of the bond in the amount of 16,206 million tenge (2024: 33,525 million tenge) was recognised as a discount on loan from the Government in the consolidated statement of changes in equity (*Note 15.5*).

In 2025, the Fund placed bonds in the total amount of 48,877 million tenge with an annual coupon of 9.37% (2024: 74,287 million tenge with an annual coupon of 9.25%). The bonds were purchased by the National Bank of the RK using funds from the National Fund. The funds raised from the issuance of these bonds were directed towards financing the construction of the "Taldykorgan-Usharal" main gas pipeline. The fair value of the bonds amounted to 37,142 million tenge (2024: 58,608 million tenge). The difference between the nominal and fair value of the bonds, amounting to 11,735 million tenge (2024: 15,679 million tenge), was recognised as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 15.5*).

Other loans from the Government

During 2025, in accordance with the Law of the RK "On Republican budget for 2025-2027" dated December 4, 2024, the Fund received loan from the Ministry of Finance of the RK in the total amount of 65,480 million tenge with an interest rate of 0.05% and maturity of 30 years. The fair value of consideration received was 8,477 million tenge. The difference between nominal and fair value of the bond in the amount of 57,003 million tenge was recognised as a discount on loan from the Government in the consolidated statement of changes in equity (*Note 15.5)*.

18. PROVISIONS

As at December 31 provisions comprised the following:

In millions of tenge	Asset retirement obligations	Provision for environmental remediation	Provision for taxes other than income tax	Other	Total
Provision at January 1, 2024	375,328	82,507	8,450	101,230	567,515
Foreign currency translation	11,879	9,137	158	8,845	30,019
Change in estimate	(21,412)	(254)	–	(14)	(21,680)
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	(10,652)	–	(681)	–	(11,333)
Additions through business combinations	3,707	–	–	333	4,040
Unwinding of discount	33,409	1,650	–	164	35,223
Provision for the year	7,213	4	721	25,215	33,153
Use of provision	(2,818)	(6,139)	(124)	(33,126)	(42,207)
Reversal of unused amounts	(1,333)	(3,954)	(4,399)	(4,437)	(14,123)
Transfers and reclassifications to other financial liabilities	–	–	–	(4,742)	(4,742)
Other changes	1,868	(1,868)	–	–	–
Provision at December 31, 2024 (restated)	397,189	81,083	4,125	93,468	575,865
Foreign currency translation	**(3,449)**	**(2,557)**	**(36)**	**(2,347)**	**(8,389)**
Change in estimate	**(56,883)**	**(195)**	**–**	**399**	**(56,679)**
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	**(61)**	**–**	**–**	**–**	**(61)**
Unwinding of discount	**39,011**	**1,222**	**–**	**1,039**	**41,272**
Provision for the year	**8,655**	**2,419**	**897**	**26,525**	**38,496**
Use of provision	**(3,241)**	**(1,705)**	**(1,254)**	**(18,563)**	**(24,763)**
Reversal of unused amounts	**(4,248)**	**(8,067)**	**(1,461)**	**(8,047)**	**(21,823)**
Reclassification from tax liabilities	**–**	**–**	**2,243**	**–**	**2,243**
Other changes	**150**	**–**	**2**	**(380)**	**(228)**
Provision at December 31, 2025	**377,123**	**72,200**	**4,516**	**92,094**	**545,933**

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

In millions of tenge	Asset retirement obligations	Provision for environmental remediation	Provision for taxes other than income tax	Other	Total
Current portion	6,108	3,518	4,125	75,909	89,660
Non-current portion	391,081	77,565	–	17,559	486,205
Provision at December 31, 2024 (restated)	397,189	81,083	4,125	93,468	575,865
Current portion	**6,962**	**2,746**	**2,301**	**77,995**	**90,004**
Non-current portion	**370,161**	**69,454**	**2,215**	**14,099**	**455,929**
Provision at December 31, 2025	**377,123**	**72,200**	**4,516**	**92,094**	**545,933**

As at December 31, 2025 other provisions included provision for gas transportation of 36,951 million tenge (as at December 31, 2024: 38,391 million tenge). The gas transportation provision represents a reserve for reimbursing expenses related to the transportation of borrowed gas from PetroChina International Co. Ltd. under the Natural Gas Loan Agreement.

19. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES

As at December 31 trade accounts payable comprised the following:

In millions of tenge	**2025**	2024 (restated)
Trade accounts payable	**1,080,781**	1,479,532
Accounts payable for the supply of property, plant and equipment	**611,815**	331,011
Other accounts payable	**39,436**	40,615
	1,732,032	1,851,158

19. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES (continued)

As at December 31, trade accounts payable were expressed in the following currencies:

In millions of tenge	**2025**	2024 (restated)
Tenge-denominated trade accounts payable	**550,729**	613,283
US dollar-denominated trade accounts payable	**403,072**	772,158
Romanian lei-denominated trade accounts payable	**72,598**	56,388
Other currency-denominated trade accounts payable	**54,382**	37,703
	1,080,781	1,479,532

As at December 31 other liabilities comprised the following:

In millions of tenge	**2025**	2024 (restated)
Other financial liabilities		
Obligations to the Shareholder on financing of projects	**267,261**	221,805
Amounts due to customers	**115,665**	124,041
Obligations under guarantee agreements	**94,003**	86,102
Derivative financial instruments	**92,558**	36,327
Security deposits for tenders and contract performance	**38,306**	35,985
Payable under repo transactions	**24,776**	25,225
Liabilities under financing arrangements	**12,649**	–
Liabilities due under subsoil use agreements	**6,000**	8,512
Other	**72,003**	76,796
	723,221	614,793
Less: current portion	**(682,620)**	(562,203)
Non-current portion	**40,601**	52,590
Other non-financial liabilities		
Contract liabilities to customers	**405,065**	413,238
Other taxes payable	**292,591**	178,123
Government grant liability	**230,045**	134,795
Liabilities under agency agreements	**50,612**	477,999
Pension and social contributions liabilities	**42,919**	37,122
Advances received and deferred income	**17,266**	23,784
Other	**12,823**	13,091
	1,051,321	1,278,152
Less: current portion	**(744,325)**	(1,098,356)
Non-current portion	**306,996**	179,796

Liabilities on financing of projects

In 2025, based on the resolutions of the Shareholder, the Fund recognised liabilities on financing of various projects, including obligations due to Public Foundation, in the total amount of 246,879 million tenge (2024: 246,394 million tenge) *(Note 15.3*). Actual amount of cash paid during 2025 totaled to 389,390 million tenge (2024: 491,107 million tenge).

Derivative financial instruments

In October-November 2022, the subsidiary of the Group, NC KTZh, entered into agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US Dollars.

NC KTZh pays a fixed amount of Swiss Francs in exchange for a fixed amount of US Dollars. The payment of these fixed amounts in Swiss Francs is a management of the foreign exchange risk of borrowings, as the Group has a share of revenue denominated in Swiss Francs. These derivative financial instruments are not designated into hedging relationships.

During 2025, as part of the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc. (UK), Societe Generale SA (France) and Citibank London in the amount of 17,566 thousand US Dollars (equivalent to 9,220 million tenge) and 4,513 thousand Swiss Francs (equivalent to 2,926 million tenge) (during 2024: 17,675 thousand US Dollars (equivalent to 8,221 million tenge) and 4,541 thousand Swiss Francs (equivalent to 2,385 million tenge), respectively).

As at December 31, 2025 the fair value of derivative financial instruments, accounted at fair value through profit or loss, under agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) in the amount of 180,989 thousand US Dollars (equivalent to 91,496 million tenge) was recognised within financial liabilities (December 31, 2024: 62,268 thousand US Dollars (equivalent to 32,697 million tenge).

19. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES (continued)

Liabilities under agency agreements

During 2023 the Group entered into agency agreements with local authorities for the implementation of the pilot national project "Comfortable School" ("national project") on construction of secondary education facilities. The Group acts as an agent under IFRS 15. The liabilities under the agency agreements represent mainly the amounts received from local authorities on special accounts for servicing budget programs (*Note 14*), which are to be further transferred by the Group to the construction companies (*Note 13*), that are responsible for construction of secondary education facilities under the national project. Cash flows received and paid under these agency agreements in the amount of 260,831 million tenge and 439,659 million tenge, respectively, are presented on a gross basis as part of operating activities.

Liabilities under financing arrangements

The Group entered into repurchase agreements with third parties, which are accounted for as financing arrangements in accordance with IFRS 15. The Group continues to recognise the underlying asset and has recognised a financial liability, which is presented as liabilities under financing arrangements. Inventory in the amount of 8,579 million tenge is pledged under this agreement.

20. REVENUE

Revenue comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Revenue from contracts with customers:		
Sales of crude oil	**4,730,239**	4,670,749
Sales of oil refined products	**3,360,931**	2,591,958
Railway cargo transportation	**2,455,553**	1,869,783
Sales of refined gold	**1,936,306**	1,260,191
Sales of uranium products	**1,691,833**	1,715,172
Sales of gas processing products	**1,153,456**	1,090,795
Sales of electric and thermal energy	**617,901**	516,847
Telecommunication services	**536,462**	695,543
Oil and gas transportation fee	**419,530**	384,657
Electricity transmission services	**293,731**	237,308
Oil processing on a tolling basis	**246,942**	258,530
Railway passenger transportation	**134,590**	114,989
Services for maintaining electric capacity availability	**80,585**	72,000
Sales of telecommunications equipment and mobile devices	**42,234**	36,564
Postal services	**38,732**	34,762
Income from financial services and commissions	**26,780**	21,325
Air transportation	**5,566**	78,011
Other revenue	**795,497**	637,716
	18,566,868	16,286,900
Rental income	**150,766**	97,509
Interest revenue	**53,872**	48,657
	18,771,506	16,433,066
Timing of revenue recognition		
At a point in time	**12,753,674**	11,200,943
Over time	**5,813,194**	5,085,957
	18,566,868	16,286,900

For the year ended December 31, 2025, major customers of the Group, BGN INT DMCC for the sales of crude oil, gas and refined products, and the National Bank of RK for the sales of refined gold, comprise about 12% and 10%, respectively, of total revenues of the Group (2024: major customer of the Group, PETRACO ENERGIES DMCC for the sales of crude oil, gas and refined products comprise about 10% of total revenues of the Group).

21. COST OF SALES

Cost of sales comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Materials and supplies	**8,436,360**	6,977,225
Personnel costs, including social taxes and contibutions	**2,135,598**	1,901,661
Depreciation, depletion and amortisation	**1,335,989**	1,176,681
Fuel and energy	**614,847**	517,435
Repair and maintenance	**395,855**	385,966
Production services received	**384,809**	423,161
Taxes other than social taxes and social contibutions	**278,644**	221,018
Mineral extraction tax	**205,735**	186,326
Transportation expenses	**158,890**	170,564
Short-term rent	**99,329**	107,755
Interest expense	**70,104**	58,806
Security services	**44,466**	41,132
Communication services	**42,785**	47,890
Other	**379,725**	279,019
	14,583,136	12,494,639

22. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Personnel costs, including social taxes and contibutions	**318,981**	301,944
Audit and consulting services	**40,237**	32,754
Taxes other than social taxes and social contibutions	**36,645**	33,678
Other services by third parties	**33,245**	30,043
Depreciation and amortisation	**24,128**	32,112
Repair and maintenance	**11,333**	11,097
Social payments and maintenance of social facilities	**10,915**	7,649
Sponsorship and charitable donations	**10,809**	30,640
Business trips	**10,151**	9,067
Utilities expenses and maintenance of buildings	**6,838**	6,254
Short-term rent	**6,470**	5,587
Professional education and advanced trainings	**4,501**	4,401
Insurance	**4,443**	4,473
Transportation services	**3,119**	3,091
Communication services	**2,482**	2,383
Bank services	**1,644**	1,904
Other	**59,298**	50,326
	585,239	567,403

23. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Transportation	**502,150**	509,246
Custom duties	**115,655**	127,369
Rent tax	**112,730**	139,656
Personnel costs, including social taxes and withdrawals	**32,041**	27,572
Depreciation and amortisation	**21,877**	20,165
Rent expenses	**14,649**	10,033
Commission fees to agents and advertising	**12,827**	23,400
Other	**57,203**	43,694
	869,132	901,135

24. IMPAIRMENT LOSS

Impairment loss comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets *(Note 4)*	**110,021**	126,502
Impairment of VAT receivable, net	**16,847**	13,142
Impairment of investments in joint ventures and associates *(Note 8)*	**11,749**	4,420
Impairment/(reversal of impairment) of non – current advances for non-current assets and its construction	**215**	(13,270)
Other	**1,414**	7,202
	140,246	137,996

Impairment of a seawater desalination plant and supply infrastructure

As part of the Comprehensive Plan for the Social and Economic Development of Mangistau region for 2021-2025, in order to provide drinking water to the population of the city of Zhanaozen, Ak Su KMG LLP, a subsidiary of the Group, began construction of a seawater desalination plant and supply infrastructure in Zhanaozen city. The Group estimates that the recoverable amount of this property is nil and, accordingly, as at December 31, 2025 recognised an impairment charge for construction costs incurred in the amount of 24,145 million tenge (2024: the Group recognised an impairment loss in the amount of 70,521 million tenge and reversed the provision recognised in 2023 in respect of the advance paid for the construction of the desalination plant in the amount of 17,324 million tenge). In December 2025, the desalination plant was transferred to the Akimat of the Mangystau Region.

Impairment of exploration and evaluation assets

For the year ended December 31, 2025, the Group recognised an impairment loss on exploration and evaluation assets related to the Turgai Paleozoic project in the amount of 18,785 million tenge due to negative drilling results and the absence of hydrocarbon indications in the well.

For the year ended December 31, 2024, the Group recognised impairment losses on exploration and evaluation assets totaling 17,703 million tenge and 3,953 million tenge for the Abai and Kairan and Aktoty projects, respectively, due to negative drilling results and the absence of hydrocarbon indications in the Abai well, as well as the termination of subsoil use rights for the Kairan and Aktoty blocks by the Ministry of Energy of the RK.

25. FINANCE COSTS

Finance costs comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Interest on loans and debt securities issued	**418,474**	438,025
Revaluation loss on financial assets at fair value through profit/loss	**85,858**	5,910
Interest on lease liabilities	**62,142**	51,829
Discount on provisions and other payables	**45,760**	39,375
Discount on assets at rates below market	**963**	1,466
Other	**47,951**	37,813
	661,148	574,418

26. FINANCE INCOME

Finance income comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Interest income on amounts due from credit institutions and cash and cash equivalents	**429,579**	343,120
Interest income from loans and financial assets	**151,101**	111,384
Revaluation gain on financial assets at fair value through profit/loss	**36,684**	31,316
Derecognition of loan (*Note 16*)	**24,825**	48,442
Discount on liabilities at rates below market	**22,035**	8,123
Income from financial guarantees	**15,826**	8,538
Other	**38,822**	54,658
	718,872	605,581

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

Share in profit/(loss) of joint ventures and associates comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024
Joint ventures		
Tengizchevroil LLP	**412,459**	303,480
Asia Gas Pipeline LLP	**285,019**	325,723
KC Energy Group LLP*	**64,559**	27,288
Mangistau Investments B.V.	**51,310**	35,726
Semizbay-U LLP	**23,377**	21,741
Beineu Shymkent Gas Pipeline LLP	**21,989**	44,983
Valsera Holdings B.V.	**20,990**	(177)
KazGerMunay LLP	**17,139**	25,336
Kazakhstan − China Pipeline LLP	**16,540**	20,844
Forum Muider B. V.	**13,415**	(456)
Petrosun LLP	**529**	26,238
Kalamkas-Khazar Operating LLP	**(3,648)**	(5,240)
Ural Group Limited BVI	**(5,213)**	(8,961)
Other	**22,650**	18,746
	941,115	835,271
Associates		
Caspian Pipeline Consortium JSC	**182,947**	81,525
Kazzinc LLP	**119,936**	64,381
JV KATCO LLP	**112,941**	80,249
JV South Mining Chemical Company LLP	**46,140**	47,910
JV Zarechnoye JSC	**10,177**	13,410
Other	**22,466**	26,100
	494,607	313,575
	1,435,722	1,148,846

* *KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. The activities of PETROSUN LLP were transferred to KC Energy Group LLP in 2025. PETROSUN LLP is on the process of liquidation.*

28. INCOME TAX EXPENSES

As at December 31, 2025 income taxes prepaid of 241,416 million tenge (2024: 248,726 million tenge) are mainly represented by corporate income tax. As at December 31, 2025 income taxes payable of 31,118 million tenge (2024: 24,942 million tenge) are mainly represented by corporate income tax.

Income tax expenses comprised the following for the years ended December 31:

In millions of tenge	**2025**	2024 (restated)
Current income tax expenses		
Corporate income tax ("CIT")	**685,697**	637,507
Withholding tax on dividends and interest income	**144,408**	88,166
Alternative mineral extraction tax	**3,084**	2,628
Excess profit tax	**1,109**	1,360
Deferred income tax expense/(benefit)		
Corporate income tax ("CIT")	**66,532**	211,601
Withholding tax on dividends and interest income	**(56,425)**	(27,554)
Alternative mineral extraction tax	**4,082**	5,734
Income tax expenses	**848,487**	919,442

28. INCOME TAX EXPENSES (continued)

A reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2025 and 2024) to income tax expenses was as follows for the years ended December 31:

In millions of tenge	**2025**	2024 (restated)
Profit from continuing operations before income tax	**4,057,113**	4,238,577
Theoretical income tax expense at 20% statutory rate	**811,423**	847,715
Share in non-taxable profit of joint ventures and associates	**(226,043)**	(179,716)
Tax effect of other items, which are not deductible	**83,760**	149,874
Withholding tax on dividends and interest	**90,116**	4,526
Effect of different corporate income tax rates	**64,400**	61,696
Recognition of deferred tax liability in relation to the disposal group	**–**	42,758
Adjustment to profit from discontinued operations	**5,437**	–
Alternative mineral extraction tax	**7,166**	8,362
Excess profit tax	**1,109**	1,360
Other differences	**11,119**	(17,133)
Total corporate income tax expenses	**848,487**	919,442

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

Income tax rates in 2025 for companies operating in jurisdictions such as the Romania, Moldova and Switzerland range from 12.00% to 14.1% (in 2024: Moldova and Switzerland from 13.00% to 15.7%).

28. INCOME TAX EXPENSES (continued)

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

	2025				2024 (restated)			
In millions of tenge	**Corporate income tax**	**Alternative mineral extraction tax**	**Withholding tax**	**Total**	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
Deferred tax assets								
Property, plant and equipment	**43,576**	**–**	**–**	**43,576**	27,617	–	–	27,617
Inventories	**57,032**	**–**	**–**	**57,032**	40,965	–	–	40,965
Tax loss carryforward	**663,904**	**–**	**–**	**663,904**	790,618	–	–	790,618
Employee related accruals	**31,188**	**–**	**–**	**31,188**	26,979	–	–	26,979
Allowance for expected credit losses of financial assets	**45,001**	**–**	**–**	**45,001**	46,672	–	–	46,672
Provision for environmental liability	**85,451**	**–**	**–**	**85,451**	81,288	–	–	81,288
Lease liabilities	**14,500**	**–**	**–**	**14,500**	26,213	–	–	26,213
Other	**95,072**	**–**	**–**	**95,072**	77,170	4,291	–	81,461
Less: unrecognised deferred tax assets	**(425,103)**	**–**	**–**	**(425,103)**	(603,415)	–	–	(603,415)
Less: deferred tax assets offset with deferred tax liabilities	**(470,548)**	**–**	**–**	**(470,548)**	(396,807)	–	–	(396,807)
Deferred tax assets	**140,073**	**–**	**–**	**140,073**	117,300	4,291	–	121,591
Deferred tax liabilities								
Property, plant and equipment	**2,048,018**	**22**	**–**	**2,048,040**	1,897,483	231	–	1,897,714
Undistributed earnings of joint ventures and associates	**–**	**–**	**554,748**	**554,748**	–	–	634,427	634,427
Right-of-use asset	**29,410**	**–**	**–**	**29,410**	33,641	–	–	33,641
Borrowings	**342,349**	**–**	**–**	**342,349**	315,270	–	–	315,270
Recognition of deferred tax liability in relation to the disposal group	**–**	**–**	**–**	**–**	42,758	–	–	42,758
Other	**57,191**	**–**	**–**	**57,191**	40,693	–	–	40,693
Less: deferred tax assets offset with deferred tax liabilities	**(470,548)**	**–**	**–**	**(470,548)**	(396,807)	–	–	(396,807)
Deferred tax liabilities	**2,006,420**	**22**	**554,748**	**2,561,190**	1,933,038	231	634,427	2,567,696
Net deferred tax liabilities	**(1,866,347)**	**(22)**	**(554,748)**	**(2,421,117)**	(1,815,738)	4,060	(634,427)	(2,446,105)

28. INCOME TAX EXPENSES (continued)

The movements in the net deferred tax liabilities were as follows for the years ended December 31:

	2025				2024 (restated)			
In millions of tenge	**Corporate income tax**	**Alternative mineral extraction tax**	**Withholding tax**	**Total**	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
Balance at January 1	**1,815,738**	**(4,060)**	**634,427**	**2,446,105**	1,377,205	(9,794)	571,270	1,938,681
Foreign currency translation	**(23,464)**	**–**	**(23,254)**	**(46,718)**	84,231	–	90,711	174,942
Recognised to other comprehensive income	**(9,448)**	**–**	**–**	**(9,448)**	(2,800)	–	–	(2,800)
Acquisition through business combinations	**–**	**–**	**–**	**–**	143,042	–	–	143,042
Recognised in equity	**16,989**	**–**	**–**	**16,989**	16,614	–	–	16,614
Transfer to assets classified as held for sale or distribution to the Shareholder	**–**	**–**	**–**	**–**	(14,155)	–	–	(14,155)
Recognised to profit and loss	**66,532**	**4,082**	**(56,425)**	**14,189**	211,601	5,734	(27,554)	189,781
Balance at December 31	**1,866,347**	**22**	**554,748**	**2,421,117**	1,815,738	(4,060)	634,427	2,446,105

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax asset arising mainly from tax losses carry forward were equal to 425,103 million tenge as at December 31, 2025 (December 31, 2024: 603,415 million tenge).

Tax losses carryforwards as at December 31, 2025 in the RK expire for tax purposes 10 (ten) years from the date they are incurred.

29. BUSINESS COMBINATION

Acquisitions in 2024

JV Budenovskoe LLP

The Group obtained control over JV Budenovskoe LLP as a result of changes to the Charter and Production sharing agreement effective from January 1, 2024. The changes do not change the relative ownership shares of the participants, but they change their powers in relation to JV Budenovskoe LLP. The Group's ownership share did not change and represents 51%.

Sales activities of JV Budenovskoye LLP are governed by the Production sharing agreement. The Group has unilateral decision-making power in determining annual production volumes within predetermined range by simple majority vote. The predetermined range is a 20% deviation from the approved production plan in accordance with the subsoil use agreement and legislation of the RK. The specific situation when unanimous consent would be required from both participants to change production volume within 10%-20% limit depending on profitability is remote and thus is viewed rather as a protective right.

Given that all production volumes are committed to be purchased by the Group and the second participant (or a parent company of the second participant) based upon market prices, production volumes and costs have the most significant impact on financial results and therefore are considered to be relevant activities for the purpose of the control assessment. Based on these facts, the Group management has concluded that the Group gained control over JV Budenovskoye LLP.

The acquisition method of accounting is used to account for the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The difference between the fair value of investment in the joint venture over its carrying value comprises a gain from remeasuring to fair value the equity interest in the JV Budenovskoe LLP held by the Group before the business combination, as presented in the table below, which was recognised immediately in profit or loss for the period less the deferred tax effect:

In millions of tenge	
Fair value of the previously existing interest in joint venture at the date of acquisition	**302,888**
Less: carrying value of the investment in joint venture at the date of acquisition	**(7,169)**
Gain from remeasurement of the previously existing interest in joint venture	**295,719**

At the acquisition date the fair value of the total consideration transferred and its components relating to JV Budenovskoe LLP are as follows:

In millions of tenge	
Cash consideration paid	**–**
Effective settlement of the trade receivable of the Group	**(5,390)**
Fair value of the Group's previously held interest in the joint ventures (*Note 10*)	**302,888**
Total purchase consideration and value of previously held interest in the acquiree	**297,498**

The assessment of the fair value of the identifiable assets and liabilities was performed by an independent professional appraiser. Based on the valuation, the assets' value increased by 707,113 million tenge to fair value, mainly due to valuation of the subsoil use (mineral) right, resulting in an increase of carrying value from 11,693 million tenge to 709,797 million tenge (*Note 7*). The value of finished goods inventory increased from 1,653 million tenge to 8,432 million tenge. Deferred tax of 141,423 million tenge was recorded on the excess of the fair value over the carrying value.

29. BUSINESS COMBINATION (continued)

Acquisitions in 2024 (continued)

JV Budenovskoe LLP (continued)

The fair values of the identifiable assets and liabilities as at the date of acquisition are as follows:

In millions of tenge	**At the date of acquisition**
Assets	
Non-current assets	
Property, plant and equipment	**25,748**
Intangible assets	**709,810**
Exploration and evaluation assets	**1,723**
Other non-current financial assets	**249**
Other non-current assets	**6,112**
Current assets	
Inventories	**8,432**
Income tax prepaid	**23**
Trade accounts receivable	**1,580**
Other current assets	**64**
Cash and cash equivalents	**11,885**
Total assets	**765,626**
Non-current liabilities	
Borrowings	**22,633**
Provisions	**106**
Employee benefit liabilities	**6**
Deferred tax liabilities	**142,437**
Current liabilities	
Borrowings	**6,485**
Provisions	**333**
Income taxes payable	**838**
Trade and other payables	**4,019**
Employee benefit liabilities	**2**
Other current liabilities	**259**
Total liabilities	**177,118**
Fair value of identifiable net assets acquired	**588,508**
Less: non-controlling interest measured at proportionate share of net assets measured at fair value	**(291,010)**
Total purchase consideration and fair value of previously held interest in the acquiree	**297,498**
Less: non-cash consideration	**(297,498)**
Add: Cash and cash equivalents of subsidiary acquired	**11,885**
Inflow of cash and cash equivalents on acquisition	**11,885**

The Group recognised non-controlling interest as the non-controlling interest's proportionate share of net assets of JV Budenovskoe LLP measured at fair value.

The acquisition date fair value of the trade accounts receivable amounts to 1,580 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

The acquired subsidiary contributed revenue of 62,223 million tenge and net profit of 28,279 million tenge to the Group for the period from January 1, 2024 to December 31, 2024.

The business of JV Budenovskoe LLP is represented in the Group's *Mining segment* in these consolidated financial statements.

30. CONSOLIDATION

Subsidiaries included in the consolidated financial statements are presented as follows:

		Main activity	Country of incorporation	Segment	Ownership percentage	
					December 31, 2025	December 31, 2024
1	National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	Oil-and-gas	**67.42%**	67.42%
2	National Company "QazaqGaz" JSC and subsidiaries	Exploration, production, transportation, sale and storage of natural gas and gas condensate	Kazakhstan	Oil-and-gas	**100.00%**	100.00%
3	National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	Passenger and cargo transportation	Kazakhstan	Transportation	**100.00%**	100.00%
4	National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries	Production and mining of uranium, rare metals	Kazakhstan	Mining	**62.99%**	62.99%
5	Samruk-Energy JSC ("Samruk-Energy") and subsidiaries*	Electricity and heat production	Kazakhstan	Energy	**100.00%**	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	Electricity transmission services	Kazakhstan	Energy	**85.00%**	85.00%
7	Kazpost JSC and subsidiaries	Postal and financial activities	Kazakhstan	Communication	**100.00%**	100.00%
8	Kazakhtelecom JSC ("KTC") and subsidiaries	Telecommunication services	Kazakhstan	Communication	**80.85%**	80.85%
9	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Kazakhstan	Other	**100.00%**	100.00%
10	National Mining Company "Tau-Ken Samruk" ("NMC TKS") and subsidiaries	Exploration, mining and processing of solid minerals	Kazakhstan	Mining	**100.00%**	100.00%
11	Samruk-Kazyna Ondeu LLP and subsidiaries	Development and implementation of projects in the chemical industry	Kazakhstan	Industrial	**100.00%**	100.00%
12	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Kazakhstan	Other	**100.00%**	100.00%
13	Samruk-Kazyna Contract LLP	Procurement activities	Kazakhstan	Other	**100.00%**	100.00%
14	Stantsiya Ekibastuzskaya GRES-2 JSC ("EGRES-2")	Power generation	Kazakhstan	Energy	**100.00%**	100.00%
15	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Kazakhstan	Other	**100.00%**	100.00%
16	Qazaq Air JSC	Air transportation	Kazakhstan	Transportation	**–**	100.00%
17	Kazakhstan nuclear power plants LLP	Servicing companies in the electricity sector	Kazakhstan	Energy	**–**	100.00%
18	CCGT Turkistan LLP	Transmission, distribution and sale of electricity	Kazakhstan	Energy	**100.00%**	100.00%
19	Center for Scientific and Technological Initiatives "Samgau" Foundation	Institutional service for innovative technologies, other research and experimental developments in the natural and technical sciences	Kazakhstan	Other	**100.00%**	100.00%
20	Kokshetauskaya TEC LLP	Electricity and heat production	Kazakhstan	Energy	**100.00%**	100.00%
21	Oskemen Energo LLP	Electricity and heat production	Kazakhstan	Energy	**100.00%**	100.00%
22	Semey Energo LLP	Electricity and heat production	Kazakhstan	Energy	**100.00%**	100.00%
23	Phystech II JSC (*Note 2*)	Exploration, production, and sale of hydrocarbons	Kazakhstan	Oil-and-gas	**100.00%**	100.00%

31. 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. Transactions with other state-owned entities are not disclosed when they are conducted in the ordinary course of business in accordance with legal requirements and with terms consistently applied to all public and private entities. Related party transactions are mainly represented by certain regulated services, which are provided based on the applicable tariffs. Related party transactions were made on terms agreed to between the parties that are mostly at market rates, except for certain transactions disclosed in the relevant notes to the consolidated financial statements.

The following table provides the total amount of transactions, which have been entered into with related parties as at December 31:

In millions of tenge		Associates	Joint ventures	Other state-controlled entities
	2025	**20,768**	**60,986**	**179,803**
Trade and other accounts receivable	2024	18,906	204,304	112,792
including allowances for ECL on trade and other accounts receivables	**2025**	***(415)***	***(601)***	***(2,912)***
	2024	*(374)*	*(600)*	*(284)*
	2025	**78,188**	**253,016**	**45,119**
Trade and other payables	2024	128,890	521,199	22,235
	2025	**329,218**	**586,706**	**2,594,443**
Sale of goods and services	2024	249,238	706,131	1,400,499
	2025	**429,712**	**2,840,985**	**287,567**
Purchase of goods and services	2024	389,736	2,464,314	176,952
	2025	**810**	**5,051**	**(40,250)**
Other income/(loss), net	2024	14,648	(20,599)	(11,652)
Cash and cash equivalents, and amounts due from credit institutions	**2025**	**2**	**354**	**48,248**
	2024	2	271	347,941
including allowances for ECL on cash and cash equivalents, and amounts due from credit institutions	**2025**	**–**	**–**	***(2)***
	2024	–	–	*(17)*
	2025	**13,499**	**165,169**	**144,248**
Loans issued	2024	4,189	95,540	108,912
including allowances for ECL on loans issued	**2025**	***(955)***	***(70)***	***(2,388)***
	2024	*(912)*	*(14)*	*(683)*
	2025	**–**	**15,153**	**1,983,015**
Borrowings	2024	–	15,616	1,351,328
	2025	**4,238**	**30,144**	**513,356**
Other assets	2024	17,630	19,204	379,941
including provision for impairment of other assets	**2025**	**–**	**–**	***(404)***
	2024	*(21)*	–	*(345)*
	2025	**33,379**	**140,148**	**273,364**
Lease and other liabilities	2024	52,559	149,652	180,889
Interest accrued due from related parties	**2025**	**1,535**	**10,625**	**75,588**
	2024	673	11,645	35,896
	2025	**16,102**	**9,653**	**129,171**
Interest accrued due to related parties	2024	5,755	20,160	119,157

31. RELATED PARTY DISCLOSURES (continued)

As at December 31, 2025 some of the Group's borrowings of 5,195 million tenge were guaranteed by the Government of the RK (December 31, 2024: 6,602 million tenge).

Total compensation of key management personnel, including members of the Boards of Directors and Management Boards of subsidiaries and the Fund, recognised within general and administrative expenses in the consolidated statement of comprehensive income, amounted to 7,685 million tenge for the year ended December 31, 2025 (for the year ended December 31, 2024: 7,687 million tenge). Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, financial guarantees, lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financials assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

The Group's exposure to interest risk relates primarily to the Group's long-term and short-term loans issued and borrowings with variable interest rates *(Notes 10, 16)*.

The following table demonstrates the sensitivity of the Group's profit and equity (through the impact on variable rate borrowings) to a reasonably possible change in variable interest rates, with all other variables held constant.

In millions of tenge		Increase/ (decrease) in basis points*	Effect on profit and equity
SOFR	**2025**	**22/(22)**	**(121)/121**
	2024	450/(39)	(6,086)/527
SARON	**2025**	**35/(35)**	**(3,150)/3,150**
	2024	126/(77)	(6,334)/3,870
Key Rate of National Bank of RK	**2025**	**186/(186)**	**(3,906)/3,906**
	2024	406/(231)	(10,375)/5,903
EURIBOR	**2025**	**27/(27)**	**(855)/855**
	2024	354/(121)	(6,971)/2,501
COF**	**2025**	**379/(379)**	**(2,929)/2,929**
	2024	143/(143)	(1,376)/1,376
TONIA	**2025**	**9/(9)**	**(184)/184**
	2024	286/(286)	(2,086)/2,086
Inflation rate of RK	**2025**	**300/(300)**	**(5,346)/5,346**
	2024	400/(400)	(6,567)/6,567

* *1 basis point = 0.01%;*

** *Cost of funding.*

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk

As a result of significant borrowings, trade accounts payable, cash and cash equivalents, amounts due from credit institutions and accounts receivable denominated in the US dollars, the Group's consolidated financial position can be affected significantly by movement in the US dollar / tenge exchange rates. The Group has a policy on managing its foreign currency risk in US dollar by matching US dollar denominated financial assets with US dollar denominated financial liabilities (*Note 15.9*). The Group has designated a hedge ratio of 1:1 for these hedging relationships, as the foreign currency risk of the borrowings fully matches the foreign currency risk of the investments in foreign operations denominated in US dollars.

Also, as part of its foreign currency risk management, the Group's management seeks, where practicable, to align the currency of anticipated cash inflows with the currency of obligations to be settled. This approach is intended to reduce the sensitivity of the Group's financial results and cash flows to fluctuations in exchange rates by matching the currency of incoming and outgoing cash flows.

Given that a significant portion of the Group's forecasted revenue from international transit is denominated in Swiss francs, the Group utilises financing instruments that allow matching the corresponding Swiss franc inflows with liabilities in the same currency. Under this strategy, the Group has employed borrowings denominated in Swiss francs as a means to mitigate foreign currency risk on highly probable forecasted revenue in Swiss francs. This approach reflects a natural hedging strategy, whereby the currency of future cash inflows from operating activities is aligned with the currency of future cash outflows for financial obligations (*Note 15.10*).

There is an economic relationship between the hedged items and the hedging instruments, as the terms of the foreign currency borrowings correspond to the terms of the highly probable forecasted cash flows from revenue in Swiss francs (nominal amount and expected payment date). The Group has established a hedge ratio of 1:1 for these hedging relationships, as the underlying foreign currency risk of the borrowings fully matches the currency risk of the revenue and liabilities denominated in Swiss francs.

To assess hedge effectiveness, the Group applies the hypothetical derivative method, comparing changes in the fair value of the hedging instruments with changes in the fair value of the hedged items attributable to foreign currency risk.

Sources of hedge ineffectiveness may include mismatches in the timing of cash flows between the hedged items and the hedging instruments, as well as changes in the forecasted amounts of cash flows of the hedged items. As at December 31, 2025, the Group considers the likelihood of significant hedge ineffectiveness to be remote.

The following table demonstrates the sensitivity of the Group's profit before income tax and equity to a reasonably possible change in the US dollar, euro, Swiss francs and Chinese yuan with all the variables held constant. The sensitivity of possible changes in exchange rates for other currencies are not considered due to its insignificance to the consolidated financial results of Group's operations.

In millions of tenge	**Increase/(decrease) in exchange rate**	**Effect on profit before income tax**	**Effect on equity**
2025			
US dollar	**8.84%/(8.84%)**	**291,609/(291,609)**	**75,618/(75,618)**
Euro	**11.12%/(11.12%)**	**(24,618)/24,618**	**(19,694)/19,694**
Swiss francs	**11.76%/(11.76%)**	**(55,553)/55,553**	**(94,709)/94,709**
Chinese yuan	**8.89%/(8.89%)**	**(75,151)/75,151**	**(60,121)/60,121**
2024			
US dollar	9.09%/(7.34%)	139,040/(135,352)	(39,314)/44,894
Euro	9.00%/(5.95%)	(28,875)/19,091	(23,100)/15,273
Swiss francs	12.22%/(3.99%)	(8,581)/2,804	(51,688)/16,891

Credit risk

Credit risk arising from the inability of a party to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group to that party. It is the Group's policy to enter into financial instruments with a diversity of creditworthy parties. The maximum exposure to credit risk is represented by carrying amount of each financial asset.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

The Group considers that its maximum exposure is reflected by the amounts due from credit institutions *(Note 9)*, loans issued *(Note 10)*, financial investments in debt and equity instruments (*Note 11*), trade accounts receivable and other assets *(Note 13)*, and cash and cash equivalents *(Note 14)*, net of allowances for expected credit losses recognised at the reporting date, and financial guarantee liabilities (*Note 19*).

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The Group has a policy that ensures enforcement of constant control procedures for sales to only be made to buyers with an appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimised by the fact that the Group operates on a prepayment basis with the majority of its buyers.

The following table presents the risk profile of the Group's financial investments in debt instruments as at December 31, 2025 and 2024:

	December 31	
	2025	2024
Ratings from AA(Aa1)+ to A(A2)	**54%**	30%
Ratings from BBB+(Baa1) to BBB-(Baa3)	**23%**	30%
Ratings from BB+ to BB-	**11%**	12%
Ratings from B+(B1) to B-(B3)	**12%**	28%

The following table presents the risk profile of the Group's cash held in current accounts, as well as its short-term and long-term bank deposits, as at December 31, 2025 and 2024:

	December 31	
	2025	2024
Ratings from AA-(Aa3) to A-(A3)	**69%**	68%
Ratings from BBB+(Baa1) to BBB-(Baa3)	**14%**	18%
Ratings from BB+ to BB-	**10%**	8%
Ratings from B+(B1) to B-(B3)	**7%**	6%

Liquidity risk

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

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

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table shown below summarises the maturity profile of the Group's financial liabilities at December 31 based on contractual undiscounted payments.

In millions of tenge	On demand	Due later than 1 month but not later than 3 months	Due later than 3 months but not later than 1 year	Due later than 1 year but not later than 5 years	Due after 5 years	Total
At December 31, 2025						
Loans from the Government of the Republic of Kazakhstan	**795**	**1,075**	**149,528**	**273,166**	**2,464,507**	**2,889,071**
Borrowings	**25,476**	**176,745**	**1,499,196**	**5,617,103**	**5,778,838**	**13,097,358**
Lease liabilities	**10,219**	**12,073**	**103,847**	**364,228**	**545,499**	**1,035,866**
Due to customers	**81,030**	**–**	**34,603**	**32**	**–**	**115,665**
Financial guarantees*	**1,273,465**	**758**	**1**	**–**	**–**	**1,274,224**
Trade and other payables	**824,252**	**816,146**	**144,087**	**2,902**	**251**	**1,787,638**
Other financial liabilities	**340,387**	**218,190**	**166,121**	**113,197**	**944**	**838,839**
	2,555,624	**1,224,987**	**2,097,383**	**6,370,628**	**8,790,039**	**21,038,661**
At December 31, 2024						
Loans from the Government of the Republic of Kazakhstan	13	302	66,731	395,818	3,093,655	3,556,519
Borrowings	14,931	98,415	1,105,981	3,979,088	6,071,000	11,269,415
Lease liabilities	10,198	16,673	94,237	348,319	420,252	889,679
Due to customers	79,494	–	44,529	18	–	124,041
Financial guarantees*	1,217,140	–	–	–	–	1,217,140
Trade and other payables	569,374	1,101,156	217,452	17,044	2,594	1,907,620
Other financial liabilities	229,769	16,950	70,312	–	–	317,031
	2,120,919	1,233,496	1,599,242	4,740,287	9,587,501	19,281,445

* *The Group includes financial guarantees to the maturity profile table, however, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2025 and 2024 there was no significant instances of financial guarantees execution.*

Capital management

The Group manages its capital primarily through capital management of its subsidiaries while conducting its oversight function. Major objective of the capital management is to ensure that subsidiaries of the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary.

The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary. Key performance indicators ("KPI") used by the Group to manage capital of its subsidiaries are ratios of: Debt to Earnings before Interest, Taxes, Depreciation and Amortisation, and Interest ("D/EBITDA") from continuing and discontinued operations; and Debt to Equity ("D/E").

Debt is considered to be equal to all borrowings, debt securities, guarantee and finance lease liabilities of relevant subsidiaries reduced by value of cash and cash equivalents. Equity is considered to be equal to the entire equity of the subsidiary attributable to majority shareholders.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Allowed maximum for the indicator is approved for each subsidiary based on the needs and specifics of its business and varies within following ranges (consolidated KPI's for the Group have been presented for reference purposes as the Group does not monitor KPI's on the consolidated level):

Key Performance Indicators	**2025**	2024
D/EBITDA	**2.08**	1.92
D/E	**0.43**	0.37

In billions of tenge	**2025**	2024
Borrowings *(Note 16)*	**8,087**	6,668
Loans from the Government of the Republic of Kazakhstan *(Note 17)*	**1,201**	1,087
Lease liabilities	**499**	418
Derivative instruments	**93**	36
Guaranteed principal amount of liabilities of entities outside the Group	**1,802**	1,193
Total debt	**11,682**	9,402
Less: cash and cash equivalents	**(3,604)**	(3,212)
Net debt	**8,078**	6,190
EBITDA	**5,616**	4,905
Total equity	**27,180**	25,302

Fair values 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.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

Information on the carrying amount and fair value of certain financial instruments of the Group as at December 31, 2025 and 2024, disclosed below:

	December 31, 2025					December 31, 2024				
			Fair value by level of assessment					Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)	Carrying amount	Fair value	Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unob-served (Level 3)
Financial assets										
Loans issued at fair value through profit and loss	**155,490**	**155,490**	**–**	**2,050**	**153,440**	82,945	82,945	–	–	82,945
Loans issued at amortised cost and net investment in finance lease	**209,192**	**213,555**	**–**	**135,443**	**78,112**	210,871	212,146	–	117,107	95,039
Financial investments in debt and equity instruments at fair value through profit and loss	**250,534**	**250,534**	**186,798**	**30,642**	**33,094**	169,411	169,411	114,004	37,268	18,139
Financial investments in debt and equity instruments at fair value through OCI	**977,680**	**977,680**	**771,232**	**206,375**	**73**	436,964	436,964	280,159	156,732	73
Financial investments in debt and equity instruments at amortised cost	**958,742**	**981,326**	**152,741**	**756,175**	**72,410**	774,817	750,510	32,580	611,705	106,225
Other financial assets at fair value through profit and loss	**198,244**	**198,244**	**–**	**77**	**198,167**	28,259	28,259	–	–	28,259
Financial liabilities			–							
Borrowings	**8,283,487**	**8,185,811**	**3,651,519**	**4,295,665**	**238,627**	6,835,916	6,576,835	3,008,884	3,403,903	164,048
Loans from the Government of the Republic of Kazakhstan	**1,201,076**	**832,005**	**–**	**832,005**	**–**	1,087,072	885,907	–	885,907	–
Guarantee obligations	**94,003**	**88,722**	**–**	**72,293**	**16,429**	86,102	96,696	–	94,288	2,408

For all other financial instruments, the carrying amount approximates their fair value.

The fair value of the above financial assets and liabilities measured at amortised cost has been calculated by discounting the expected future cash flows at prevailing interest rates.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

	Valuation technique	Significant unobservable inputs	Range as of December 31, 2025	2024
Loans issued at fair value through profit and loss	Discounted cash flow method	Discount rate and interest rate indexed to changes in the US dollar exchange rate	**SOFR+2.8% - 15%**	SOFR +2.8% - 15%
Loans issued at amortised cost and net investment in finance lease	Discounted cash flow method	Interest/ discount rate	**3.5%-30%**	5.0%-30%
Financial investments in debt and equity instruments at fair value through profit and loss	Discounted cash flow method	Interest/ discount rate	**6.29% - 22.85%**	9.2%-19.39%
Financial investments in debt and equity instruments at amortised cost	Discounted cash flow method	Interest/ discount rate	**3.85%-17%**	4.51%-15.50%
Other financial assets at fair value through profit and loss	Discounted cash flow method	Discount rate	**6.29%-10%**	9.20%
Borrowings	Discounted cash flow method	Interest/ discount rate	**7.14%- 20.80%**	3.81%- 17%
Financial guarantee issued	Discounted cash flow method	Discount rate	**6.5%-13.77%**	7.6%-14.56%

33. COMMITMENTS AND CONTINGENCIES

Operating environment

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

Commodity price risk

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

Environmental, Social and Governance (ESG) matters - Consideration of climate change and resulting climate related risks

For the identified climate related and environmental risks, the Group has assessed their impact on the recognition/derecognition of assets and liabilities and measurement of such assets and liabilities as well as the disclosure provided in its consolidated financial statements. The areas listed below are predominantly impacted by the climate related and environmental risks:

- The Group has initiated projects on constructions of new combined cycle gas plant at the Almaty CHP-2 and CHP-3. The purpose is the replacement of the existing coal-fired equipment with modern environmentally friendly combined cycle power units; and
- The Group has assessed and recognised provisions for decommissioning of power plants and rehabilitating environmental damage due to recently introduced regulatory requirements in accordance with Environmental Code (*Note 18*).

In relation to the identified risks associated with climate change, the Group assessed their impact on the recognition/derecognition of assets and liabilities, the measurement of such assets and liabilities, and the disclosures in the consolidated financial statements.

33. COMMITMENTS AND CONTINGENCIES (continued)

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

Management believes that as at December 31, 2025 its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

Sanctions

The Group, as a participant in joint projects with foreign partners, conducts a comprehensive assessment of the potential impact of external factors, including sanctions restrictions. This assessment takes into account legal, financial and technical aspects. At the same time, project implementation continues as prescribed in accordance with the current legislation of the Republic of Kazakhstan and the contractual obligations of the parties.

The Group continuously monitors new restrictive measures adopted by the US, EU and UK and assesses their potential impact on the Group's operations and the implementation of joint projects with Russian partners.

In November 2025, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) issued a license authorizing operations necessary for the Caspian Pipeline Consortium, TCO and Karachaganak projects. Furthermore, on November 10, 2025, the Ministry of Energy of the Republic of Kazakhstan, at the initiative of the Group, submitted an appeal to OFAC regarding operations involving the transportation of Russian oil through the territory of the Republic of Kazakhstan to the People's Republic of China.

On November 21, 2025, OFAC Comfort Letters were received, according to which Pavlodar Refinery and KTO are authorised to conduct transactions related to Rosneft Oil Company PJSC if such transactions are typically necessary for their operations and fulfillment of contractual obligations, provided that there is no involvement of U.S. persons, no use of the U.S. financial system, no benefit to other sanctioned persons and no other violations of the sanctions regime. These Comfort Letters are set to expire on April 29, 2026. The Group's management plans to continue working to extend the relevant OFAC Comfort Letters, if necessary, in accordance with established procedures.

To minimise sanctions risks, joint project agreements include appropriate mechanisms and legal remedies aimed at ensuring compliance with applicable international sanctions restrictions. The Group takes the necessary measures to comply with international sanctions requirements and minimise potential sanctions risks.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Pricing methodologies have been established only for certain categories of goods, as a result, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest. As at December 31, 2025 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Comprehensive tax audit at oil refineries of the Group

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

Atyrau refinery, Pavlodar refinery and PKOP did not agree with the assessments and appealed them according to the procedure established by the state. The refineries' appeals are under consideration by the Ministry of Finance of the RK.

33. COMMITMENTS AND CONTINGENCIES (continued)

Comprehensive tax audit at oil refineries of the Group (continued)

PKOP partially appealed one of the notifications regarding the amount of additional taxes and penalties for 3,694 million tenge. However, on February 15, 2024, the Civil Chamber of the Supreme Court canceled the decision in favor of PKOP made on November 15, 2021 by the Civil Chamber of the Shymkent City Court. During 2024, PKOP took measures to appeal the decision of the Judicial Collegium for Civil Cases of the Supreme Court to the Prosecutor General's Office of the RK. However, due to the lack of procedural opportunity, consideration of the petitions was refused. Accordingly, PKOP recognised a provision and paid tax and fine in the amount of 3,694 million tenge. On August 28, 2025, the Appeals Commission of the Ministry of Finance of the RK decided to overturn the contested notices issued by PKOP.

Taking into account the decisions of the Appeals Commission of the Ministry of Finance of the RK on PKOP, the Group expects a positive outcome on the contested notices regarding the results of tax audits at the Atyrau Refinery and the Pavlodar refinery.

The potential amount of additional value added tax (VAT) assessments for the period from 2020 to 2025 is calculated by applying the VAT rate of 12% to the amount of excise tax reimbursed by the toller, excluding potential fines and penalties as stipulated in accordance with the Administrative Code of the RK.

Legal issues and claims

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

On December 17, 2019, OEBS has been noticed by the NAMR that a Request for Arbitration would have been filed in to ICC Paris for an alleged breach by OEBS of the Concession Agreement as regards the exploration block near Focsani. Starting from that period, OEBS was in dispute with NAMR. On July 29, 2022, the Court decided to oblige OEBS to pay 10.1 million U.S. dollars from a total NAMR claim of 20 million U.S. dollars. In 2022, the Group recognised a provision in the amount of 10.1 million dollars (equivalent to 5,106 million tenge).

On May 23, 2024, the court dismissed the appeal filed by OEBS, and obliged OEBS to pay 10.1 million U.S. dollars. OEBS approached NAMR and the Romanian fiscal authorities with a proposal to gradually pay the amount until 2026. As a result, OEBS was authorised to make the payment as follows: 30% of the liabilities will be paid directly to NAMR, while the remaining 70% in the amount of 7.1 million dollars (equivalent to 3,589 million tenge) will be paid to the Romanian tax authorities by November 23, 2026, in accordance with the debt Restructuring Plan agreed between OEBS and the National Agency for Fiscal Administration.

As of December 31 2025, OEBS paid 30% of the liabilities. The Group also reclassified the previously recognised provision into other financial liabilities *(Note 18).*

Competition investigation in Moldova

Since the beginning of 2021, Rompetrol Moldova (further RPM), a subsidiary of KMGI operating in Moldova, is involved in an investigation and related court proceedings initiated by the Competition Council of Moldova (further CCM) alleging RPM agreed with other industry players on retail prices for petroleum products.

RPM is challenging the competition report prepared by the CCM investigation division that forms the basis for the allegations in accordance with applicable regulations. A few attempts to dismiss the said report were unsuccessful with the latest ruling rejecting RPM's request to dismiss the report issued by the local court on May 26, 2022.

In 2022, the Group recognised a provision on penalties in the amount of 12 million dollars (equivalent to 6,066 million tenge).

On August 26, 2024, the court issued a decision suspending payment of the fine pending the resolution of the litigation. The appeal submitted by RPM is pending consideration.

The Memorandum of Understanding

On February 15, 2013, KMGI and the Government of Romania signed the Memorandum of Understanding (further – Memorandum) to settle a dispute arising from the conversion of bonds issued by Rompetrol Rafinare, subsidiary of KMGI.

Among other provisions, the Memorandum states that the precautionary seizure of Rompetrol Rafinare assets (including shares held by Rompetrol Rafinare in its subsidiaries) imposed in September 2010 to be lifted after the state withdraws its claim against the conversion of the bonds into Rompetrol Rafinare shares, which happened in March 2014.

33. COMMITMENTS AND CONTINGENCIES (continued)

Legal issues and claims (continued)

The Memorandum of Understanding (continued)

At the same time, the Government of Romania will organise an auction for the sale of 26.6959% of Rompetrol Rafinare shares (the first call), at which KMGI will have to offer a price not less than 200 million US dollars.

On January 22, 2025, KMGI formally notified the Romanian Ministry of Energy on termination of its obligations under the memorandum due to an ongoing legal dispute concerning the seizure of Rompetrol Rafinare's assets.

On January 31, 2025, the Supreme Court confirmed the first court resolution by which Romanian Tax Authorities should issue a decision to cancel the enforcement order and release the precautionary seizure on assets of Rompetrol Rafinare. As of December 31, 2025, most of the assets are already released.

On April 30, 2025, the term for implementation of the Memorandum expired.

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

In January 2025, Antimonopoly agency conducted an inspection for compliance with the legislation of the RK in the field of competition protection in relation to the Atyrau refinery on the grounds of establishing and maintaining monopolistically high prices for oil refining services in 2021-2023. In June 2025, Antimonopoly agency issued the Conclusion which stated that Atyrau refinery set monopolistically high tariff for oil refining services, which sets to confiscate revenue for 2021-2023 of 29,137 million tenge and impose fine of 37,390 million tenge (further Conclusion).

Atyrau refinery does not agree with the results of the Conclusion and on September 4, 2025, filed an administrative claim to the specialised interdistrict administrative court of the Atyrau region against the Conclusion. On December 5, 2025, the court denied the claim of Atyrau refinery. On February 12, 2026, Atyrau refinery filed an appeal against the court decision.

Due to significant disagreements regarding the calculation methodology and approaches used, it is not possible to reliably determine the amount of potential losses, including possible confiscation of income and administrative fines. Since the relevant liability is possible but not probable, and its amount cannot be reliably estimated, this situation is classified as a contingent liability.

Investigations and notices in respect of Kcell JSC

Order of the Antimonopoly agency dated June 15, 2022

On June 15, 2022, Antimonopoly agency initiated an investigation into JSC "Kcell" on suspicion of establishing and maintaining monopoly-high prices. On August 17, 2022, the company challenged the corresponding order in court. By the ruling of the first-instance court dated October 11, 2022, the order was declared unlawful and annulled, which was upheld by the appellate court on March 24, 2023.

On November 9, 2023, the Supreme Court partially upheld the company's claims, overturning the previous court rulings and limiting the investigation period to 2020–2021. In December 2023, the investigation was resumed but was subsequently suspended due to procedural disputes. On January 29, 2025, the investigation resumed, and the company was requested to provide information, which was subsequently submitted for the 2020–2021 period.

On 26 November 2025, Antimonopoly agency issued a conclusion stating that the facts of establishing and maintaining monopoly-high prices were not confirmed. This conclusion was approved by Antimonopoly agency Order dated January 15, 2026. Accordingly, the investigation found no violations of antitrust legislation in the company's activities for the period 2020–2021.

Order of the Antimonopoly agency dated December 21, 2023

By Order No. 38-OD dated December 21, 2023, the Antimonopoly agency for the city of Almaty initiated an investigation into KTC on suspicion of coordinated actions with other telecommunications operators to increase prices for tariff plans in June 2023.

On January 10, 2024, the company challenged actions of the Antimonopoly agency for the city of Almaty regarding the information request, and the investigation was subsequently suspended.

33. COMMITMENTS AND CONTINGENCIES (continued)

Legal issues and claims (continued)

Investigations and notices in respect of Kcell JSC (continued)

Order of the Antimonopoly agency dated December 21, 2023 (continued)

The Specialised Interdistrict Administrative Court of Almaty (SIAC) rejected the company's claims by decision dated April 16, 2024, which was upheld on appeal on July 18, 2024. On January 31, 2025, the Supreme Court returned the cassation appeal.

On March 6, 2024, KTC also challenged the initiation order itself. The SIAC decision of May 29, 2024 and the appellate court ruling of September 17, 2024 rejected the claim. However, by the Supreme Court ruling dated April 22, 2025, these judicial acts were annulled, and the case was remanded for reconsideration.

As a result of the reconsideration, the Almaty City Court, by ruling dated June 26, 2025, upheld KTC's claims, declared the Antimonopoly agency order unlawful, and annulled it. The ruling entered into legal force, and the investigation was terminated.

MTS notifications

On December 30, 2022, Kcell JSC and MTS entered into a network sharing agreement, establishing mutual obligations for the construction and modernisation of base stations.

During 2024, significant disagreements arose between the parties in the implementation of the agreement, related to delays in fulfilling obligations, which led to the issuance of mutual notices to withdraw from the project in certain regions, as well as claims for compensation and penalties.

On June 23, 2025, the parties executed an additional agreement, resolving the dispute concerning compensation: the withdrawal notices were revoked, mutual compensation claims were annulled, and the agreement was fully reinstated. The parties also confirmed their intention to settle matters related to penalties within six months.

As of the reporting date, the agreement remains in effect. Previously, the Group recognised a provision for disputed obligations related to these disagreements, which is presented in the consolidated financial statements in *Note 18* under other provisions.

Environmental audits

Inspection of the onshore assets of North Caspian Operating Company N.V., the operator under the North Caspian Production Sharing Agreement (the "Operator")

The Department Ecology of the Atyrau Region of the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan (further KERK) conducted an inspection of the land facilities of the North Caspian Operating Company N.V., which is the operator under the Production Sharing Agreement for the North Caspian Sea dated November 18, 1997, further Operator, in which KMG Kashagan B.V. has a share of 16.88%. Based on the results of the inspection, an order was issued to the Operator to eliminate violations, including regarding the excessive placement of sulfur in the amount of 1,020 thousand tons. The Operator did not agree with the inspection results and filed an administrative claim to dispute the given order.

On June 14, 2023, the Specialised Inter-District Administrative Court (further SIDAC) of the city of Astana ruled in favor of the Operator regarding the placement of sulphur. On February 27, 2024, the Judicial Panel for Administrative Cases of the Court the city of Astana annulled this decision. On June 26, 2025, the Supreme Court of the Republic of Kazakhstan issued a ruling to overturn the decision of February 27, 2024 and referred the case for a new trial to the appellate court with a different panel of judges. On July 10, 2025, the case was accepted for consideration by the Judicial Panel for Administrative Cases of the Court of the city of Astana. On August 1, 2025, the appellate court announced a decision in favor of the Operator and annulled the inspection results in full, including the excessive placement of sulfur.

On August 18, 19 and 22, 2025, the state inspector of the Department Ecology of the Atyrau Region issued seven decisions against the Operator. The Operator appealed all the decisions to KERK. On October 24, 2025, KERK, based on the Operator's petition, suspended its consideration of the complaints due to the fact that on October 10, 2025, the Operator received from the Department Ecology of the Atyrau Region a new order to eliminate the violations. On October 17, 2025, the Operator appealed this order to the SIDAC. On January 8, 2026, the SIDAC ruled that the order of October 10, 2025, was valid. In March 2026, the Operator filed an appeal against the SIDAC decision, however, by court ruling dated April 8, 2026, the appeal was dismissed. The Operator has the right to appeal this decision.

33. COMMITMENTS AND CONTINGENCIES (continued)

Environmental audits (continued)

Inspection of the onshore assets of North Caspian Operating Company N.V., the operator under the North Caspian Production Sharing Agreement (the "Operator") (continued)

As of December 31, 2025, KMG Kashagan B.V. has not recognised any provisions related to this inspection. The management of KMG Kashagan B.V. assesses the risk of fines for environmental inspections within the framework of the applicable legislation of the RK as unlikely.

Cost recovery audits

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

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

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

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

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

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

In relation to the respective arbitration disputes between the Contractors and the RK, the KMG Kashagan B.V. and KMG Karachaganak LLP are completely excluded from the negotiation process due to a conflict of interest in accordance with the terms of the project documents. As of December 31, 2025, based on the information available, the subsidiaries of the Group have no obligations related to these arbitration proceedings.

Kazakhstan local market obligation

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

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

In 2024, in accordance with its obligations, the Group delivered to the Kazakhstan market 8,303 thousand tons of crude oil, including its share in the joint ventures and associates in the total volume of 2,849 thousand tons (2024: 8,146 thousand tons, including its share in the joint ventures and associates of 2,880 thousand tons).

Oil supply commitments

As of December 31, 2025, KMG Kashagan B.V. had commitments under the oil supply agreements in the total amount of 0.7 million tons (December 31, 2024: 2.4 million tons). The monetary equivalent is determined based on the market prices at the moment of realization.

33. COMMITMENTS AND CONTINGENCIES (continued)

Commitments under oilfield and mining field licenses and subsurface use contracts

As at December 31, 2025 the Group had the following commitments (net of VAT) related to a minimal working program in accordance with terms of licenses, production sharing agreements and subsoil use contracts, signed with the Government, including its share in joint ventures and associate (in millions of tenge):

Year	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenditures, including joint ventures and associates	Operational expenditures of joint ventures and associates
2026	**668,161**	**324,034**	**39,915**	**103,185**
2027	**549,049**	**411,775**	**27,126**	**66,545**
2028	**504,612**	**406,318**	**27,506**	**67,474**
2029	**364,300**	**399,866**	**22,954**	**57,527**
2030-2059	**6,500,622**	**4,438,795**	**67,582**	**282,512**
Total	**8,586,744**	**5,980,788**	**185,083**	**577,243**

Liabilities on purchase of gas and gas transportation services to the joint ventures

As at December 31, 2025, the Group has an obligation to purchase gas in the amount of 1,425,749 million tenge from a joint venture.

As of December 31, 2025, the Group has unconditional liability on purchase of gas transportation services to Asia Gas Pipeline LLP in the total amount of 143,089 million tenge excluding VAT (as at December 31, 2024: 177,033 million tenge). As of December 31, 2025, the Group has no obligation to purchase gas transportation services from Beyneu-Shymkent Pipeline LLP (as at December 31, 2024: 209,368 million tenge).

Other liabilities due to joint ventures

In December 2025, the Group decided to enter into a mutual obligations and guarantees agreement to secure the performance by the joint venture of its obligations under a gas processing contract. As at December 31, 2025, the agreement had not yet come into force, as not all parties had completed the necessary corporate approvals for its execution. The agreement applies to the relationships between the parties arising from January 1, 2026.

Capital commitments

As at December 31, 2025 the Group had capital commitments of approximately 7,040,240 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (as at December 31, 2024: 4,386,222 million tenge, excluding VAT), including capital commitments of joint ventures and associates in the amount of 574,436 million tenge, excluding VAT (as at December 31, 2024: 50,339 million tenge, excluding VAT). As at December 31, 2025, the contractual obligations of GPCI, classified as held for sale, for the acquisition of fixed assets and construction services amount to 97,263 million tenge excluding VAT.

As at December 31, 2025, the Group had commitments in the total amount of 1,467,705 million tenge (as at December 31, 2024: 1,322,168 million tenge) under the investment programs approved by the joint order of Ministry of Energy of the RK and CRNM to facilitate production units.

Liabilities under agreements for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

As at December 31, 2025 the Group had contractual commitments to local authorities for the provision of the comprehensive construction works and services in the amount of 136,780 million tenge, where the Group acts as an agent (2024: 1,400,706 million tenge).

34. SEGMENT REPORTING

For management purposes, the Group is organised into organisational business units based on their products and services, and has 8 (eight) reportable operating segments *(Note 1)*.

Certain of operating segments have been formed by aggregation of smaller reportable segments in line with the organisational structure of the Group. Each reportable segment maintains its accounting records in line with IFRS accounting standards. Financial performance of each segment prepared in line with IFRS accounting standards is reported to the Management Board of the Fund for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Eliminations represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments 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.

Geographic information

The Group's property, plant and equipment *(Note 6)* are located in the following countries:

In millions of tenge	**2025**	2024
Kazakhstan	**18,595,427**	16,882,378
Other countries	**778,064**	784,323
	19,373,491	17,666,701

34. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2025:

In millions of tenge	Oil-and-gas and petrochemical segment	Mining	Transportation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	10,456,862	3,744,553	2,754,734	644,226	1,061,840	34,566	53,016	21,709	–	18,771,506
Revenue from contracts with customers	*10,449,302*	*3,744,023*	*2,710,642*	*642,584*	*968,147*	*34,566*	–	*17,604*	–	*18,566,868*
Rental income	*7,560*	*530*	*44,092*	*1,642*	*93,693*	–	–	*3,249*	–	*150,766*
Interest revenue	–	–	–	–	–	–	*53,016*	*856*	–	*53,872*
Revenues from sales to other segments	270,862	25	34,014	5,949	169,785	17,467	1,006,329	17,964	(1,522,395)	–
Total revenue	10,727,724	3,744,578	2,788,748	650,175	1,231,625	52,033	1,059,345	39,673	(1,522,395)	18,771,506
Geographical markets										
Kazakhstan	2,652,078	2,035,862	2,628,216	626,083	1,087,985	52,033	1,006,329	35,568	(1,522,395)	8,601,759
United Arab Emirates	2,300,178	–	1,487	6	–	–	–	–	–	2,301,671
Romania	1,501,531	–	–	–	–	–	–	–	–	1,501,531
Switzerland	1,454,283	–	–	1	–	–	–	–	–	1,454,284
China	600,441	797,296	39,801	2,556	–	–	–	–	–	1,440,094
Netherlands	676,440	24,278	–	26	–	–	–	–	–	700,744
Other countries	1,535,213	886,612	75,152	19,861	49,947	–	–	–	–	2,566,785
Cost of sales	(8,798,942)	(2,868,157)	(1,929,419)	(581,287)	(793,035)	(35,135)	(190,837)	(26,150)	639,826	(14,583,136)
Gross profit	1,928,782	876,421	903,471	88,726	438,590	16,898	868,508	13,523	(882,569)	4,252,350
General and administrative expenses	(279,970)	(56,811)	(146,223)	(48,588)	(47,457)	(3,749)	(25,752)	(7,593)	30,904	(585,239)
Transportation and selling expenses	(819,041)	(34,197)	(176)	(11,388)	(14,300)	(5,311)	–	(53)	15,334	(869,132)
Finance income	322,601	77,356	90,080	99,172	38,855	8,785	122,426	103,667	(144,070)	718,872
Finance costs	(408,505)	(28,158)	(270,463)	(55,043)	(69,911)	(2,350)	(22,813)	(49,824)	245,919	(661,148)
Share in profits/(loss) of joint ventures and associates	1,088,599	316,137	1,634	(665)	13,753	410	15,849	5	–	1,435,722
Foreign exchange (loss)/gain, net	(81,306)	(31,717)	(19,915)	(17,925)	1,877	(1,100)	(24,949)	(8,117)	(13,700)	(196,852)
Depreciation, depletion and amortisation	(810,211)	(149,593)	(196,035)	(114,311)	(106,044)	(8,770)	(423)	(3,928)	2,010	(1,387,305)
(Impairment)/reversal of impairment of property, plant and equipment, exploration and evaluation assets and intangible assets	(87,031)	(10,031)	2,991	(370)	(10,743)	(1,172)	–	91	(3,756)	(110,021)
(Impairment)/reversal of impairment of other assets, net	(14,849)	2,796	(6,871)	(408)	(15,573)	–	5,716	–	(1,036)	(30,225)
Income tax (expenses)/benefit	(365,992)	(191,683)	(161,021)	(44,117)	(76,847)	21	(1,374)	(12,535)	5,061	(848,487)
Net profit for the year from continuing operations	1,295,147	925,776	387,709	147,208	214,111	12,347	904,082	39,899	(717,653)	3,208,626
Net profit for the year from discontinued operations	5,085	–	–	–	–	–	–	–	–	5,085
Total net profit for the year	1,300,232	925,776	387,709	147,208	214,111	12,347	904,082	39,899	(717,653)	3,213,711
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	2,323	960	(3,893)	(5,543)	(3,428)	91	1,203	(670)	8,382	(575)
Investments in joint ventures and associates	6,008,818	868,858	68,101	1,111	3,990	9,446	283,646	66	–	7,244,036
Capital expenditures	948,525	275,148	1,283,267	214,680	694,567	6,404	1,265	1,333	(16,860)	3,408,329
Total assets of the segment	23,545,927	4,994,137	7,598,187	1,767,149	3,386,188	275,193	11,893,852	1,629,226	(10,846,946)	44,242,913
Total liabilities of the segment	7,817,560	916,578	5,210,282	996,078	1,857,412	27,824	3,412,068	1,139,965	(4,315,136)	17,062,631

34. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2024:

In millions of tenge	**Oil-and-gas and petrochemical segment**	**Mining**	**Trans-portation**	**Com-munication**	**Energy**	**Industrial**	**Corporate center**	**Other**	**Elimination**	**Total**
Revenues from sales to external customers	9,476,375	3,076,567	2,172,456	788,383	823,822	26,292	44,818	24,353	–	16,433,066
Revenue from contracts with customers	*9,469,275*	*3,076,102*	*2,103,337*	*788,383*	*807,302*	*26,292*	–	*16,209*	–	*16,286,900*
Rental income	*7,100*	*465*	*69,119*	–	*16,520*	–	–	*4,305*	–	*97,509*
Interest revenue	–	–	–	–	–	–	*44,818*	*3,839*	–	*48,657*
Revenues from sales to other segments	*133,286*	*52*	*27,053*	*4,888*	*149,099*	*13,015*	*1,012,682*	*19,813*	*(1,359,888)*	–
Total revenue	9,609,661	3,076,619	2,199,509	793,271	972,921	39,307	1,057,500	44,166	(1,359,888)	16,433,066
Geographical markets										
Kazakhstan	2,108,976	1,596,687	1,995,581	772,533	922,917	39,307	1,012,682	36,022	(1,359,888)	7,124,817
United Arab Emirates	1,850,401	31,944	999	41	–	–	–	–	–	1,883,385
Switzerland	1,852,927	850	50	–	–	–	–	–	–	1,853,827
China	663,749	663,721	28,419	2,507	–	–	–	–	–	1,358,396
Romania	1,198,204	52,335	–	–	–	–	–	–	–	1,250,539
Netherlands	741,826	–	–	–	–	–	–	–	–	741,826
Other countries	1,186,478	730,617	105,341	18,190	33,484	–	–	–	–	2,074,110
Cost of sales	(7,660,471)	(2,185,198)	(1,691,343)	(566,438)	(609,436)	(25,766)	(95,112)	(28,023)	367,148	(12,494,639)
Gross profit	1,949,190	891,421	551,334	241,142	363,485	13,541	962,388	16,143	(992,740)	3,995,904
General and administrative expenses	(312,881)	(53,118)	(137,691)	(56,974)	(38,071)	(3,508)	(24,907)	(6,667)	66,414	(567,403)
Transportation and selling expenses	(846,094)	(26,303)	(3,316)	(22,533)	(11,950)	(3,488)	–	(31)	12,580	(901,135)
Finance income	350,822	38,107	56,768	50,165	22,421	5,506	119,466	60,647	(98,321)	605,581
Finance costs	(396,380)	(20,227)	(181,290)	(57,590)	(55,974)	(2,253)	(15,028)	(14,481)	168,805	(574,418)
Share in profits/(loss) of joint ventures and associates	902,374	223,676	10,772	(253)	(116)	354	12,037	2	–	1,148,846
Foreign exchange gain/(loss), net	162,272	69,175	(69,725)	3,306	2,563	6,148	83,132	15,123	(31,801)	240,193
Depreciation, depletion and amortisation	(717,580)	(122,717)	(183,645)	(117,581)	(79,727)	(7,116)	(648)	(2,677)	(1,225)	(1,232,916)
(Impairment)/reversal of impairment of property, plant and equipment, exploration and evaluation assets and intangible assets	(90,055)	(1,942)	(17,196)	(8,574)	(18,601)	9,866	–	–	–	(126,502)
Reversal of impairment/(impairment) of other assets, net	7,058	(7,093)	(6,635)	(800)	(257)	(640)	(59,484)	–	56,357	(11,494)
Income tax expenses	(366,056)	(238,220)	(50,955)	(79,488)	(63,778)	(1,040)	(101,247)	(13,077)	(5,581)	(919,442)
Net profit for the year from continuing operations	1,406,779	1,202,317	159,789	77,929	202,066	23,295	1,090,129	56,794	(899,963)	3,319,135
Net loss for the year from discontinued operations	(10,373)	–	–	–	–	–	–	–	–	(10,373)
Total net profit for the year	1,396,406	1,202,317	159,789	77,929	202,066	23,295	1,090,129	56,794	(899,963)	3,308,762
Other segment information										
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(13,673)	14,094	1,593	(3,977)	1,560	(48)	(4,203)	(992)	(4,234)	(9,880)
Investments in joint ventures and associates	6,469,155	815,847	50,074	381	82,709	9,036	278,607	60	–	7,705,869
Capital expenditures	1,195,570	906,269	1,173,169	180,830	276,988	3,580	219	9,594	(161)	3,746,058
Total assets of the segment	23,533,130	4,693,395	5,974,653	2,046,474	2,594,797	254,999	10,032,994	1,225,759	(9,243,597)	41,112,604
Total liabilities of the segment	8,508,636	963,554	3,998,807	1,152,250	1,278,132	27,390	2,314,363	866,576	(3,299,276)	15,810,432

35. SUBSEQUENT EVENTS

Acquisition of a subsidiary

On January 28, 2026, the Group resolved to acquire a 75% equity interest in the charter capital of Butadien LLP. State re-registration was completed on January 30, 2026, as a result of which Butadien LLP became a subsidiary of the Group.

Distributions to the Shareholder

In April 2026, based on the Shareholder's resolution, the Fund recognised a liability to finance social projects in the amount of 295,000 million tenge.

Other events

On January 18, 2026, Tengizchevroil LLP ("TCO") temporarily suspended production at the Tengiz and Korolevskoye fields due to a malfunction affecting some of the power supply systems at the production sites. Subsequently, TCO confirmed the safe restoration of the power supply system and the gradual resumption of oil production. As conditions stabilise, TCO is increasing production volumes.

"Sovereign Wealth Fund "Samruk-Kazyna" JSC

Consolidated financial statements

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

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Independent Auditor's Report

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

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Key audit matter	*How our audit addressed the key audit matter*
Impairment of non-current assets	
We considered this matter to be one of the matters of most significance in our audit due to the high level of subjectivity in respect of assumptions underlying impairment analysis of non-current assets and significant judgements and estimates made by the management. In addition, increased cost of debt and uncertainty regarding future economic growth affects the Group's business prospects and triggers potential impairment of the Group's assets. Significant assumptions included discount rates, commodities prices, tariffs forecasts, inflation and exchange rate forecasts. Significant estimates included production forecasts, future capital expenditures and commodity reserves available for development and production. Information on non-current assets and the impairment tests performed is disclosed in *Note 4* to the consolidated financial statements.	We obtained management's impairment analysis, including analysis of impairment indicators and impairment test models. We involved our internal business valuation specialists in the testing of the impairment analysis and calculation of recoverable amounts performed by the management. We analysed the assumptions underlying management forecast. We compared natural resource and commodity prices used in the calculation of recoverable amounts to available market forecasts. We compared the discount rate and long-term growth rates to general market indicators and other available information. We tested the mathematical accuracy of the impairment models and assessed their sensitivity to changes in assumptions. We analysed the disclosures made in the consolidated financial statements in respect of the impairment of non-current assets.
Compliance with loan covenants	
In accordance with the terms of certain financing arrangements, the Group should comply with certain loan covenants. Breaching covenants could result in significant fines and penalties along with funding shortages. In addition, cross default provisions are in place under many of the Group's financing arrangements. Compliance with covenants was one of the matters of most significance in our audit since it can have a major impact on the going concern assumption used in the preparation of the consolidated financial statements, and on classification of interest-bearing liabilities in the consolidated statement of financial position. Information on compliance with covenants is disclosed in *Note 19* to the consolidated financial statements.	We examined the terms of financing arrangements on covenants including additional clauses on cross default conditions. We compared data used in the calculations with the consolidated financial statements and with the financial statements of subsidiaries. We assessed arithmetic accuracy of financial covenants calculations. We analysed the forecast made in approved budgets as of 31 December 2024, to assess if a breach is likely to occur in the next 12 months, we obtained and analysed management's analysis for the potential impact on going concern. We analysed communication with creditors in respect of compliance with covenants as at 31 December 2024. We also analysed the information disclosed in the consolidated financial statements.

Provisions and contingent liabilities

Provisions are recognized and contingent liabilities are disclosed by the Group in respect of the results of the government inspections, and general legal proceedings, as well as other matters.

The assessment as to whether, or not, a liability should be recognized and whether the amounts can be reliably estimated involves estimation and judgement.

Predicting the outcome of the matter and estimating the potential impact in case of an unfavourable outcome represent a complex process, and the potential impact on the consolidated financial statements may be significant.

We considered provisions and contingent liabilities to be one of the matters of most significance in our audit because of their significance to the consolidated financial statements, the significant judgment and events occurred in 2024.

Information on provisions, contingent liabilities and commitments is disclosed in *notes 21* and *37* to the consolidated financial statements.

We inquired the Group's management and legal department for instances of non-compliance with laws and regulations and the status of any pending and ongoing litigations, claims and proceedings.

We obtained legal letters from internal legal advisers.

We inspected relevant correspondence, the minutes of the meetings of the Group's management and Board of Directors.

We analysed the most significant legal cases and discussed them with the Group's legal department.

We have engaged our internal legal and tax specialist for the analysis.

We analysed the Group's management's estimates underlying the amounts recognized as provisions in the consolidated financial statements and assessed judgements in respect of the probability of potential outcomes of contingent liabilities in the consolidated financial statements.

We analysed the related disclosures in the consolidated financial statements.

Other information included in the Group's 2024 Annual Report

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

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

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

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Responsibilities of management and the Audit Committee for the consolidated financial statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

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

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Ernst & Young LLP

Adil Syzdykov
Auditor

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

Rustamzhan Sattarov
General Director
Ernst & Young LLP

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

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17 April 2025

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

In millions of tenge	Note	2024	2023 (restated)*
Assets			
Non-current assets			
Property, plant and equipment	8	**17,657,438**	15,419,563
Intangible assets	9	**2,499,343**	2,026,102
Exploration and evaluation assets	10	**236,999**	205,074
Investment property		**26,320**	33,273
Investments in joint ventures and associates	11	**7,705,833**	6,900,007
Amounts due from credit institutions	13	**33,845**	55,684
Loans issued and net investment in finance lease	12	**228,134**	102,538
Other non-current financial assets	14	**1,064,864**	594,194
Other non-current assets	16	**1,317,851**	1,220,514
Deferred tax assets	33	**121,591**	108,379
		30,892,218	26,665,328
Current assets			
Inventories	15	**1,029,992**	1,008,646
VAT receivable		**602,083**	386,977
Income tax prepaid		**248,343**	190,850
Trade accounts receivable	16	**1,449,604**	1,292,858
Amounts due from credit institutions	13	**1,523,660**	1,243,196
Loans issued and net investment in finance lease	12	**65,682**	131,472
Other current financial assets	14	**704,277**	1,134,317
Other current assets	16	**535,664**	445,854
Cash and cash equivalents	17	**3,212,242**	2,740,336
		9,371,547	8,574,506
Assets classified as held for sale or distribution to the Shareholder	7	**835,891**	1,684,900
		10,207,438	10,259,406
Total assets		**41,099,656**	36,924,734

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	Note	2024	2023 (restated)*
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital	18.1	**5,540,872**	5,492,783
Additional paid-in capital	18.2	**243,931**	–
Currency translation reserve		**2,047,629**	1,270,562
Revaluation reserve of investments at fair value through other comprehensive income		**32,209**	36,091
Hedging reserve		**(15,628)**	(3,469)
Other capital reserves		**(17,003)**	(17,003)
Retained earnings		**11,772,144**	10,351,317
		19,604,154	17,130,281
Non-controlling interests	18.10	**5,989,330**	4,609,251
Total equity		**25,593,484**	21,739,532
Non-current liabilities			
Borrowings	19	**5,831,896**	5,383,218
Loans from the Government of the Republic of Kazakhstan	20	**1,074,868**	861,818
Provisions	21	**482,604**	471,062
Lease liabilities	22	**326,589**	282,171
Employee benefit liabilities		**139,340**	128,229
Other non-current financial liabilities	23	**52,590**	101,714
Other non-current liabilities	24	**179,796**	132,334
Deferred tax liabilities	33	**2,267,777**	1,756,505
		10,355,460	9,117,051
Current liabilities			
Borrowings	19	**836,272**	980,684
Loans from the Government of the Republic of Kazakhstan	20	**12,204**	11,028
Provisions	21	**89,660**	96,453
Income taxes payable		**24,942**	38,834
Trade and other payables	24	**1,850,910**	1,597,615
Lease liabilities	22	**91,631**	70,906
Employee benefit liabilities		**16,400**	15,451
Other current financial liabilities	23	**786,833**	533,042
Other current liabilities	24	**1,097,920**	1,150,318
		4,806,772	4,494,331
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	7	**343,940**	1,573,820
		5,150,712	6,068,151
Total liabilities		**15,506,172**	15,185,202
Total equity and liabilities		**41,099,656**	36,924,734

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Notes 5 and 16.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31

In millions of tenge	Note	2024	2023 (restated)*
Continuing operations			
Revenue	25	**16,433,066**	15,434,005
Government grants		**57,477**	61,042
		16,490,543	15,495,047
Cost of sales	26	**(12,494,639)**	(11,771,789)
Gross profit		**3,995,904**	3,723,258
General and administrative expenses	27	**(567,403)**	(526,381)
Transportation and selling expenses	28	**(901,135)**	(870,498)
Expected credit losses on financial assets, net		**(9,880)**	(38,814)
Impairment loss, net	29	**(137,996)**	(325,807)
Gain from remeasurement of the previously existing interest in joint venture	5	**295,719**	–
Gain on disposal of subsidiaries, net	7	**141,792**	193,585
Other operating income		**26,424**	32,182
Other operating loss		**(16,646)**	(55,700)
Operating profit		**2,826,779**	2,131,825
Finance costs	30	**(574,418)**	(709,947)
Finance income	31	**605,581**	486,364
Other non-operating loss		**(64,922)**	(57,852)
Other non-operating income		**56,518**	45,456
Share in profit of joint ventures and associates, net	32	**1,148,846**	945,079
Net foreign exchange gain, net	2	**240,193**	20,428
Profit before income tax from continuing operations		**4,238,577**	2,861,353
Income tax expenses	33	**(925,562)**	(731,053)
Net profit for the year from continuing operations		**3,313,015**	2,130,300
Discontinued operations			
Loss from discontinued operations, net of income tax	6	**(10,373)**	–
Net profit for the year		**3,302,642**	2,130,300

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	2024	2023 (restated)*
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations	18.11	**1,482,698**	(193,838)
(Loss)/gain from hedge instruments for the net investment in the foreign operations	18.11	**(363,581)**	46,478
Unrealized (loss)/gain from revaluation of investments at fair value through other comprehensive income		**(3,936)**	1,102
Share of the other comprehensive income of associates and joint ventures	11	**11,459**	5,362
(Loss)/gain on transactions with hedge instruments	18.12	**(17,783)**	5,002
Net realized gain/(loss) on debt instruments at fair value through other comprehensive income		**392**	(566)
Reclassification of loss on cash flow hedge instruments	7, 18.12	**3,130**	–
Recycling of foreign currency translation reserve to gain on disposal of a subsidiary	7	**(6,285)**	–
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax		**1,106,094**	(136,460)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Share of the other comprehensive gain of associates and joint ventures	11	**8**	554
Actuarial gain on defined benefit plans		**1,332**	1,855
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**1,340**	2,409
Other comprehensive income/(loss) for the year, net of tax		**1,107,434**	(134,051)
Total comprehensive income for the year, net of tax		**4,410,076**	1,996,249
Net profit for the year attributable to:			
Equity holder of the Parent		**2,354,397**	1,699,569
Non-controlling interests		**948,245**	430,731
		3,302,642	2,130,300
Total comprehensive income for the year, attributable to:			
Equity holder of the Parent		**3,120,098**	1,602,883
Non-controlling interests		**1,289,978**	393,366
		4,410,076	1,996,249
Earnings per share in net profit attributable to Equity holder of the Parent – tenge			
Basic and diluted	18.14	**676.17**	488.11
Basic and diluted, from continuing operations		**679.15**	488.11
Basic and diluted, from discontinued operations		**(2.98)**	–

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 5.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31

		Attributable to the equity holder of the Parent								
In millions of tenge	Note	Share capital	Revaluation reserve of investments at fair value through other comprehen-sive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2022		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,787,891	17,289,406	2,504,016	19,793,422
Net profit for the year (restated)*		–	–	–	–	–	1,699,569	1,699,569	430,731	2,130,300
Other comprehensive income/(loss) for the year		–	574	(107,271)	2,866	–	7,145	(96,686)	(37,365)	(134,051)
Total comprehensive income/(loss) for the year (restated)*		–	574	(107,271)	2,866	–	1,706,714	1,602,883	393,366	1,996,249
Issue of shares	18.1	223,964	–	–	–	–	(66,075)	157,889	–	157,889
Distributions to the Shareholder		–	–	–	–	–	(1,423,899)	(1,423,899)	(172,201)	(1,596,100)
Dividends	18.3	–	–	–	–	–	(1,268,852)	(1,268,852)	(172,201)	(1,441,053)
Distributions to the Public Foundation "Qazaqstan halqyna"	18.4	–	–	–	–	–	(66,614)	(66,614)	–	(66,614)
Other distributions to the Shareholder	18.5	–	–	–	–	–	(88,433)	(88,433)	–	(88,433)
Other transactions with the Shareholder	18.6	–	–	–	–	–	(29,848)	(29,848)	–	(29,848)
Transfer of assets to the Shareholder	18.7	–	–	–	–	–	(3,796)	(3,796)	–	(3,796)
Discount on loans from the Government	18.8	–	–	–	–	–	177,932	177,932	–	177,932
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	18.1	–	–	–	–	–	145,967	145,967	(235,172)	(89,205)
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	18.9	–	(2)	(842,858)	193	(17)	56,431	(786,253)	2,119,242	1,332,989
Other equity movements		–	–	628	(628)	–	–	–	–	–
Balance as at December 31, 2023 (restated)		5,492,783	36,091	1,270,562	(3,469)	(17,003)	10,351,317	17,130,281	4,609,251	21,739,532

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In millions of tenge	Note	Attributable to the equity holder of the Parent									
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehen-sive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2023 (restated)*		**5,492,783**	**–**	**36,091**	**1,270,562**	**(3,469)**	**(17,003)**	**10,351,317**	**17,130,281**	**4,609,251**	**21,739,532**
Net profit for the year		–	–	–	–	–	–	2,354,397	2,354,397	948,245	3,302,642
Other comprehensive (loss)/ income for the year		–	–	(3,555)	777,067	(12,159)	–	4,348	765,701	341,733	1,107,434
Total comprehensive (loss)/ income for the year		**–**	**–**	**(3,555)**	**777,067**	**(12,159)**	**–**	**2,358,745**	**3,120,098**	**1,289,978**	**4,410,076**
Issue of shares	18.1	**48,089**	–	–	–	–	–	(342)	47,747	–	47,747
Capital contribution	18.2	–	243,931	–	–	–	–	–	243,931	–	243,931
Distributions to the Shareholder		–	–	–	–	–	–	(983,229)	(983,229)	(313,079)	(1,296,308)
Dividends	18.3	–	–	–	–	–	–	(736,819)	(736,819)	(313,079)	(1,049,898)
Distributions to the Public Foundation "Qazaqstan halqyna"	18.4	–	–	–	–	–	–	(50,000)	(50,000)	–	(50,000)
Other distributions to the Shareholder	18.5	–	–	–	–	–	–	(196,410)	(196,410)	–	(196,410)
Other transactions with the Shareholder	18.6	–	–	–	–	–	–	(287,429)	(287,429)	–	(287,429)
Transfer of assets to the Shareholder	18.7	–	–	–	–	–	–	(14,848)	(14,848)	–	(14,848)
Discount on loans from the Government	18.8	–	–	–	–	–	–	49,204	49,204	–	49,204
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	18.9	–	–	(327)	–	–	–	298,726	298,399	169,024	467,423
Acquisition of subsidiary	5	–	–	–	–	–	–	–	–	291,010	291,010
Disposal of subsidiaries	7	–	–	–	–	–	–	–	–	(48,475)	(48,475)
Other equity movements		–	–	–	–	–	–	–	–	(8,379)	(8,379)
Balance as at December 31, 2024		**5,540,872**	**243,931**	**32,209**	**2,047,629**	**(15,628)**	**(17,003)**	**11,772,144**	**19,604,154**	**5,989,330**	**25,593,484**

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 5.*

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

Chief accountant *Almaz Abdrakhmanova*

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

In millions of tenge	Note	2024	2023
Cash flows from operating activities			
Receipts from customers		**18,182,350**	16,725,154
Payments to suppliers		**(10,297,189)**	(9,465,532)
Payments to employees		**(2,027,800)**	(1,785,243)
Other taxes and payments		**(2,258,894)**	(2,125,159)
Receipt of deposits from customers		**38,197**	40,720
Proceeds from subsidized interest rates on financial liabilities		**22,300**	–
Short-term lease payments and variable lease payments		**(125,634)**	(142,511)
Cash received under agency agreements		**839,833**	675,532
Cash paid under agency agreements		**(949,314)**	(397,794)
Return of VAT from the budget		**108,718**	43,281
Contributions to social and health insurance funds		**(76,890)**	(73,286)
Sponsorship and charity		**(30,633)**	(6,741)
Other receipts		**310,896**	177,749
Other payments		**(312,653)**	(202,137)
Income taxes paid		**(773,539)**	(815,837)
Interest paid		**(576,058)**	(634,980)
Interest received		**421,460**	384,115
Net cash flows received from operating activities		**2,495,150**	2,397,331
Cash flows from investing activities			
Acquisition of property, plant and equipment, and exploration and evaluation assets and other non-current assets		**(2,316,356)**	(2,571,821)
Acquisition of intangible assets		**(39,955)**	(213,388)
Proceeds from sale of property, plant and equipment		**7,646**	6,068
Proceeds from sale of other non-current assets		**3,512**	13,180
Dividends received from joint ventures and associates	11	**1,448,438**	808,125
Acqusition of subsidiaries, net of cash acquired	5	**13,228**	(156,390)
Issuance of bank deposits		**(2,367,629)**	(1,781,998)
Redemption of bank deposits		**2,308,465**	2,127,548
Loans issued		**(351,424)**	(74,107)
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		**(62,743)**	114,522
Proceeds from sale/(acquisition) of joint ventures and associates, net		**2,731**	(4,488)
Additional contributions to share capital of joint ventures and associates without change in ownership	11	**(75,610)**	(21,229)
Repayment of loans issued		**52,225**	34,554
Acquisition of notes of the National Bank of RK		**(1,046,579)**	(2,974,308)
Redemption of notes of the National Bank of RK		**1,132,011**	3,036,637
Purchase of government debt securities		**(1,180,958)**	(557,357)
Proceeds from sale/repayment by issuers of government debt securities		**834,540**	487,347
Acquisition of other equity and debt instruments		**(455,530)**	(765,522)
Proceeds from sale/repayment by issuers of other equity and debt instruments		**794,001**	341,825
Other receipts		**22,375**	11,449
Other payments		**(7,876)**	(12,327)
Net cash flows used in investing activities		**(1,285,488)**	(2,151,680)

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Note	2024	2023
Cash flows from financing activities			
Proceeds from borrowings	19, 20	**1,717,560**	1,601,116
Repayment of borrowings	19	**(1,787,650)**	(1,550,405)
Repayment of lease liabilities	22	**(77,092)**	(161,898)
Contributions to the share capital by the Equity holder of the Parent	18.1	**–**	49,478
Dividends paid to the Shareholder	18.3	**(736,819)**	(1,268,852)
Distributions to the Public Foundation "Qazaqstan halqyna"	18.4	**(45,964)**	(20,650)
Other distributions to the Shareholder	18.5	**(189,023)**	(96,671)
Other transactions with the Shareholder		**(81,737)**	(20,885)
Dividends paid to non-controlling interests of subsidiaries	18.3	**(313,311)**	(173,976)
Disposal of interest that does not result in the loss of control	18.9	**467,423**	1,332,944
Repo transactions		**15,613**	(11,458)
Other payments		**(21,183)**	(8,487)
Net cash flows used in financing activities		**(1,052,183)**	(329,744)
Net increase/(decrease) in cash and cash equivalents		**157,479**	(84,093)
Effects of exchange rate changes on cash and cash equivalents		**221,121**	(35,288)
Changes in cash and cash equivalents disclosed as part of assets held for sale		**94,003**	(86,072)
Change in allowance for expected credit losses		**(697)**	173
Cash and cash equivalents at the beginning of the year		**2,740,336**	2,945,616
Cash and cash equivalents at the end of the year	17	**3,212,242**	2,740,336

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 123 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 No. 669 dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan No. 962 dated October 17, 2008. The formation was enacted by the merger of "Sustainable Development Fund "Kazyna" JSC and "Kazakhstan Holding Company for State Assets Management "Samruk" JSC 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 34* (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 38)*:

- 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., Astana, the Republic of Kazakhstan (hereinafter- "RK").

These consolidated financial statements were authorised for issue by the Managing Director for Economy and Finance − Member of the Management Board and Chief accountant of the Fund on April 17, 2025 and preliminary approved by the Audit Committee of the Board of Directors of the Fund. These consolidated financial statements should be further approved by the Board of Directors and the Sole Shareholder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL INFORMATION (continued)

Privatization plan

On April 30, 2014 the Government approved the initial Complex privatization plan for 2014-2016. On December 30, 2015 the Government approved the new 2016-2020 Complex privatization plan (replacing previous 2014-2016 Complex 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 Complex privatization plan for 2021-2025 was approved, which includes a new list of state owned organizations and assets of the Fund's group to be transferred to a competitive environment.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements.

These consolidated financial statements are presented in Kazakhstan tenge ("tenge") and all monetary amounts are rounded to the nearest million tenge except when otherwise indicated.

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standard Board ("IASB").

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

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

Foreign currency translation

Functional and presentation currency

Items included in these consolidated financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates ("the functional currency"). The 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.

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

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 the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income 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 ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

The following table presents currency exchange rates to tenge:

	December 31, 2024	December 31, 2022	**Weighted average for 2024**	Weighted average for 2023	**April 18, 2025**
United States dollar ("USD")	**525.11**	454.56	**469.31**	456.21	**523.20**
Euro ("EUR")	**546.74**	502.24	**507.63**	493.22	**594.30**
Russian ruble ("RUR")	**4.88**	5.06	**5.07**	5.41	**6.38**

For the year ended December 31, 2024, the Group had foreign exchange loss of 8,922,454 million tenge (for the year ended December 31, 2023: 7,051,068 million tenge) and foreign exchange gain of 9,162,647 million tenge (for the year ended December 31, 2023: 7,071,496 million tenge), due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION

New and amended standards and interpretations

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

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

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

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

3. MATERIAL ACCOUNTING POLICY INFROMATION (continued)

New and amended standards and interpretations (continued)

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

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

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

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

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

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

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

The amendments had no impact on the Group's consolidated financial statements. The Group disclosed the information on compliance with covenants under the terms of the loan agreements in *Note 19*.

Standards that have been issued but not yet effective

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Amended standards the Group applied the exception to recognizing and disclosing information in 2023

Pillar 2

International Tax Reform – Pillar II Model Rules - Amendments to IAS 12 Income Taxes

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

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

Subsidiaries of the Group are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), entering into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

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

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

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

Basis of consolidation

These consolidated financial statements comprise the financial statements of the Fund and its controlled subsidiaries *(Note 34)*.

Subsidiaries

Subsidiaries are the entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

Except for acquisition in transactions between entities under common control, subsidiaries are consolidated from the date when control is obtained by the Group and are de-consolidated from the date when control ceases. At the acquisition of the subsidiary, acquisition cost is distributed between assets and liabilities based on their fair value as at the date of acquisition. Financial statements of the subsidiaries are prepared for the same reporting period as those of the Fund, using consistent accounting policies.

All intra-group balances and transactions, including unrealized gains resulting from intra-group transactions are eliminated in full. Unrealized losses are eliminated in the same manner as unrealized gains, except that they are eliminated to the extent that there is no evidence of impairment.

Non-controlling interests represents a portion of equity in subsidiaries, which is not owned by the Group, and is recorded separately in equity in the consolidated statement of financial position separately from the equity attributable to the Parent. Losses within a subsidiary are attributed to the non-controlling interests even if that results in its deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business combinations

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

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

If the business combination is achieved in stages, equity interest previously held by the Group in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Business combinations (continued)

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

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

Acquisition of subsidiaries from parties under common control

Acquisition of subsidiaries from parties under common control (entities under the Government's control) is accounted for using the pooling of interest method.

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

These consolidated financial statements are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the Predecessor.

Change in ownership interests in subsidiaries

In transactions where part of the interest in existing subsidiary is either sold or acquired, but control is retained, the differences between the carrying amounts of net assets attributable to interests in subsidiaries acquired or disposed and the consideration given or received for such increases or decreases are charged or credited to retained earnings.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognizes its: Assets, including its share of any assets held jointly; Liabilities, including its share of any liabilities incurred jointly; Revenue from the sale of its share of the output arising from the joint operation; Share of the revenue from the sale of the output by the joint operation; Expenses, including its share of any expenses incurred jointly.

Investment in joint ventures and associates

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

The consolidated statement of comprehensive income reflects the share of the results of operations of the joint venture / associate. Where there has been a change in net assets recognized directly in the equity of the joint venture / associate, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture / associate are eliminated to the extent of the Group's interest in the joint venture / associate.

The share in profit of joint ventures / associates is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the joint venture / associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the joint ventures / associates.

Financial statements of the joint venture / associate are prepared for the same reporting period as those of the Parent. Where necessary, adjustments are made to bring their accounting policies in line with those of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Investment in joint ventures and associates (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint ventures / associates.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture / associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of investment in the joint venture / associate and its carrying amount and recognises impairment loss in the consolidated statement of comprehensive income.

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

Assets classified as held for sale

Assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through the continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 (one) year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated.

Oil and natural gas exploration, evaluation and development expenditure

Costs incurred before obtaining subsoil use rights (licenses)

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

Expenditures for acquisition of subsurface use rights

Expenditures for acquisition of subsurface use rights (exploration and production) comprise signature bonuses, historical costs, obligatory expenditures for ecological and social programs and are capitalized within intangible assets as subsurface use rights at exploration and evaluation phase.

Expenditures for acquisition of subsurface use rights are accounted for on a field-by-field basis. Each field is tested for impairment on an annual basis. If no future activity is planned, the remaining balance of the acquisition costs is written off. Starting from the commercial production on fields subsurface use rights (remaining costs) shall be transferred to the property, plant and equipment and shall be amortized using unit-of-production method on actual production based on total proved reserves.

Exploration and evaluation expenditures (construction in progress)

Exploration and evaluation expenditures include geological and geophysical costs; costs directly related to exploration drilling; stripping activities; overhead and other expenses on exploration and evaluation, which could be related to a certain field. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. Except for geological and geophysical costs, exploration and evaluation expenditures are capitalized within exploration and evaluation assets, accounted for by subsurface use contracts and are not amortized. If mineral or hydrocarbon resources are not found, this could be an indication of impairment. All capitalized costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. If mineral or hydrocarbon resources are determined and development is sanctioned, relevant costs are then transferred to oil and gas or mining assets subclasses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration, evaluation and development expenditure (continued)

Development and production expenditures (oil and gas and mining assets)

Development and production expenditures comprise previously capitalized (and reclassified in commencement of production) expenditures for acquisition of subsurface use rights and exploration and evaluation costs; drilling of producing wells regardless of the drilling results; construction of landfills; development of surface technological facilities required for production, collection and preparation of hydrocarbons and mineral resources at fields; other costs incurred in the process of organization of commercial production at fields; capitalized discounted costs for wells and mines abandonment and site restoration.

Development and production expenditures are capitalized within property, plant and equipment (oil and gas and mining assets), and are accounted for on a field-by-field basis. Oil and gas and mining assets are depreciated using a unit-of-production method based on actual production from commencement of commercial production at fields. Certain oil and gas and mining assets (surface facilities and equipment) with useful lives significantly differing from those of the fields are depreciated on a straight-line basis over their useful lives. The cost of acquisition of subsurface use rights including discounted decommissioning costs are depreciated over total proved reserves. The other field development costs are amortized over proved developed reserves.

Property, plant and equipment (other than oil and gas and mining assets)

On initial recognition, property, plant and equipment is measured at cost. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Property, plant and equipment, other than oil and gas and mining assets, principally comprise the following classes of assets, which are depreciated on a straight-line basis over the expected useful lives:

Unified power system assets	8-100 years
Refinery assets	4-100 years
Pipelines	2-30 years
Buildings and premises	2-100 years
Railway tracks and infrastructure	10-80 years
Machinery, equipment and vehicles	2-50 years
Other	2-20 years

In cases when items of property, plant and equipment are subject to major inspection, the cost is recognized in the carrying amount of property, plant and equipment as a replacement of component if the recognition criteria set out in IAS 16 are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period the asset is derecognised.

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with the finite useful life principally comprise the following classes of assets which are amortised on a straight-line basis over the expected useful lives:

Licenses	3-20 years
Software	1-14 years
Other	2-15 years

Indefinite lives intangible assets are not amortized, but tested for impairment annually or whenever there are indications of impairment and, if necessary, written down to the recoverable amount.

Investment properties

Investment property is initially measured at cost, including transaction costs.

Since the Group adopted cost model, after initial recognition, investment property is accounted for in accordance with the cost model as set out in IAS 16 *Property, Plant and Equipment*, that is, at cost less accumulated depreciation and less accumulated impairment losses.

The depreciation is calculated based on straight line method basis over the expected remaining useful average life of 2-100 years.

Investment property is derecognised (eliminated from the consolidated statement of financial position) on its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected in the future. The difference between the net inflows arisen from the disposal and carrying amount of the asset is recognised in the consolidated statement of comprehensive income for the period in which it was derecognized.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas development tangible or intangible assets or whenever facts and circumstances indicate impairment. One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment (the list is not exhaustive):

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

The Group's financial assets at amortised cost include trade and other receivables, loans due from third and related parties, debt securities of third and related parties and bank deposits. Also, the Group includes in its financial assets measured at amortized cost notes of the National Bank of the Republic of Kazakhstan with a maturity of up to 3 months due to the fact that these investments are part of the Group's investment activities and not part of cash management.

The Group's financial assets at FVOCI include mainly debt securities of third and related parties.

The Group's financial assets at FVPL include mainly loans issued, debt and equity securities of third and related parties.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

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

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

Hedge accounting

The Group designates certain hedging instruments in respect of foreign currency risk, as either hedges of net investments in foreign operations or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values of foreign operations or cash flows of the hedged item attributable to the hedged risk.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued:

- When the Group revokes the hedging relationship;
- When the hedging instrument expires or is sold, terminated, or exercised; or
- When it no longer qualifies for hedge accounting.

Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Investments in foreign operations hedge

Foreign currency gain or loss arising on items that are designated as part of the hedge of the Group's net investment in foreign operations are recognized in consolidated statement of comprehensive income within currency translation reserve.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Hedge accounting (continued)

Cash flow hedges

Foreign currency gain or loss arising from financial instruments that are designated and qualify as cash flow hedges is recognized in consolidated statement of comprehensive income within hedge reserve.

Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Costs comprise charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to sell. The same cost formula is used for all inventories having a similar nature and use. Inventories of oil and gas and energy operating segments are valued on a first-in first-out ("FIFO") basis. All other inventories are valued on the weighted-average cost basis.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, short-term and highly liquid investments with original maturity of not more than 3 (three) months readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

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

Trade and other payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR).

Loans and borrowings

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contracts after initial recognition at the higher of the amount initially recognized less, when appropriate, the cumulative amount of income/amortization in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers* and the amount of the estimated allowance for expected credit losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

Determining whether the agreement is a lease or whether it contains evidence of a lease is based on an analysis of the content of the agreement at the date of the commencement of the lease. The agreement is a lease or contains signs of a lease if the implementation of the agreement depends on the use of a particular asset (or assets), and the right to use the asset or assets as a result of this agreement is transferred from one party to the other, even if this asset (or these assets) is not indicated (not specified) in the agreement explicitly.

The Group as lessee

For the lease contracts (or separate components of the contracts), under which the Group is granted the right to control the use of an identified asset (as defined by IFRS 16 *Leases*) for a certain period of time in exchange for consideration, the Group recognizes a right-of-use asset and a corresponding lease liability at the inception of the contract. Non-lease components of the contracts are accounted for in accordance with other relevant standards.

In accordance with IFRS 16 *Leases*, the Group applies practical expedient for not recognising the lease for the lease contracts with lease term of less than 12 months at lease inception and without purchase option, for the leases with variable lease rates that do not depend on an index or rate and for the leases of low value assets.

The Group recognizes short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted by using the Group incremental borrowing rate, except when the rate is implicit in the lease and can be readily determined.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

At the commencement date, the Group measures the right-of-use asset at cost that includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured according to the accounting policy that is applied for own assets, including for depreciation and amortization and impairment measurement.

The recognised right-of-use asset is depreciated over the shorter period of expected useful life of the underlying asset or lease term.

The Group presents lease liabilities in the consolidated statement of financial position as a separate line *(Note 23)*, while right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned, i.e. within property, plant and equipment *(Note 8)*.

In accordance with the requirements of IFRS 16, the Group classifies repayment of principal in cash flows from financial activities. In accordance with the Group's accounting policy, interest paid is classified as part of the cash flows from operating activities. Payments on short-term leases, leases of low value assets and variable rental payments not included in the valuation of the lease liability are presented as part of operating activities.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its property, plant and equipment items.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Provisions

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made.

The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding addition to the carrying amount of the related item of property, plant and equipment in the amount equivalent to the provision is also recognized. This amount is subsequently depreciated as part of the capital costs of the production and transportation facilities in accordance with respective depreciation method.

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

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

Other provisions

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

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

Employee benefits

Contributions to pension funds

The Group withholds 10% from the salary of its employees limited to certain annual amounts as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits payable by that pension funds and the Group has no present or future obligation to further compensate its employees upon their retirement in relation to these arrangements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits (continued)

Social tax

The Group pays social tax on salaries payable to employees according to the current statutory requirements of the Republic of Kazakhstan. Social tax is expensed as incurred.

Defined benefit plan

In accordance with the Collective Agreements signed with trade unions and other benefit regulations, some subsidiaries of the Group provide certain benefits to its employees upon their retirement ("Defined Benefit Plan").

The Group recognises actuarial gains and losses arising from the reassessment of the employee benefit liability in the period they are identified in OCI and profits and losses, and recognises benefit costs and obligations based on estimates determined in accordance with IAS 19 *Employee Benefits*.

The obligation and cost of benefits under the defined benefit plan are determined using the projected unit credit method. This method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost of providing benefits is charged to profit and loss, so as to attribute the total benefit cost over the service lives of employees in accordance with the benefit formula of the defined benefit plan. This obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest on government bonds where the currency and terms of these bonds are consistent with the currency and estimated terms of the defined benefit plan obligation. The defined benefit plans of Group's subsidiaries are unfunded.

Equity

Share capital

Common shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess or deficiency of the fair value of consideration received over the par value of shares issued is recognized as an increase or decrease in the retained earnings.

Non-controlling interests

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity holders of the Parent. Losses of subsidiaries are attributed to the non-controlling interests even if this results in a deficit balance.

Dividends

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

Other distributions to the Shareholder

Other distributions to the Shareholder recognized as deductions from retained earnings are represented by expenses incurred or asset distribution made at the discretion of the Shareholder, including property, plant and equipment, interest in another entities, other disposal groups, cash and other assets in accordance with accounting policy of the Group.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Sale of goods

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

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

Rendering of services

Revenue from rendering of services is recognized when the services have been performed.

In respect of services related to transportation, revenue is recognized with reference to the stage of completion of the transportation at the reporting date provided that the stage of completion of transportation and the amount of revenue can be measured reliably. Prepayments received from customers relating to transportation services that have not been started yet are recognized upon receipt as "advances received from customers". Deferred income is credited to current revenue, as the service is provided.

The Group's revenue in the energy, communications and transportation segments is primarily recognized over a period of time, while the rest of the Group's revenue is primarily recognized at a point in time.

Sale and lease back transactions

The Group accounts for a transfer of an asset in a sale and leaseback transaction as a sale only if the transfer meets the requirements of IFRS 15 *Revenue from Contracts with Customers*.

If, under IFRS 15, a sale is to be recognised by the seller-lessee, then the right-of-use asset leased back is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee continues to recognize the transferred asset and recognizes a financial liability equal to proceeds for the transfer by applying IFRS 9 *Financial Instruments*.

Interest and finance income and expenses

Interest income and expenses on financial instruments, issued and received in the framework of achieving the goal, fulfilling the tasks and carrying out the core activities of the Group is disclosed as interest income and expense. All other interest income and expense not related to the core activities of the Group are disclosed in finance income and expenses. Finance income includes interest on cash and cash equivalents, amounts due from credit institutions, loans issued, financial guarantees and other financial assets and liabilities. Finance expenses include amortization of discount on borrowings, costs associated with attracting and servicing borrowed funds internally and externally, including interest expenses and other similar expenses.

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments held at FVOCI, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Contract liabilities from contracts with customers

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Costs to obtain a contract

The Group pays commission to sales agents for new connected subscribers in the communication segment. The commission to sales agents is capitalized within other non-current assets in the consolidated statements of financial position. Costs to obtain a contract are amortized over the period the service is provided to the customer.

Establishment of tariffs

A number of subsidiaries of the Group are subject to regulation by the Committee for regulation of natural monopolies of the Republic of Kazakhstan ("CRNM"). This Committee is responsible for approval of the methodology for tariff calculation and tariff rates, under which the subsidiaries derive a significant portion of their revenues.

Government grants

Due to the fact that the Government of the Republic of Kazakhstan is the sole shareholder of the Fund, the Group analyses all transactions with the Government to assess its role: where the Government acts primarily in its capacity of the Shareholder or where it acts as a regulator.

If it is determined that in a specific transaction the Government acts in capacity of the Shareholder any gains or losses incurred by the Group as a result of such transaction are reflected directly in equity as either a contribution or withdrawal of equity by the Shareholder.

If it is determined that in a specific transaction the Government does not act in capacity of the Shareholder such transactions are accounted for using provisions of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. In such circumstances, government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments. Grants related to income are presented separately in the consolidated statement of comprehensive income within revenues from operating activities.

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognized in the profits and losses, except to the extent that it relates to items charged or credited to other comprehensive income or equity, in which case it is recognized in other comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Excess profit tax ("EPT") is treated as an income tax and forms part of income tax expense. In accordance with the subsurface use contracts, the Group accrues and pays EPT, at specified rates of after tax profit which has been adjusted for specific deductions in accordance with the applicable subsurface use contracts, when certain internal rates of return are exceeded.

Deferred tax is calculated with respect to both corporate income tax ("CIT") and EPT. Deferred EPT is calculated on temporary differences for assets allocated to subsurface use contracts at the expected rate of EPT to be paid under the contract.

Deferred tax is provided using the statement of financial position method, in relation to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences arising due to the following are not provided for:

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax (continued)

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

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

Value added tax ("VAT")

Tax authorities permit the settlement of sales and purchases VAT on a net basis. VAT receivable represents VAT on domestic purchases net of VAT on domestic sales. Export sales are zero rated.

Related parties

Related parties include the Group's Shareholder, key management personnel, associates, joint ventures and entities in which a substantial interest in the voting power is owned, directly or indirectly, by the Group's shareholders or key management personnel.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date and reported amounts of assets, liabilities, revenues, expenses and contingent assets and liabilities during the reporting period. Actual outcomes could differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

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

Impairment testing assumptions

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

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Impairment testing assumptions (continued)

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

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

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

In 2024 impairment charges in Oil-and-gas and petrochemical segment were 123,248 million tenge, which mainly relate to the impairment of a seawater desalination plant and supply infrastructure in Zhanaozen city in the amount of 70,521 million tenge and exploration and evaluation assets of Abai project in the amount of 17,703 million tenge *(Note 29)*.

The reversal of impairment charges in the Oil-and-gas and petrochemical segment amounted to 40,251 million tenge, which mainly relate to the reversal of previously recognized impairment losses of the drilling jackup rig (hereinafter "Jack-up rig") in the amount of the excess of the Jack-up rig's value in use over its carrying amount of 16,189 million tenge and a an advance paid for the construction of a desalination plant in the city of Zhanaozen in the amount of 17,324 million tenge (*Note 29*).

In 2023 impairment charges in Oil-and-gas and petrochemical segment were 278,177 million tenge, which mainly relate to the exploration and evaluation assets of Aktoty and Kairan project in the amount of 74,255 million tenge and Jenis project in the amount of 40,244 million tenge and the CGU KMGI in the amount of 97,636 million tenge (*Note 29*).

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

KMG International N.V. (hereinafter KMGI), including goodwill

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

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

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

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

KMG International N.V. (hereinafter KMGI), including goodwill (continued)

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

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

Reversal of impairment of Jackup rig

As of December 31, 2024, KMG Drilling & Services LLP, a subsidiary of the Group, conducted an impairment test for the jack-up rig and recognized a reversal of a previously recognized impairment loss in the amount of the excess of the value in use of the jack-up rig over its carrying amount in the amount of 16,189 million tenge (*Note 29*).

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

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

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

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

Pavlodar refinery, including goodwill

As of December 31, 2024, and 2023 the Group has goodwill of 88,553 million tenge related to acquisition of Pavlodar refinery *(Note 9)*. In December 2024 and 2023 the Group performed annual impairment test for the Pavlodar refinery goodwill. In assessing the recoverable amount, the fair value less the cost of sale was calculated, determined using a marketing scheme. The Group considered the forecast for oil tolling volumes, oil tolling tariffs, capital expenditures, among other factors, when reviewing for indicators of impairment. The recoverable amount is calculated using a discounted cash flow model. In 2024, the discount rate of 14.12% (2023: 16.02%) was calculated based on the pre-tax weighted average cost of capital. The inherent risk was included by applying an individual beta factor. The beta factor was estimated based on the publicly available market data. Forecasted cash flows till to 2032 were based on five-years business plan of Pavlodar refinery 2025-2029 (2023: 2024-2028 years), which assumes current management estimates on potential changes in operating and capital costs. As at December 31, 2024 and 2023 the recoverable amount of goodwill, which was determined based on fair value less cost to sell, exceeded its book value, as such no impairment of Pavlodar refinery goodwill was recognized.

Sensitivity to changes in assumptions

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Transportation and storage of gas by Intergas Central Asia JSC ("ICA")

The recoverable amount of the cash-generating unit is calculated using a discounted cash flow model. The discount rate was derived from the weighted average cost of capital after tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on ICA investments. The cost of debt capital is based on the interest-bearing loans that ICA is obligated to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data. The business plan, approved on an annual basis, is the main source of information for projected cash flows. It contains forecasts for gas transportation volumes, revenues, expenses and capital expenditures.

Various assumptions, such as transportation rates as well as inflation rates for expenses take into account existing prices, other macroeconomic factors and historical trends and fluctuations. Cash flow projections were based on the ICA's five-year business plan and projections through 2055 calculated using management's current estimates of potential changes in operating cost and capital expenditures at the level of tariff growth. The main assumptions used in the calculation were projected as follows:

- Transportation volume – average annual growth rate over the five-year forecast period based on historical results and management's expectations regarding market developments;
- Transportation tariff – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRNM) for the domestic market and tariffs under contracts with international counterparties for transportation for export and transit, taking into account the average annual growth rate and long-term inflation forecasts after a five-year forecast period;
- Annual capital expenditures – based on management's historical experience and planned expenses according to five-year forecast data for maintaining production assets and other fixed assets directly involved in the production process, as well as investments in new projects;
- Macroeconomic forecasts – the model used auxiliary forecasts from the international source S&P Global and Oxford Economics, such as consumer and production forecasts, as well as interest rate forecasts, inflation and the forecast dollar/tenge exchange rate for the next 25 years. Data on consumer and output changes and the dollar exchange rate were obtained from S&P Global, and interest rate and inflation forecasts were obtained from Oxford Economics.

The following are the assumptions used to determine the value in use and to which the recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	December 31, 2024	December 31, 2023
Growth rates over 5 years	**5,14%**	4,19%
Discount rate before tax	**15,21%;**	16,96%;
Transportation volumes (throughout the forecast period):		
- transportation within Kazakhstan	**1,032 bln. m3**	1,073 bln. m3
- transportation of gas for export	**115 bln. m3**	17 bln. m3
- international transit	**1,302 bln. m3**	1,245 bln. m3
Transportation tariffs:		
- transportation within Kazakhstan (thousand m3)	**From 5,471.08 tenge**	From 5,425.26 Tenge
- transportation of gas for export (thousand m3/100 km)	**2.42 US Dollars – 5 US Dollars**	2.42 US Dollars – 5 US Dollars
- international transit (thousand m3/100 km)	**2.42 US Dollars**	2.42 US Dollars – 2.9 US Dollars

As at December 31, 2024 the recoverable amount of non-current assets amounted to 1,469,770 million tenge, which exceeded their carrying amount by 135,574 million tenge (at December 31, 2023: 1,249,898 million tenge that exceeded their carrying amount by 61,870 million tenge).

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Transportation and storage of gas by Intergas Central Asia JSC ("ICA") (continued)

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in discount rate. Increase in discount rates by 1.0% would result in impairment charge of 6,045 million tenge.

As at December 31, 2024, the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the applied discount rate increases from 15.21% to 16.16%.

Gas sales to local energy distributors, legal entities and individuals by QazaqGaz Aimaq JSC ("QG Aimaq")

The recoverable amount of the cash-generating unit was determined as value in use using a discounted cash flow model. Cash flow estimates include many subjective factors, including operational and financial, using the best available evidence.

The discount rate was derived from the weighted average cost of capital before tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on investments of QG Aimaq. The cost of borrowed capital is based on the interest-bearing loans that QG Aimaq is obliged to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data.

The main assumptions used in the calculation were predicted as follows:

- Volume of gas purchases and supplies – based on the Comprehensive Development Plan for the Gas Industry of the RK for 2022–2026, approved by the Decree of the Government of the RK, and the Gas Balance of the RK for 2024-2030, approved by Order of the Minister of Energy of the RK, as well as the Business Plan for 2025–2029, approved by the Board of Directors of QG Aimaq;
- Transportation tariffs – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRNM) for five years and taking into account the average annual growth rate and long-term inflation forecasts after the five-year forecast period;
- Annual capital expenditures – based on management's historical experience and planned costs to maintain production assets and other property, plant and equipment directly involved in the production process, as well as investments in new projects.

Cash flows beyond the five-year period are extrapolated using the assumed growth rates shown below. These growth rates are in line with forecasts for the gas industry.

The following are the assumptions used to determined the value in use was and to which recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	At December 31, 2024
Growth rates over 5 years	5.16%
Discount rate before tax	15.74%;
Gas sales volumes until 2030	120.3 bln. m3
Gas transportation volumes until 2030	94 bln. m3
Tariffs for:	
- gas sales (thousand m3)	from 27.6 thousand tenge
- gas transportation (thousand m3)	from 4.2 thousand tenge

As at December 31, 2024 the recoverable amount of non-current assets amounted to 284,628 million tenge, which exceeded their carrying amount by 33,115 million tenge (as of December 31, 2023: 282,730 million tenge, which exceeded their carrying amount by 32,923 million tenge).

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in gas sales and transportation volumes. Decrease in gas sales and transportation volumes by 5.0% would result in impairment charge of 16,325 million tenge.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Gas sales to local energy distributors, legal entities and individuals by QazaqGaz Aimaq JSC ("QG Aimaq") (continued)

As at December 31, 2024 the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the applied gas sales and transportation volumes decrease from 120.3 billion m3 and 94 billion m3 to 116.3 billion m3 and 90.8 billion m3, respectively.

Other CGUs

Revision to the Group's commodity price and other assumptions have not resulted in impairment charges in any other CGUs of the in Oil-and-gas and petrochemical segment.

Oil and gas reserves

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

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

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

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

Please refer *Note 29* for details on annual impairment test results.

Uranium reserves (estimate)

Uranium reserves are a critical component of the Group's projected cash flow estimates that are used to assess the recoverable values of relevant assets as well as depreciation and amortisation expense. Estimates of uranium reserves also determine the life of mines, which in turn affect asset retirement obligation calculations.

On an annual basis the Group engages an independent consultant to assess the Group's ore reserves and mineral resources in accordance with the Australasian Code for reporting on geological exploration works, mineral resources and ore reserves (hereinafter JORC Code). Independent assessment of reserves and resources was carried out as of December 31, 2024 and 2023. The consultant reviewed all key information upon which the reported mineral resource and ore reserve statements for the mining assets of the Group are based.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Uranium reserves (estimate) (continued)

The consultant's reports contain an assessment of the tons of uranium contained in ore which has the potential to be extracted by the existing and planned mining operations (the mineral resource), and also the tons of uranium contained in ore currently planned to be extracted as envisaged by the respective life-of-mine plans (the ore reserve). The Group used the ore reserves data for calculation of impairment of long-term assets, unit of production depreciation for each of the Group's mines as well as asset retirement obligation calculations.

Assets related to uranium production

Assets related to uranium mines include property, plant and equipment, mine development assets, mineral rights, exploration and evaluation assets, investments in associates, investments in joint ventures, and other investments. For the purpose of impairment testing assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group has identified each mine (contract territory) as a separate cash-generating unit unless several mines are technologically connected with single processing plant in which case the Group considers such mines as one cash-generating unit.

MC Ortalyk LLP, JV Akbastau JSC and Karatau LLP

Goodwill relates to prior period business combinations of MC Ortalyk LLP in the amount of 5,166 million tenge, Karatau LLP of 24,808 million tenge and JV Akbastau JSC of 18,520 million tenge (*Note 9*). At least annually, goodwill is tested for impairment at the level of a corresponding cash generating unit.

The carrying value of goodwill applicable to each of the entities was allocated to their respective cash generating units, Central Mynkuduk mine (Central block) and separate blocks of Budenovskoye mine (*Note 5*) for MC Ortalyk LLP and Karatau LLP, JV Akbastau JSC, respectively.

The recoverable amount was determined on a value in use basis, cash flows forecasts were based on approved reserves, estimated production volumes, subsurface use contracts periods and a pre-tax discount rate of 17.65% for 2024 year (2023: 18.60%).

Production volumes are consistent with those agreed with the competent authority and independent consultant's report and are based on the production capacity of the cash-generating units. Key assumptions used in calculations include forecast sales prices, production volumes. Sales prices used in developing forecasted cash flows were based on annual spot and long-term base price projections (denominated in US Dollar per pound of uranium) published by Ux Consulting LLC in the fourth quarter of 2024.

Production costs and capital expenditures are based on approved business plans for 2025-2029 and growth of 5% which approximates long-term average inflation rates. The estimated values in use significantly exceed the carrying amounts of the non-current assets of the three cash-generating units, including goodwill, and therefore even reasonably possible changes in key assumptions would not lead to impairment losses being recognized.

Railway assets

The Group considers railway assets as a single CGU because under the Group's current operating model, cash flows from railway infrastructure are not considered sufficiently independent. Railway infrastructure is holistic and is not differentiated into freight and passenger transportation lines. Accordingly, there is no objective allocation of infrastructure assets for cash flows from freight and passenger transportation. Due to the specifics of freight transportation tariff regulation and the need to cross-subsidise passenger transportation, railway infrastructure cannot generate independent cash flows. Accordingly, the railway assets are treated as one CGU.

When assessing impairment indicators of property, plant and equipment the Group considers external and internal impairment indicators. The management of the Group considered external and internal impairment indicators to determine if any events or changes in circumstances demonstrate that the carrying amount of property, plant and equipment is not recoverable.

The assessment of whether there is an indication of assets impairment is based on a number of factors, such as a change in market rates, in growth expectations in the railway industry, future cash flow estimates, changes in the future availability of financing, technological obsolescence, discontinuance of service provision, current replacement costs and other changes in circumstances.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Railway assets (continued)

As at December 31, 2024, the Group performed the analysis of the above external and internal impairment indicators of property, plant and equipment, in particular changes in interest rates, an analysis of the achievement of actual indicators versus budgeted indicators, as well as an analysis of the transit freight turnover and changes in the exchange rate of tenge to the Swiss Franc, as the transit tariff is set in Swiss Franc.

The measurement of whether each external and internal factor is an indication of impairment requires significant management judgement. Management's key judgement is based on the fact that amid the current geopolitical situation and disruption of traditional transportation and logistics chains, the country's transit potential is a key factor in the promotion of transcontinental trade.

The management of the Group did not identify any events that occurred in 2024 that could be considered as an indicator of the impairment of the railway infrastructure assets as at December 31, 2024.

Power generating assets

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity

The Group's management performed the analysis of the impairment indicators of property, plant and equipment of subsidiaries "Almaty Electric Stations" ("AlES") JSC, Ekibastuz GRES-1 named after Bulat Nurzhanov LLP ("EGRES-1"), Alatau Zharyk Company JSC ("AZhK") and "Station Ekibastuzskaya GRES-2" JSC ("EGRES-2") in accordance with IAS 36 *"Impairment of Assets"*.

The principal facts and assumptions used in the analysis of the impairment indicators are:

- Lack of negative changes in the economic efficiency of subsidiaries for the reporting period;
- Increase in marginal tariffs for electricity for power plants from January 1, 2024 for 10-27% from current tariffs and from November 1, 2024 tariff of EGRES-1 for 3% from current tariff in accordance with Order of the Minister of Energy of the RK with the possibility of adjusting tariffs when major costs increase in accordance with the Rules for approving the marginal tariff for electrical energy;
- A change in interest rates on loans will not have a significant impact on the recoverable amount of assets, since an increase in the debt financing rate will be similarly reflected in the WACC rate when calculating the rate of return, in the next validity period of the cap tariffs, according to the methodology for determining the rate of return taken into account when approving the cap tariffs for electricity, as well as a fixed profit for balancing, taken into account when approving cap tariffs for balancing electricity approved by Order of the Minister of Energy of the RK dated May 22, 2020 No. 205, the cost part of the tariff also includes interest expenses for the previous period;
- A change in inflation rates will not have a significant impact, since the cost part of the tariff includes costs taking into account actual inflation for the previous year, as well as amendments to the Law "On Natural Monopolies" dated December 30, 2022 No. 177-VII ZRK stipulate additional conditions for adjusting tariffs approved for 5 years for the transmission of electricity before its expiration (change in the approved investment program in connection with the implementation of national projects, receipt on the balance sheet or in trust management of networks, change in the average monthly nominal wage);
- The introduction of a new target model of the electricity sales market from July 1, 2023 did not have a significant impact on the financial results of the Group's power plants. The volume of purchases and sales of imbalances on the balancing electricity market amounted to less than 1% of the total sales volume, which is a minor deviation. The Group's stations primarily operate in accordance with the declared volumes and accordingly, the plan usually corresponds to the fact, which allows minimizing the volume of transactions on the balancing electricity market;
- Lack of significant changes having adverse consequences for subsidiaries, which occurred during the period or may presumably occur in the nearest future;
- Projected growth in the medium term in demand for electricity in the northern and southern zones of the RK.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity (continued)

Additional facts and assumptions used in the analysis of impairment indicators for AlES:

- Increase in the tariff for heat energy from January 1 and September 1, 2024. In accordance with the Law of RK "On natural monopolies" there is a possibility to adjust tariffs in case of changes in the type and cost of strategic goods;
- It is planned to modernize the two main power plants of AlES - Almaty CHP-2 and CHP-3 (*Note 37*). The residual value of the existing assets of the coal-fired power units of these plants, subject to conservation or dismantling, by the time the new combined cycle power units are put into operation will be equal to zero;
- No significant changes that have occurred during the period or are expected to occur in the near future and can have a material effect on the asset's recoverable amount.

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity (continued)

Additional facts and assumptions used in the analysis of impairment indicators for AZhK:

- Overfulfillment of the plan in terms of key operational and financial performance indicators at December 31, 2024;
- Projected growth in the medium term in demand for electricity in the Almaty city and the Almaty region;
- Increase in the tariff for electricity transmission from January 1, 2024 for 6.7% and from August 1, 2024 for 28.5% per joint order of the DCRNM of the Ministry of National Economy of the RK for Almaty and Almaty Region;
- Costs of purchased electricity from the Settlement and Financial Center for Support of Renewable Energy Sources LLP (hereinafter- "RFC") and on the balancing electricity market are included in the tariff estimate;
- Law of the RK dated December 30, 2022 No. 177-VII amended Law of RK "On Natural Monopolies" dated December 27, 2018 No. 204-VI ZRK allowing to adjust the tariffs for electricity transmission approved for 5 years before expiration. By the Order of the Minister of National Economy of the RK dated December 8, 2023, changes were made to the Rules for the formation of tariffs of natural monopoly entities, approved by Order of the Minister of National Economy of the RK dated November 19, 2019 No. 90, which updated the incentive method for regulating the spheres of natural monopoly, allowing the use of 50% the permissible level of profit at the discretion of the natural monopoly entity, upon achieving the performance indicators determined by the specified Rules.

As a result of the analysis of external and internal impairment indicators, the Group's management concluded that there were no impairment indicators at the date of the analysis. Accordingly, the Group's management has elected not to test for impairment of property, plant and equipment and intangible assets of these subsidiaries at December 31, 2024.

In 2023 the Group has identified an individual impairment indicator of impairment for Ereymentau Wind Power LLP due to the delay in the implementation of the 50 MW wind power plant construction project in Ereymentau and the litigation of Ereymentau Wind Power LLP with the RFC in relation to prolongation of contract on provision of tariff for electricity sales. The Group recognized a full impairment of construction in progress objects in the amount of 4,913 million tenge and prepayments on long-term assets in the amount of 9,156 million tenge (*Note 29*).

Cost of equipment purchased for the construction of power unit No. 3 at EGRES-2

In 2008 EGRES-2 began preparations for the construction of power unit No. 3 with a capacity of 500 MW. Subsequently, the project was revised and until 2016 the company was at the stage of implementing design and estimate documentation, preliminary construction and purchasing the necessary equipment for the new power unit No. 3 with a capacity of 630 MW. On August 29, 2016, EGRES-2 terminated the general contract for the construction of power unit No. 3, concluded between EGRES-2 and KVARTS KZ LLC due to the postponement of the construction deadlines.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Cost of equipment purchased for the construction of power unit No. 3 at EGRES-2 (continued)

In the following years, steps were taken to implement the project:

- On March 14, 2022, the Market Council Commission for Review of Investment Programs made a unanimous decision to recommend the investment program of EGRES-2 "Expansion and reconstruction of EGRES-2 with the installation of power unit st. No. 3" for admission to consideration by the authorized body;
- Measures were taken to prepare for the receipt and proper storage of equipment from the People's Republic of China (hereinafter "China"), heated hangar-type buildings were built and guarded storage facilities were allocated. A significant part of the process equipment for the power unit was accepted. However, to complete the construction of the power unit, an additional order for the missing part of the equipment will be required.

Due to the planned increase in the share of renewable energy sources by 2031, according to the forecast balances of the Ministry of Energy of the RK for 2025-2031, there is a need to build additional maneuverable capacities to ensure regulation of the energy system. These forecasts provide for the construction of new generation facilities, including the expansion of EGRES-2 and the creation of a new station GRES-3, which is aimed at reducing the deficit of electricity and flexible capacities.

With regard to the stated facts, the Group's management is considering strategic options for using the acquired Chinese equipment. Among the possible scenarios are: a) continuing the construction of a maneuverable power unit at EGRES-2 using this equipment, and b) transferring the equipment for the implementation of the project to build a new station GRES-3.

"Construction of GRES-3 based on clean coal technology" project

On April 18, 2024, the Minutes of the meeting of the Ministry of Energy on the development of the electric power industry recommended amending the technical specifications for the preliminary feasibility study of the construction project of GRES-3, providing for an increase in the installed capacity of the station to four power units, as well as considering the possibility of using equipment purchased in China, which was originally intended for power unit No. 3 of EGRES-2.

On July 8, 2024, amendments were made to the Law of the RK "On Electric Power Industry" within the framework of the draft law "On Thermal Power Industry" in terms of improving the current tender mechanism for the construction of newly commissioned generating units (in terms of return on investment) for the project "Construction of GRES-3 based on clean coal technology".

According to this law, if in the approved forecast balance of electric energy and capacity for the upcoming seven-year period the forecast deficit of electric capacity in the Unified Energy System of the RK or in any of its zones during the first five years of the forecast exceeds 100 MW, the authorized body is obliged to hold a tender for the construction of new generating units producing electric energy using solid fuel.

Currently, the Group is developing a preliminary feasibility study for the project "Construction of GRES-3 based on clean coal technology".

In accordance with the current plans of the Government of the RK, the Group's management considers the most likely scenario to be the implementation of the GRES-3 construction project and the transfer of the technological equipment purchased in China to the new organization at its book value. In this regard, an additional impairment in the amount of 18,524 million tenge as of December 31, 2024 (as of December 31, 2023: 13,216 million tenge) was accrued for the amount of other costs incurred, including costs of construction and installation works, foundation preparation and other costs related to the project for the construction of power unit No. 3 of EGRES-2, recorded as part of construction in progress (*Note 29*).

Telecommunication assets

For impairment testing, goodwill related to *Communication* segment acquired through business combinations was allocated to three unites (further "CGUs"), Mobile Telecom Service LLP, Kcell JSC and IP TV (*Notes 7, 9*).

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Telecommunication assets (continued)

Goodwill relates to the assembled workforce and synergy from integration of the acquired subsidiaries into the Group. The carrying amount of goodwill allocated to each of CGUs was as follows:

In millions of tenge	**2024**	2023
Kcell JSC	**53,490**	53,490
IP TV	**2,706**	2,706
Mobile Telecom-Service LLP (*Note 7*)	**96,206**	96,206
	152,402	152,402

The Group performed its annual impairment test in December 2024 and 2023.

For the purposes of impairment testing, the Group assessed the recoverable amount of each cash-generating unit to which goodwill was allocated or for which impairment indicators were identified.

In 2024 the recoverable amount of all cash-generating units was determined as value in use using a discounted cash flow model. This valuation method uses cash flow forecasts based on actual operating results and business plans approved by management, as well as appropriate discount rates that reflect the time value of money and the risks associated with the underlying cash-generating units. For periods not covered by management's business plans, terminal value is used. Terminal value is calculated from cash flow forecasts by extrapolating the results of the relevant business plans using a zero real growth rate.

Assessment of future cash flows require assumptions regarding uncertain factors, including management's expectations regarding earnings before interest, taxes, depreciation and amortization (EBITDA) margins, the timing and volume of capital expenditures, terminal growth rates and appropriate discount rates to reflect associated risks. Accordingly, the EBITDA margin and capital expenditures used to calculate value in use are primarily derived from internal sources, based on past experience and expanded to reflect management's expectations. For impairment testing purposes, EBITDA is calculated as earnings before interest, taxes, depreciation and amortization, determined on the basis of IFRS consolidated financial statements.

The table below presents the assumptions based on which the value in use of the relevant CGUs was determined:

	2024	2023
Kcell JSC		
EBITDA margin	**36.78% − 48.38%**	37.3% -− 45.7%
Capital costs as a percentage of revenue	**18.40%**	18.00%
Growth rates beyond the forecast period	**4.10%**	3.20%
Discount rate	**15.24%**	13.88%
IP TV		
EBITDA margin	**5% − 10.8%**	2% − 7%
Capital costs as a percentage of revenue	**0.00%**	1.00%
Growth rates beyond the forecast period	**0.00%**	5.00%
Discount rate	**15.03%**	15.41%
Kazakhtelecom JSC		
EBITDA margin	**25.07%**	23.5% − 24.3%
Capital costs as a percentage of revenue	**13.00%**	10.90%
Growth rates beyond the forecast period	**4.10%**	5.00%
Discount rate	**16.24%**	15.41%
Mobile Telecom-Service LLP		
EBITDA margin	**47.4% − 53.2%**	46.0% − 47.9%
Capital costs as a percentage of revenue	**21.1%**	26.3%
Growth rates beyond the forecast period	**2.5%**	4.31%
Discount rate	**18.00%**	15.42%

Sensitivity to changes in assumptions – IP TV, Kcell JSC and Mobile Telecom Service LLP

Reasonably possible changes in the EBITDA margin, growth rates beyond the forecast period and discount rates do not lead to additional impairment of IP TV, Kcell JSC and Mobile Telecom Service LLP.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Telecommunication assets (continued)

Sensitivity to changes in assumptions – Kazakhtelecom JSC (hereinafter- "KTC")

The calculation of value-in-use for KTC CGU is most sensitive to such assumptions as EBITDA margin included in the financial plan, growth rates beyond the forecast period and discount rate.

Decrease in EBITDA margin by more than 0.5% from 25.07% to 24.57% throughout the forecast period would lead to an impairment loss of KTC CGU in the amount of 10,159 million tenge.

Decrease in growth rates of 0.2% from 4.1% to 3.9% would result in impairment loss of KTC CGU in the amount of 1,548 million tenge.

An increase in discount rate by 0.5% from 16.24% to 16.74% would do not lead to additional impairment of KTC CGU.

Gas turbine power plant and water treatment assets (Karabatan Utility Solutions LLP)

In 2024, new tariffs for regulated services for water supply through distribution networks and for wastewater disposal and treatment for 2025-2029 were approved, with entry into force on January 1, 2025.

In December 2024, amendments were made to the Rules for the organization and functioning of the wholesale electricity market, according to which the priority purchase of electricity from combined heat and power plants providing centralized heat supply to cities and regions will be made within the volume of the technological minimum, which should have a positive effect on the volume of electricity purchased from Karabatan Utility Solutions LLP (hereinafter referred to as "KUS").

Also, the forecast for an increase in the sale of electricity on the balancing market was based on the sale of electricity through the balance provider for large wholesale consumers in Western Kazakhstan.

In this regard, in the Business Plan for 2025-2029, KUS forecasts an increase in the share of sales on the balancing market, as well as a change in the cost of electricity sales. Thus, at the end of 2024, the cost of sales on the balancing market was 17.01 tenge / kWh. On average, when planning the cost of electricity sales for 2025-2029, KUS adopted an average cost of sales of 13.0 tenge / kWh.

In 2024, based on the results of the impairment test, the Group reversed the impairment of KUS fixed assets in the amount of 9,877 million tenge (*Note 29*).

The main source of information is the approved Business Plan of the company for 2025-2029, which contains forecasts for production and sales volumes, revenues, expenses and capital expenditures. The Group calculates the recoverable amount using a discounted cash flow model. The discount rate of 9.57% is applied.

Various assumptions, such as forecasts for electricity and water sales prices, inflation rates, take into account current prices, foreign exchange rates and other macroeconomic factors, and historical trends and fluctuations. The expected cash flows were limited to the expiration date of the property, plant and equipment in 2052. Costs were forecast based on the budget and business plan of KUS, as well as current estimates of KUS management on potential changes in operating and capital expenditures. Cash flows were forecast by applying the assumed inflation rate.

Assets retirement obligations

Under the terms of certain subsoil use contracts, legislation and regulations, including the Environmental Code of the Republic of Kazakhstan, the Group has legal obligations to remediate damage caused to the environment from its operations and to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group's obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal of pipes, buildings, decommissioning of mining assets and landfills, dismantling of equipment and recultivation of the contract territories.

The provision for asset retirement obligations is estimated based upon the Group's interpretation of current environmental legislation in the Republic of Kazakhstan and the Group's related programme for liquidation of subsurface use consequences on the contracted territory and other operations supported by the feasibility study and engineering research in accordance with the applicable restoration and retirement standards and techniques.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Provisions for asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation. Provisions for mining assets and landfills retirement obligations are recognised when there is a certainty of incurring of such liabilities and when it is possible to measure the amounts reliably.

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

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

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

Oil and gas production facilities

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

The long-term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at December 31, 2024 were in the range from 2.24% to 8.6% and from 6.85% to 12.15%, respectively (December 31, 2023: from 2.03% to 14.54% and from 6.20% to 11.37%, respectively). As at December 31, 2024 the carrying amounts of the Group's asset retirement obligations relating to decommissioning of oil and gas facilities were 184,354 million tenge (December 31, 2023: 163,517 million tenge) (*Note 21*).

Major oil and gas pipelines

According to the Law of the RK *On Major Pipelines* which was made effective on July 4, 2012 the Group has legal obligation to decommission its major oil pipelines at the end of their operating life and to restore the land to its original condition. Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. As at December 31, 2024, the carrying values of the Group's asset retirement obligations relating to decommissioning of pipelines, compressor stations and land were 119,822 million tenge (December 31, 2023: 123,277 million tenge) (*Note 21*).

Assets related to uranium production

Provision is made based upon the net present values of estimated site restoration and retirement costs as soon as the obligation arises from past mining activities. The scope of work stipulated by the legislation and included in the calculations of the asset retirement obligations contains the dismantling of facilities and infrastructure (pumping, injection and observation wells, technological units for acidification and distribution of solutions, pipelines, access roads, technological sites, landfills, buildings and other facilities) and subsequent restoration of land.

The calculation of the provision for production assets retirement as at December 31, 2024 was performed by the Group's internal specialists and reviewed by an independent consultant.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets related to uranium production (continued)

Principal assumptions used in the estimations include:

- The discount rate that reflects the current market estimates of the time value of money is based on a risk-free rate determined by reference to the interest rate on government bonds with maturity matching the period of the Group's each subsoil use contract, range of 12.33% - 12.65% (2023: average 11.7% - 13.3%), risks related to the liability are reflected in the best estimate of nominal costs;
- Long-term inflation rate applied to the nominal costs calculated at current prices of 4.06% - 7.51% in 2024 (2023: average 4.01% - 6.39%);
- Discounting period in accordance with the estimated life of mines and reserves depletion period;
- Low radioactive waste management program assumes removal and disposal at special landfills owned by the Group.

A sensitivity analysis of the key assumptions as of December 31, 2024 and 2023 is presented below:

	Decrease) / Increase of assumptions	(Decrease) / Increase of provisions	
In millions of tenge		**2024**	**2023**
Inflation rate	−1%	(5,258)	(4,640)
	+1%	4,544	3,993
Discount rate	−1%	4,935	4,348
	+1%	(4,233)	(3,714)

At December 31, 2024, site restoration provision for mining assets was 44,662 million tenge (2023: 38,100 million tenge) (*Note 21)*.

Assets retirement obligations related to the power generating facilities

The following judgments were applied by the Group in determining the amount of the obligation to eliminate the consequences of the operation of the facilities as at December 31, 2024 and December 31, 2023:

- Calculation of obligations to eliminate the consequences of the operation of the facilities was performed by the Group based on the results of assessments carried out by independent and internal specialists. The scope of work provided for by law and included in the calculation included the dismantling and disposal of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures intended for removal of combustion products, as well as equipment of fuel oil facilities and chemical reagents warehouse, which have a negative impact on the environment and the safety of life and/or health of people;
- There are assets (administrative buildings and other structures) on the balance sheet of facility operators in the Group, which in the future are very likely to be converted, and also have a minimal adverse impact on the environment, for which there is no need to recognize obligations to eliminate the consequences of their operation;
- For thermal power plants, referred to the I category, the amount of reserves is determined based on the expected costs that will be incurred by the facilities during the liquidation of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures designed to remove combustion products, as well as equipment for fuel oil facilities and a chemical reagents warehouse, which really have an adverse impact on the environment;
- the Group's management applied the judgment that the deadline for the liquidation of category I facilities of EGRES-1 and EGRES-2, which have a negative impact on the environment, is in 2055 and 2053, respectively, based on the useful lives of the assets. These useful lives are justified by the fact that the residual fleet life of the main and auxiliary equipment and engineering structures of the main equipment will be extended through major repairs or reconstruction until the end of filling the existing ash dumps. Deadlines for closing ash dumps are applied in accordance with the approved working projects for closing ash dumps per the "Rules for the formation of liquidation funds for waste disposal sites" approved by Decree of the Government of the RK dated July 10, 2007 No. 591. Coal reserves are sufficient to continue the work on these stations. These periods were determined based on the need to ensure the country's energy security in response to a predicted shortage of electricity in the RK.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets retirement obligations related to the power generating facilities (continued)

- For AlES, the deadlines for the liquidation of CHPP-2 and CHPP-3 facilities were applied taking into account the timing of implementation, commissioning and technical parameters of the projects "Modernization of Almaty CHPP-2 with minimization of environmental impact" and "Reconstruction of Almaty CHPP-3";
- Hydroelectric power plants of the Group belong to category II facilities.the Shardara hydroelectric power station, as a strategic complex structure, which is an integral part of the hydrotechnical complex of the Shardara hydroelectric complex on the Syrdarya River, which has a direct purpose for flood control and irrigation, due to the specifics of its activity, does not eliminate embankments / dams and adjacent hydraulic structures; at the same time, in the opinion of the station's management, the liquidation work of the company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision to cover them is not significant at the reporting date;
- For the Moinak hydroelectric power plant, , in accordance with the legislation, the Group's management applied the judgment that the useful lives of the main hydraulic structures, as structures of I and II classes, in the conditions of timely overhauls amount to 60 years. After the expiration of useful lives of the main building of the hydroelectric power plant, the diversion tunnel and the halfway, in accordance with the norms of the "Methodological recommendations on the procedure for extending the life of the safe operation of technical devices, equipment and structures at hazardous production facilities," further use of these structures as a hydrological post and mudflow holders during the flood period is expected on the Sharyn River. At the same time, in the opinion of the plant's management, the liquidation work of the Company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision for their coverage is not material at the reporting date;
- AZhK facilities in III and IV categories. Due to the fact that AZhK's production facilities have an insignificant minimum negative impact on the environment, the Group has not accrued obligations for liquidation of the consequences of activities in these consolidated financial statements, as there is currently no reasonable calculation method for these types of assets, and the Group has received confirmation from government authorities on the absence of obligations to eliminate the consequences for the environment;
- Wind and solar power plants recognize provisions for dismantling and removal of generating and technological equipment, further, the liquidation terms are determined by the technical specifications of equipment and structures.

Key assumptions in making such estimates include estimates of the discount rate, amount and timing of future cash flows. The discount rate is based on the risk-free rate defined as the yield on government bonds with maturities that coincide with the liquidation of the facilities.

As of December 31, 2024, provision on obligations for liquidation of the consequences of operating the facilities were recalculated taking into account the updating of the costs for the liquidation of facilities based on the revision of inflation rates and the discount rate as of the reporting date.

A sensitivity analysis of the key assumptions as of December 31, 2024:

In millions of tenge	**(Decrease)/increase of key assumptions**	**(Decrease)/increase in obligation to eliminate the consequences of operation of facilities**
Inflations rates	−1%	(4,405)
	+1%	5,609
Discount rates	−1%	5,026
	+1%	(3,855)
Liquidation period	−10%	3,811
	+10%	(3,129)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets retirement obligations related to the power generating facilities (continued)

Since the actual costs of eliminating the consequences of operating the facilities may differ from their estimates due to changes in relevant legislation, interpretation of regulations, technologies, prices and other conditions, and these costs will be incurred in the distant future, the carrying amount of the provisions is subject to regular review and adjustment to take into account such changes.

As of December 31, 2024 provision for assets retirement obligations related to the power generating facilities amounted to 29,477 million tenge (as of December 31,2023: 24,883 million tenge) (*Note 21*).

Provision for taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of the Group's international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable profits and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

In assessing tax risks, management considers to be probable obligations the known areas of non-compliance with tax legislation, which the Group would not appeal or does not believe it could successfully appeal, if additional taxes are charged. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsurface use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for taxes disclosed in *Note 21* relates to the Group's other taxes. Provisions and contingent liabilities related to income tax are included or disclosed as income tax liabilities or contingencies (*Note 33*). Further uncertainties related to taxation are disclosed in *Note 37*.

Provision for construction of social objects

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

Useful lives of items of property, plant and equipment

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

VAT recoverability

The Group conducts an assessment of the recoverability of VAT and, if required, makes provisions for doubtful VAT recoverable at each reporting date. The provision for doubtful VAT recoverable is determined based on the management's anticipated VATable turnovers and the likelihood of cash refunds for VAT. As at December 31, 2024, an amount of 602,083 million tenge related to VAT recoverable has been recognized as a current asset (as at December 31,2023: 386,977 million tenge). The Group anticipates that this amount will either be refunded by the tax authorities or utilized to offset future VAT liabilities in 2025.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Deferred tax assets

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognized deferred tax assets as at December 31, 2024 was equal to 121,591 million tenge (December 31, 2023: 108,379 million tenge). Further details are contained in *Note 33*.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the consolidated financial statements. Further details are disclosed in *Note 36*.

Employee benefit liability

The Group uses actuarial valuation method for measurement of the present value of defined employee benefit liability and related current service cost. This involves use of demographic assumptions about the future characteristics of current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, etc.) as well as financial assumptions (discount rate, future annual financial assistance, future annual minimum salary and future average railway ticket price).

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

Estimation of expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's credit grading model, which assigns PDs to the individual grades;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as oil price with one year lag, and the effect on PDs, EADs and LGDs.

Accounting treatment of financing arrangements with Industrial Development Fund JSC

The Group, represented by Passenger Transportation JSC and Tulpar Wagon Construction Plant LLP (disposed in 2023), entered into a number of trilateral purchase-sale and finance lease agreements with Industrial Development Fund JSC, which is under the common control of the Shareholder, to renew its passenger carriage fleet. Under the agreements, Industrial Development Fund JSC finances Tulpar Wagon Construction Plant LLP's construction of passenger carriages on a 100% prepayment basis for ownership with a further finance lease to Passenger Transportation JSC.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Accounting treatment of financing arrangements with Industrial Development Fund JSC (continued)

Management of the Group concluded that the transaction between Tulpar Wagon Construction Plant LLP and Industrial Development Fund JSC does not meet the requirements of IFRS 15 *Revenue from Contracts with Customers* to account for the asset sale at the Group level, as control over passenger carriages is not transferred to Industrial Development Fund JSC, but remains with the Group.

Industrial Development Fund JSC finances the construction of the carriages, but is limited in its ability to direct the subsequent use of and obtain all of the remaining benefits from the asset. Accordingly, the Group recognises the obligation to Industrial Development Fund JSC, before the loss of control over the Railway Passenger Coach Construction Plant LLP, as a financial liability (borrowing) according to IFRS 9 *Financial Instruments* and recognises passenger carriages as right−of−use assets in accordance with IFRS 16.103 *Leases*.

Swap transactions

The Group sells part of its uranium products under swap transactions with separate agreements with the same counterparty, being for sales and purchase of the same volume of uranium for the same price at different delivery points or different timeframes. Effectively, this results in the exchange of own uranium (produced or purchased from the Group's entities) with purchased uranium.

Normally, under a swap transaction, the Group delivers physical uranium to one destination point, and purchases the same volume of uranium at a third-party converter for sale to end customers. Swap transactions are entered into primarily to reduce transportation costs for uranium delivery to end customers.

Despite the fact that swap agreements are not formally related to each other, management concluded that these transactions are in substance linked and would not have occurred on an isolated basis, driven by the existing market demand and supply forces. In management's view, supply of the same volume of homogeneous product (uranium) for the same price represents an exchange of products, which should be presented on a net basis in the consolidated financial statements, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for swap transactions requires judgement.

In 2024, the Group did not recognise sales revenue from swap transactions of 169,556 million tenge (2023: 139,322 million tenge) and related cost of sales of 158,551 million tenge (2023: 149,209 million tenge).

Purchase and sales agreements assume cash transfers on a regular payment terms, similar to contracts with customers. The Group presents cash receipts as "receipts from customers" and cash payments as "payments to suppliers".

Enrichment of natural uranium

The Group purchases uranium enrichment services from Uranium Enrichment Center JSC (UEC) in Russia. The transaction is structured as two separate agreements. Group sells natural uranium and purchases enriched uranium from UEC. Despite agreements with UEC are not formally related, the management concluded that these transactions are in substance linked and would not have occurred on an isoldated basis. Effectively, this results in the sales of uranium with an obligation to repurchase it in the form of enriched uranium, in accordance with IFRS 15 requirements no revenue from sales of uranium to UEC should be recognised, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for transactions with UEC requires judgement.

The cost of enrichment services included in cost of sales in the amount of 62,612 million tenge (2023: 40,643 million tenge) in production services rendered line item (*Note 26*).

Purchase and sales agreements with UEC assumed cash transfers, starting from 2023 the Group changed the contract terms to settle cash transfers on a net basis.

Control over JV Budenovskoye LLP

The Group obtained control over JV Budenovskoe LLP as a result of changes to the Charter and Production sharing agreement effective from January 1, 2024. The changes do not change the relative ownership shares of the participants, but they change their powers in relation to JV Budenovskoe LLP. The Group's ownership share did not change and represents 51%.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Control over JV Budenovskoye LLP (continued)

Sales activities of JV Budenovskoye LLP are governed by the Production sharing agreement. The Group has unilateral decision-making power in determining annual production volumes within predetermined range by simple majority vote. The predetermined range is a 20% deviation from the approved production plan in accordance with the subsoil use agreement and legislation of the RK. The specific situation when unanimous consent would be required from both participants to change production volume within 10%-20% limit depending on profitability is remote and thus is viewed rather as a protective right.

Given that all production volumes are committed to be purchased by the Group and the second participant (or a parent company of the second participant) based upon market prices, production volumes and costs have the most significant impact on financial results and therefore are considered to be relevant activities for the purpose of the control assessment. Based on these facts, the Group management has concluded that the Group gained control over JV Budenovskoye LLP (*Note 5*).

Fair value measurement for business combination

Fair value measurements applied in accounting for business combination had a significant impact on the Group's profit for the period ended December 31, 2024. The gain from from remeasurement of the previously existing interest in joint venture comprised 295,719 million tenge (*Note 5*).

The principal assumptions used by external appraiser in calculation of fair value:

- Average prices of annual uranium prices are based upon the price forecasts prepared by independent sources, and reduced further for expected discounts included in sales contracts;
- Forecasted periods and volumes of uranium produced and sold are based on the working program of subsoil use contract further amended by the delay in production schedule;
- Operating and capital expenditures for 2024-2028 are consistent with the approved five year budget of the Group and represent expenditures for the preparation of mine development assets;
- Operating and capital expenditures after 2028 will increase at the average long-term inflation rate of 4.1% per annum;
- Discount rate of 23.12% per annum; and
- Forecast long-term exchange rate at an average of 474 tenge per 1 US Dollar.

Presented below is the sensitivity analysis of the main parameters that could impact the fair value of the mineral right estimated at 709,797 million tenge as of the date of assessment:

In millions of tenge	**Changes of assumptions**	**Increase/ (decrease) of fair value**
Average price of uranium (spot price)	−10/+10%	197,721 / (197,721)
Sales volume	−10/+10%	141,049 / (141,049)
Capital expenditures	−10/+10%	(33,486) / 33,486
Discount rate	−2p.p/+2 p.p.	(104,590) / 104,590
Exchange rate, US Dollar to tenge	−10/+10%	197,721 / (197,721)

Changes in legislation on the electricity market in the RK from July 1, 2023

In accordance with the Rules for the organization and functioning of the wholesale electricity market with amendments and additions, approved by order of the Minister of Energy of the RK dated June 30, 2023 No. 249, from July 1, 2023, a transition was made to a new model of the electricity sales market with the introduction of a unified purchaser of electrical energy, RFC. In accordance with the new model, all energy-producing organizations are obliged to sell electrical energy to a single purchaser of electrical energy. The RFC then sells electrical energy in accordance with sales agreements by a single purchaser of electrical energy to energy transmission and energy supply organizations, consumers of electrical energy and digital miners on the wholesale electrical energy market.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Changes in legislation on the electricity market in the RK from July 1, 2023 (continued)

The Group conducted an analysis to assess the impact of changes on the revenue recognition process in accordance with *IFRS 15 Revenue from Contracts with Customers*. As a result, the Group determined that for Group's consolidated financial statements, the electricity sales contracts of power plants and purchase contracts of distribution and trade entities of the Group are considered as repurchase agreements in accordance with IFRS 15. Accordingly, the Group eliminated the cost of purchasing electricity and revenue from sales of electricity by power plants at the consolidation level of the Group.

To calculate the amount of elimination, the Group used the actual electricity volume purchased by Group's subsidiaries from the RFC and weighted average selling price of electricity in accordance with the approved cap tariffs of the Group's power plants.

The elimination amount for 2024 amounted to 190,864 million tenge (2023: 84,760 million tenge). This adjustment is reflected for the purpose of presenting the revenue and costs of sales of the Group from a single economic unit perspective and does not affect the financial results of the Group.

Apart from the above, the new model of power market, which came into force on July 1, 2023 did not have a significant impact on the revenue recognition.

Uranium loans are part of the Group's normal inventory management policy, required to mitigate logistical risks that could affect the timely delivery of Kazakhstani uranium to Western conversion enterprises due to heightened geopolitical instability.

The Group enters into inventory loan agreements, according to which one party (the lender) undertakes to provide the other party (the borrower) with products, and the borrower obliges to return to the lender an identical amount of uranium products. The Group obtains inventory loans to facilitate the performance of its uranium supply obligations. The Group classifies inventory loans received as a non-financial liability.

Upon receipt of the inventory loan, the Group accounts for the inventory at the contracted cost. Liability arising from inventory loan are recognised as part of other liabilities at the fair value of the uranium products at the reporting date. Subsequent revaluation of the inventory loan is carried out through profit or loss as part of other operating income/expenses in accordance with changes in the fair value of uranium products.

As at December 31, 2024 the Group has fully returned the inventory loan (as at December 31, 2023: 91,151 million tenge) (*Note 24*).

Accrued payable for gas purchase agreements

As at December 31, 2024 the Group recognized a purchase of gas of 266,342 million tenge and a corresponding trade payables was recognized (*Note 24*). The gas purchase was recognized when control passed to the Group and was measured at the amount the Group expected to pay based on its best estimate, as the parties were in the process of agreeing prices and concluding the contracts. On February 14, 2025, the gas purchase agreement was signed for the period from 2023 to 2033. No adjustments to the accounts payable is required.

5. BUSINESS COMBINATION

Acquisitions in 2024

JV Budenovskoe LLP

As a result of changes to the Charter of JV Budenovskoe LLP and Production sharing agreement effective from January 1, 2024 the Group obtained control over JV Budenovskoe LLP. Starting from January 1, 2024 the decision over relevant activities are taken by simple majority of the voting rights. The Group's ownership share did not change and represents 51%. The Group did not make any cash payments to gain control. JV Budenovskoe LLP is strategically important asset with estimated reserves of 114 thousand tones of uranium.

The acquisition method of accounting is used to account for the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

5. BUSINESS COMBINATION (continued)

Acquisitions in 2024 (continued)

JV Budenovskoe LLP (continued)

The difference between the fair value of investment in the joint venture over its carrying value comprises a gain from remeasuring to fair value the equity interest in the JV Budenovskoe LLP held by the Group before the business combination, as presented in the table below, which was recognised immediately in profit or loss for the period less the deferred tax effect:

In millions of tenge	
Fair value of the previously existing interest in joint venture at the date of acquisition	**302,888**
Less: carrying value of the investment in joint venture at the date of acquisition	**(7,169)**
Gain from remeasurement of the previously existing interest in joint venture	**295,719**

At the acquisition date the fair value of the total consideration transferred and its components relating to JV Budenovskoe LLP are as follows:

In millions of tenge	
Cash consideration paid	**–**
Effective settlement of the trade receivable of the Group	**(5,390)**
Fair value of the Group's previously held interest in the joint ventures (*Note 10*)	**302,888**
Total purchase consideration and value of previously held interest in the acquiree	**297,498**

The assessment of the fair value of the identifiable assets and liabilities was performed by an independent professional appraiser. Based on the valuation, the assets' value increased by 707,113 million tenge to fair value, mainly due to valuation of the subsoil use (mineral) right, resulting in an increase of carrying value from 11,693 million tenge to 709,797 million tenge (*Note 9*). The value of finished goods inventory increased from 1,653 million tenge to 8,432 million tenge. Deferred tax of 141,423 million tenge was recorded on the excess of the fair value over the carrying value.

5. BUSINESS COMBINATION (continued)

Acquisitions in 2024 (continued)

JV Budenovskoe LLP (continued)

The fair values of the identifiable assets and liabilities as at the date of acquisition are as follows:

In millions of tenge	At the date of acquisition
Assets	
Non-current assets	
Property, plant and equipment	**25,748**
Intangible assets	**709,810**
Exploration and evaluation assets	**1,723**
Other non-current financial assets	**249**
Other non-current assets	**6,112**
Current assets	
Inventories	**8,432**
Income tax prepaid	**23**
Trade accounts receivable	**1,580**
Other current assets	**64**
Cash and cash equivalents	**11,885**
Total assets	**765,626**
Non-current liabilities	
Borrowings	**22,633**
Provisions	**106**
Employee benefit liabilities	**6**
Deferred tax liabilities	**142,437**
Current liabilities	
Borrowings	**6,485**
Provisions	**333**
Income taxes payable	**838**
Trade and other payables	**4,019**
Employee benefit liabilities	**2**
Other current liabilities	**259**
Total liabilities	**177,118**
Fair value of identifiable net assets acquired	**588,508**
Less: non-controlling interest measured at proportionate share of net assets measured at fair value	**(291,010)**
Total purchase consideration and fair value of previously held interest in the acquiree	**297,498**
Less: non-cash consideration	**(297,498)**
Add: Cash and cash equivalents of subsidiary acquired	**11,885**
Inflow of cash and cash equivalents on acquisition	**11,885**

The Group recognized non-controlling interest as the non-controlling interest's proportionate share of net assets of JV Budenovskoe LLP measured at fair value.

The acquisition date fair value of the trade accounts receivable amounts to 1,580 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

The acquired subsidiary contributed revenue of 62,223 million tenge and net profit of 28,279 million tenge to the Group for the period from January 1, 2024 to December 31, 2024.

The business of JV Budenovskoe LLP is represented in the Group's ***Mining segment*** in these consolidated financial statements.

5. BUSINESS COMBINATION (continued)

Acquisitions in 2023

Acquisition of Dunga Operating GmbH

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

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

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

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

The 2023 comparative information was restated to reflect these adjustments.

5. BUSINESS COMBINATION (continued)

Acquisitions in 2023 (continued)

Acquisition of Dunga Operating GmbH (continued)

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

In millions of tenge	**At the date of acquisition**
Assets	
Non-current assets	
Property, plant and equipment	181,462
Intangible assets	5,481
Amounts due from credit institutions	5,413
Other non-current assets	3,132
Current assets	
Inventories	6,387
Income tax prepaid	2,284
Trade accounts receivable	5,870
Other current financial assets	55
Other current assets	5,601
Cash and cash equivalents	8,288
Total assets	**223,973**
Non-current liabilities	
Provisions	4,346
Deferred tax liabilities	48,752
Other non-current financial liabilities	447
Current liabilities	
Trade and other payables	8,802
Other current financial liabilities	5,527
Total liabilities	**67,874**
Total identifiable net assets at fair values	**156,099**
Purchase consideration transferred	165,913
Goodwill arising on acquisition	9,814

The business of Dunga Operating GmbH is represented in the Group's *Oil-and-gas and petrochemical* segment in these consolidated financial statements.

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

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

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

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

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

6. ACQUISITION UNDER COMMON CONTROL

GPC Investment LLP (hereinafter- "GPCI")

On January 24, 2024, the Fund issued 100 shares at par value of 387,371,430 tenge for the total amount of 38,737 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of GPCI (*Note 18.1*). Further, the Fund transferred 100% of interest in GPCI as a contribution to the authorized capital of Fund's subsidiary National Company "QazaqGaz" JSC (hereinafter- "QazaqGaz").

On February 14, 2024, as part of the state visit of the President of the RK to the State of Qatar (hereinafter "SQ"), Agreements on the main terms of cooperation were signed, which includes a number of measures and initiatives aimed at the joint implementation of different investment projects. On March 20, 2024, an Agreement was signed to establish a long-term strategic partnership for the implementation of joint projects between the Governments of the RK and the SQ. As part of the agreement on strategic investment projects, it is planned to sell the stake in the project company GPCI with retention of Group's share of 25%, and therefore, GPCI was reclassified into disposal group in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The component was classified as discontinued operations as it was acquired exclusively with a view to resale. The period to complete the sale was extended beyond one year, and the delay is caused by events and circumstances beyond the Group's control. However, the Group remain committed to the plan to sell its 75% stake in GPCI. The expected date of completion is by June 30, 2025.

The acquisition of GPCI was accounted for as the acquisition of a subsidiary from parties under common control. The acquisition was accounted for using the carrying amount method of assets and liabilities according to the financial statements of GPCI, due to the absence of consolidated financial statements of the predecessor entity. Due to the acquisition of GPCI as a subsidiary for subsequent resale, the consolidated statement of financial position of the Group as at December 31, 2023 and the related notes to the consolidated financial statements for the year ended December 31, 2023 have not been restated. Management believes that this presentation of the financial information most fairly represents the economic substance of the transaction. The difference between the consideration transferred and the net assets of GPCI was recognized in equity.

The following is the value of the total consideration transferred and information about the carrying amounts of GPCI's assets and liabilities at the date of acquisition:

In millions of tenge	**February 16, 2024**
GPCI net assets acquired	**91,478**
Fair value of shares issued (*Note 18.1*)	**(38,737)**
Settlement of pre-existing relationship presented by the loans issued to GPCI*	**(48,935)**
Total consideration transferred by the Group	**(87,672)**
Difference between the consideration transferred by the Group and the carrying amount of net assets recognized in equity	**3,806**

* *Includes expected credit losses*.

The assets and liabilities of GPCI as at December 31, 2024 are presented as follows:

In millions of tenge	**December 31, 2024**
Assets	
Property, plant and equipment	**184,791**
Intangible assets	**6**
Other non-current assets	**28,939**
Deferred tax assets	**2,536**
Inventories	**15**
VAT receivable	**3,073**
Income tax prepaid	**147**
Other current assets	**127**
Cash and cash equivalents	**19,499**
Assets classified as held for sale	**239,133**
Liabilities	
Borrowings	**137,208**
Other non-current liabilities	**1,279**
Income taxes payable	**180**
Trade and other payables	**33,814**
Other current liabilities	**236**
Liabilities associated with assets classified as held for sale	**172,717**
Net assets held for sale	**66,416**

Net loss after tax for the period for GPCI is 10,373 million tenge.

6. ACQUISITION UNDER COMMON CONTROL (continued)

"AsiaGas Chundzha" LLP ("AsiaGas Chundzha")

On September 27, 2024 the Fund issued 100 shares at par value of 92,941,670 tenge for the amount of 9,294 million tenge, that approximates their fair value, which were paid off by the Shareholder by means of 100% of interest in authorized capital of AsiaGas Chundzha in accordance with the Resolution of the Government of the RK (*Note 18.1*). Further, the Fund transferred 100% of interest in AsiaGas Chundzha as a contribution to the authorized capital of QazaqGaz.

The acquisition of AsiaGas Chundzha was accounted for as the acquisition of a subsidiary from parties under common control using the carrying amount method of assets and liabilities according to the financial statements of AsiaGas Chundzha, due to the absence of consolidated financial statements of the predecessor entity. Management believes that this presentation of the financial information most fairly represents the economic substance of the transaction. The difference between the consideration transferred and the net assets of AsiaGas Chundzha was recognized in equity.

The following is the value of the total consideration transferred and information about the carrying amounts of AsiaGas Chundzha 's assets and liabilities at the date of acquisition:

In millions of tenge	**April 1, 2024**
AsiaGas Chundzha net assets acquired	**5,146**
Fair value of shares issued (*Note 18.1*)	**(9,294)**
Difference between the consideration transferred by the Group and the carrying amount of net assets recognized in equity	**(4,148)**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER

Disposals in 2024

Air Astana JSC (hereinafter - Air Astana)

On February 14, 2024 the Fund disposed 9,884,209 (10%) of common shares at a price of 1,073.83 tenge per common share for a total amount of 10,614 million tenge through their sale on the Astana International Exchange and KASE. As a result of held IPO, the Fund's share in Air Astana decreased from 51% to 41% and the control over Air Astana was lost, however the Fund retained the significant influence. The investment retained in the former subsidiary is recognized as an investment in associate accounted for using the equity method with initial fair value of 144,612 million tenge (*Note 11*) at the date of loss of control.

As at December 31, 2024 the Group completed the valuation of the fair value of the net identifiable assets and liabilities of Air Astana as at the date of disposal, which comprised 181,379 million tenge. The difference between the Group's share in the fair value of the net identifiable assets and liabilities of Air Astana at the date of disposal and fair value value of investment in associate of 70,247 million tenge was recognized as an assumed goodwill within the investment in associate (*Note 11*).

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2024 (continued)

Air Astana JSC (hereinafter - Air Astana) (continued)

At the date of loss of control the carrying value of net assets of Air Astana were as follows:

In millions of tenge	**February 14, 2024**
Assets	
Property, plant and equipment	**387,885**
Intangible assets	**1,289**
Other non-current financial assets	**15,748**
Other non-current assets	**8,387**
Deferred tax assets	**16,837**
Inventories	**30,705**
Income tax prepaid	**6,027**
Trade accounts receivable	**11,046**
VAT receivable	**4,419**
Other current financial assets	**1,246**
Other current assets	**11,524**
Cash and cash equivalents	**120,524**
Total assets	**615,637**
Liabilities	
Borrowings	**187**
Provisions	**115,362**
Lease liabilities	**326,780**
Other non-current financial liabilities	**283**
Trade and other payables	**27,885**
Other current financial liabilities	**7,615**
Other current liabilities	**43,451**
Total liabilities	**521,563**
Net assets	**94,074**
Cash consideration received at the date of disposal of subsidiary	**10,614**
Fair value of 41% retained interest in an associate *(Note 11)*	**144,612**
Disposal of non-controlling interests	**48,206**
Recycling of accumulated loss on transactions with hedge instruments and foreign currency translation reserve to gain on disposal of a subsidiary	**3,485**
Net assets disposed	**(94,074)**
Gain from disposal of subsidiary	**112,843**

Gain from the disposal of Air Astana, less transaction costs of 308 million tenge, amounted to 112,535 million tenge.

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI)

On February 27, 2024 the Group completed the sale of 40% share in KPI to SIBUR Holding PJSC. The sale price of a 40% share in KPI was 180,000 thousand US dollars (equivalent to 80,993 million tenge as at date of disposal). The price under the sales agreement is payable in installments according to a payment schedule until November 30, 2026. On February 29, 2024 SIBUR Holding PJSC made payment of the 1st tranche under the sale agreement for a 40% share in KPI in the amount of 90 million US dollars (equivalent to 40,618 million tenge).

As a result, the Group lost control over the subsidiary and recognized remaining 59% share in KPI as an investment in joint venture at fair value, as decisions about the relevant activities of KPI require the unanimous consent of the parties sharing control.

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2024 (continued)

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI) (continued)

At the date of loss of control assets and liabilities of KPI were as follows:

In millions of tenge	**Net assets at the date of disposal**
Assets	
Property, plant and equipment	**921,763**
Intangible assets	**35,678**
Other non-current financial assets	**1,516**
Other non-current assets	**42,009**
Inventories	**19,811**
Income tax prepaid	**408**
Trade accounts receivable	**2,133**
VAT receivable	**782**
Other current financial assets	**352**
Other current assets	**3,397**
Cash and cash equivalents	**9,644**
Total assets	**1,037,493**
Liabilities	
Borrowings	**943,217**
Other non-current liabilities	**17**
Deferred tax liabilities	**8,510**
Trade and other payables	**68,885**
Other current financial liabilities	**2,120**
Other current liabilities	**11,552**
Total liabilities	**1,034,301**
Net assets	**3,192**

The result of the disposal of a subsidiary is presented as follows:

In millions of tenge	
Cash consideration received at the date of disposal of subsidiary	**40,618**
Fair value of the additional consideration receivable at the date of disposal of subsidiary	**34,069**
Disposal of non-controlling interests	**269**
Recognition of the fair value of financial guarantees issued and loan commitment to KPI (*Note 23*)	**(67,843)**
Net assets disposed	**(3,192)**
Gain from disposal of subsidiary	**3,921**

For the period from January 1, 2024 to the date of loss of control, as a result of its operating activities KPI incurred revenue of 20,001 million tenge and expenses of 12,720 million tenge (*Notes 25, 26*).

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

In millions of tenge	**January 1, 2024 – February 27, 2024**
Operating	**(28,511)**
Investing	**(855)**
Financing	**(3,787)**
	(33,153)
Effects of exchange rate changes on cash and cash equivalents	**621**
Net decrease in cash and cash equivalents	**(32,532)**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2024 (continued)

Karaton Operating Ltd. (hereinafter - Karaton)

On February 21, 2024, the Group, represented by its subsidiary National Company "KazMunayGas" JSC ("KMG"), and Tatneft PJSC signed a purchase and sale agreement for a 50% share of Karaton, subsidiary of the KMG, holder of a contract for the production of hydrocarbons at Karaton subsoil blocks located in Atyrau region. As a result the Group lost control over Karaton.

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

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

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

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

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

In millions of tenge	**January 1, 2024 – February 21, 2024**
Investing	**(118)**
Net decrease in cash and cash equivalents	**(118)**

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

In millions of tenge	**Net assets at the date of disposal**
Assets	
Property, plant and equipment	28
Exploration and evaluation assets	291
Other assets	21
Cash and cash equivalents	178
Total assets	**518**
Liabilities	
Trade and other payables	5
Other current liabilities	413
Total liabilities	**418**
Net assets	**100**
Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture *(Note 11)**	8,255
Gain from disposal of subsidiary	**16,410**

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

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2024 (continued)

Tau-Ken Temir LLP and Silicon miningLLP

On May 31, 2024 the Group, represented by its subsidiary National Mining Company Tau-Ken Samruk JSC (hereinafter - "TKS"), entered into an agreement with a consortium consisting of METALEEN INVESTMENTS HOLDINGS LLC and TSP ALÜMİNYUM ANONİM ŞİRKETİ on the sale of a 55% share in its subsidiaries Tau-Ken Temir LLP and Silicon Mining LLP. The sale was completed on August 27, 2024 upon receipt of full payment in the amount of 4,907 million tenge.

As of the date of loss of control, the net assets of Tau-Ken Temir LLP and Silicon Mining LLP amounted to 4,108 million tenge.

The result of the disposal of subsidiaries is presented as follows:

In millions of tenge	**August 27, 2024**
Cash consideration received at the date of disposal of subsidiaries	**4,907**
Fair value of 45% retained interests in associates *(Note 11)*	**3,918**
Net assets disposed	**(4,108)**
Gain from disposal of subsidiaries	**4,717**

Besshoky Ltd

On January 31, 2024 the Group completed the sale of its 100% interest in Besshoky Ltd. The consideration received was 4,214 million tenge, including an advance of 919 million tenge received in December 2023. As at the date of loss of control, the net assets of Besshoky Ltd were 5 million tenge. The net proceeds from the disposal of Besshoky Ltd were 4,209 million tenge.

Disposals in 2023

Railway Passenger Coach Construction Plant LLP

On December 13, 2022 the Group entered into a sale agreement with a third party for a 100% interest in the charter capital of Railway Passenger Coach Construction Plant LLP. As at December 31, 2022 the Group classified the assets and liabilities of Railway Passenger Coach Construction Plant LLP as a disposal group held for sale at the lower of their carrying amount and fair value less costs to sell. Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. On January 27, 2023 the Group completed the transaction on the date of the state re-registration and lost control over the subsidiary.

At the date of loss of control net assets of Railway Passenger Coach Construction Plant LLP were as follows:

In millions of tenge	**Net assets at the date of disposal**
Property, plant and equipment	5,666
Inventories	40
VAT receivable	2
Other current financial assets	40,000
Other current assets	7
Cash and cash equivalents	52
Total assets	**45,767**
Trade and other payables	20
Other current liabilities	40,029
Total liabilities	**40,049**
Net assets	**5,718**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2023 (continued)

Railway Passenger Coach Construction Plant LLP (continued)

The result of the disposal of a subsidiary is presented as follows:

In millions of tenge	
Proceeds from disposal of subsidiary	12,000
Net assets disposed	(5,718)
Result of disposal of Railway Passenger Coach Construction Plant LLP	**6,282**

Kalamkas-Khazar Operating LLP (hereinafter – "KKO")

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

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (the Additional consideration). The Group recognized this Additional consideration as a financial asset measured at fair value through profit or loss in the amount of 29 million US dollars (equivalent to 14,154 million tenge).

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

The investment retained in the former subsidiary is a joint venture accounted for using the equity method and its fair value is 93,258 million tenge (*Note 11*).

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

In millions of tenge	**Net assets at the date of disposal**
Property, plant and equipment	5,185
Exploration and evaluation assets	14,678
VAT receivable	626
Cash and cash equivalents	20
Total assets	**20,509**
Borrowings	2,511
Trade and other payables	3,548
Other current liabilities	5
Total liabilities	**6,064**
Net assets directly associated with the disposal group	**14,445**
Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary	14,154
Fair value of 50% retained interest in a joint venture *(Note 11)*	93,258
Gain from disposal of subsidiary	**186,225**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2023 (continued)

Kalamkas-Khazar Operating LLP (hereinafter – "KKO") (continued)

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

In millions of tenge	**January 1, 2023 – September 11, 2023**
General and administrative expenses	(108)
Finance income	7
Finance costs	(33)
Net foreign exchange loss	(98)
Income tax expenses	(1)
Net loss for the period	**(233)**

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

In millions of tenge	**January 1, 2023 – September 11, 2023**
Operating	(102)
Investing	(16,937)
Financing	17,059
Net decrease in cash and cash equivalents	**20**

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:

In millions of tenge	**Segment**	**December 31, 2024**	December 31, 2023
Assets classified as held for sale, including		**833,309**	1,684,796
Mobile Telecom Service LLP	*Communication*	***577,345***	–
GPC Investment LLP (Note 6)	*Oil-and-gas and petrochemical*	***239,133***	–
Qazaq Air JSC	*Air transportation*	***14,944***	–
Kazakhstan Petrochemical Industries Inc. LLP	*Oil-and-gas and petrochemical*	–	*1,064,032*
Air Astana JSC	*Air transportation*	–	*618,826*
Other		***1,887***	1,938
Assets classified as held for distribution to Shareholder		**2,582**	104
		835,891	1,684,900

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

In millions of tenge	**Segment**	**December 31, 2024**	December 31, 2023
Liabilities associated with assets classified as held for sale		**(343,940)**	(1,573,820)
Mobile Telecom Service LLP	*Communication*	***(167,487)***	–
GPC Investment LLP (Note 6)	*Oil-and-gas and petrochemical*	***(172,717)***	–
Qazaq Air JSC	*Air transportation*	***(3,736)***	–
Kazakhstan Petrochemical Industries Inc. LLP	*Oil-and-gas and petrochemical*	–	*(1,052,257)*
Air Astana JSC	*Air transportation*	–	*(521,563)*
		(343,940)	(1,573,820)

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Assets classified as held for sale or distribution to the Shareholder (continued)

Mobile Telecom Service LLP

On April 30, 2024 the Group announced its decision to dispose Mobile Telecom Service LLP (hereinafter- "MTS") by selling its 100% share to Power International Holding (PIH). On June 4, 2024 the Group entered into an agreement for the sale of MTS with PIH Interconnect Ltd.

As at December 31, 2024, all conditions under the MTS sale agreement were satisfied, but under this agreement, the transaction is to be completed on a date that is three business days after the date of notice from either party to the agreement confirming that the last of the conditions has been duly satisfied, or on such date as the parties to the agreement may agree in writing. As at December 31, 2024 the Group had not signed a transaction completion document with PIH and, accordingly, the Group retained control over MTS. The sale of 100% of MTS was completed on January 14, 2025.

Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation.

As of December 31, 2024 MTS's fair value less costs to sell exceeded MTS's net assets.

As of December 31, 2024 MTS's principal assets and liabilities classified as held for sale were as follows:

In millions of tenge	**December 31, 2024**
Assets	
Property, plant and equipment	**251,257**
Intangible assets, including:	**256,477**
Goodwill (Note 9)	***96,206***
Other non-current financial assets	**80**
Other non-current assets	**2,244**
Inventories	**3,830**
Trade accounts receivable	**5,437**
Other current assets	**6,861**
Cash and cash equivalents	**51,159**
Assets classified as held for sale	**577,345**
Liabilities	
Borrowings	**30,540**
Provisions	**20,472**
Lease liabilities	**39,910**
Other non-current liabilities	**18,616**
Deferred tax liabilities	**12,106**
Income taxes payable	**339**
Trade and other payables	**18,492**
Employee benefit liabilities	**4,548**
Other current liabilities	**22,464**
Liabilities associated with assets classified as held for sale	**167,487**
Net assets held for sale	**409,858**

During the period from the date of reclassification of property, plant and equipment to assets held for sale and December 31, 2024, MTS acquired property, plant and equipment with a total initial cost of 22,821 million tenge.

Qazaq Air JSC

On June 24, 2024, the Board of Directors of the Fund made a decision to transfer up to 100% of the shares of Qazaq Air JSC to a competitive environment through a direct targeted sale in favor of SOVICO Group JSC. On December 24, 2024, a sale and purchase agreement was signed between the Fund and a consortium consisting of Central Asia Aviation Holdings Limited (part of the Vietnamese conglomerate Sovico Group JSC) and Kazasia Holdings Limited. The sale transaction was not completed by the end of 2024, as certain conditions precedent were not met. In this regard, the Group retained control over Qazaq Air JSC as of December 31, 2024. Due to the fact that as a result of the sale, the Group will retain significant influence, the Group will recognise an investment at fair value in an associate.

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Assets classified as held for sale or distribution to the Shareholder (continued)

Qazaq Air JSC (continued)

Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. The management of the Group expects the transaction will be completed within 12 months after the reporting date, therefore the net assets of Qazaq Air JSC of 11,208 million tenge were reclassified as assets held for sale as at December 31, 2024.

The assets and liabilities of Qazaq Air JSC as at December 31, 2024 are presented as follows:

In millions of tenge	**December 31, 2024**
Assets	
Property, plant and equipment	**9,041**
Intangible assets	**18**
Inventories	**2,173**
Trade accounts receivable	**26**
VAT receivable	**174**
Income tax prepaid	**30**
Other current assets	**1,312**
Cash and cash equivalents	**2,170**
Assets classified as held for sale	**14,944**
Liabilities	
Trade and other payables	**1,889**
Other current liabilities	**1,847**
Liabilities associated with assets classified as held for sale	**3,736**
Net assets held for sale	**11,208**

8. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	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, 2023	4,666,607	1,985,605	1,154,397	1,295,503	3,760,385	197,087	205,231	1,163,956	14,428,771
Foreign currency translation	(72,665)	(6,502)	(2,831)	(172)	(8,439)	–	(2,036)	(4,015)	(96,660)
Changes in estimates	5,903	5,385	(2,927)	–	414	(2,132)	(4)	(1,572)	5,067
Additions	55,727	71,912	25,898	591	150,656	51,242	16,281	1,869,340	2,241,647
Acquisition through business combinations (*Note 5*)	159,728	–	6,020	–	943	–	118	14,708	181,517
Additions through lease agreements	1,447	–	13,746	–	134,196	–	40,914	–	190,303
Capitalized repair works on right-of-use assets	–	–	–	–	4,782	–	–	–	4,782
Lease modifications	2,057	19	(781)	–	65,830	–	959	–	68,084
Disposals	(39,022)	(8,819)	(10,570)	(73)	(67,495)	(52)	(7,729)	(5,737)	(139,497)
Loss of control over subsidiaries (*Note 7*)	–	–	–	–	–	–	–	(5,185)	(5,185)
Depreciation charge	(361,838)	(155,784)	(69,224)	(42,070)	(405,780)	(55,998)	(21,999)	–	(1,112,693)
Depreciation and impairment on disposals	23,353	8,438	6,348	58	65,220	9	7,317	3,128	113,871
Impairment, net of reversal of impairment *(Note 29)*	–	(83,215)	(12,154)	(922)	(1,517)	(324)	(4,528)	(26,577)	(129,237)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (*Note 7*)	–	–	(14,529)	–	(365,214)	(5)	(6,963)	(1,478)	(388,189)
Transfers from/(to) exploration and evaluation assets, investment property, net	12,107	(702)	(305)	–	–	2,360	(32)	19	13,447
Transfer from/(to) inventories, net	58	600	137	(5,108)	1,651	37,351	897	9,798	45,384
Other transfers and reclassifications	263,459	342,743	77,885	170,921	706,533	(48)	12,922	(1,574,415)	–
Other changes	(62)	–	–	–	73	–	–	(1,860)	(1,849)
Net book value at December 31, 2023 (restated)	**4,716,859**	**2,159,680**	**1,171,110**	**1,418,728**	**4,042,238**	**229,490**	**241,348**	**1,440,110**	**15,419,563**
Historical cost	7,613,703	4,390,002	1,991,660	1,785,016	7,184,701	538,700	463,090	1,579,608	25,546,480
Accumulated depreciation and impairment	(2,896,844)	(2,230,322)	(820,550)	(366,288)	(3,142,463)	(309,210)	(221,742)	(139,498)	(10,126,917)
Net book value at December 31, 2023 (restated)	**4,716,859**	**2,159,680**	**1,171,110**	**1,418,728**	**4,042,238**	**229,490**	**241,348**	**1,440,110**	**15,419,563**

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2023	27,643	95,397	32,585	−	470,669	−	31,092	−	657,386
Foreign currency translation	(518)	(103)	(427)	−	(6,659)	−	(551)	−	(8,258)
Changes in estimates	−	−	−	−	−	−	(4)	−	(4)
Additions through lease agreements	1,447	−	13,746	−	134,196	−	40,914	−	190,303
Capitalized repair works	−	−	−	−	4,782	−	−	−	4,782
Lease modifications	2,057	19	(781)	−	65,830	−	959	−	68,084
Termination of lease agreements	(20,711)	−	(6,347)	−	(21,673)	−	(31)	−	(48,762)
Depreciation charge	(5,319)	(22,628)	(8,482)	−	(93,676)	−	(5,128)	−	(135,233)
Depreciation and impairment on disposals	6,195	−	4,047	−	21,438	−	22	−	31,702
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	−	−	(4,564)	−	(337,927)	−	−	−	(342,491)
Transfer from/(to) property, plant and equipment, net	−	−	820	−	(36,660)	−	(590)	−	(36,430)
Net book value at December 31, 2023	**10,794**	**72,685**	**30,597**	**−**	**200,320**	**−**	**66,683**	**−**	**381,079**
Historical cost of right−of−use assets under lease agreements	23,936	119,081	60,212	−	298,333	−	85,794	−	587,356
Accumulated depreciation and impairment of right−of−use assets under lease agreements	(13,142)	(46,396)	(29,615)	−	(98,013)	−	(19,111)	−	(206,277)
Net book value at December 31, 2023	**10,794**	**72,685**	**30,597**	**−**	**200,320**	**−**	**66,683**	**−**	**381,079**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2024 (restated)	**4,716,859**	**2,159,680**	**1,171,110**	**1,418,728**	**4,042,238**	**229,490**	**241,348**	**1,440,110**	**15,419,563**
Foreign currency translation	**572,926**	**40,691**	**15,348**	**(41)**	**13,571**	**–**	**23,227**	**35,797**	**701,519**
Changes in estimates	**(8,735)**	**(14,655)**	**(2,172)**	**–**	**2,228**	**(1,795)**	**1**	**–**	**(25,128)**
Additions	**60,100**	**310,627**	**9,960**	**365**	**125,265**	**100,110**	**11,292**	**2,080,332**	**2,698,051**
Acquisition through business combinations (*Note 5*)	**–**	**3,005**	**2,191**	**–**	**223**	**23,318**	**15**	**604**	**29,356**
Additions through lease agreements	**3,343**	**–**	**10,720**	**–**	**184,754**	**–**	**12,866**	**–**	**211,683**
Capitalized repair works on right-of-use assets	**–**	**–**	**–**	**–**	**23**	**–**	**–**	**–**	**23**
Lease modifications	**–**	**88**	**4,244**	**–**	**7,750**	**–**	**4,679**	**–**	**16,761**
Disposals	**(45,619)**	**(5,867)**	**(15,705)**	**(457)**	**(95,453)**	**–**	**(14,524)**	**(11,198)**	**(188,823)**
Loss of control over subsidiaries (*Note 7*)	**–**	**–**	**–**	**–**	**–**	**–**	**(28)**	**–**	**(28)**
Depreciation charge	**(400,901)**	**(156,934)**	**(64,095)**	**(42,330)**	**(347,922)**	**(68,345)**	**(24,489)**	**–**	**(1,105,016)**
Depreciation and impairment on disposals	**37,407**	**5,764**	**12,096**	**296**	**89,508**	**–**	**12,915**	**6,016**	**164,002**
Impairment, net of reversal of impairment *(Note 29)*	**–**	**(6,576)**	**5,988**	**(59)**	**(2,670)**	**–**	**138**	**(93,458)**	**(96,637)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (*Note 7*)	**–**	**(785)**	**(16,639)**	**–**	**(145,501)**	**–**	**(2,607)**	**(70,933)**	**(236,465)**
Transfers from/(to) exploration and evaluation assets, investment property, net	**58**	**(425)**	**(5,890)**	**–**	**(27)**	**13,423**	**(4)**	**(618)**	**6,517**
Transfer from/(to) inventories, net	**437**	**169**	**(57)**	**(4,011)**	**2,161**	**54,555**	**908**	**9,265**	**63,427**
Other transfers and reclassifications	**231,209**	**134,354**	**116,841**	**166,546**	**987,482**	**5,986**	**13,594**	**(1,656,012)**	**–**
Other changes	**(387)**	**–**	**–**	**–**	**691**	**–**	**3**	**(1,674)**	**(1,367)**
Net book value at December 31, 2024	**5,166,697**	**2,469,136**	**1,243,940**	**1,539,037**	**4,864,321**	**356,742**	**279,334**	**1,738,231**	**17,657,438**
Historical cost	**8,760,473**	**5,063,347**	**2,139,106**	**1,938,676**	**8,116,694**	**734,297**	**528,634**	**1,960,220**	**29,241,447**
Accumulated depreciation and impairment	**(3,593,776)**	**(2,594,211)**	**(895,166)**	**(399,639)**	**(3,252,373)**	**(377,555)**	**(249,300)**	**(221,989)**	**(11,584,009)**
Net book value at December 31, 2024	**5,166,697**	**2,469,136**	**1,243,940**	**1,539,037**	**4,864,321**	**356,742**	**279,334**	**1,738,231**	**17,657,438**

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2024	**10,794**	**72,685**	**30,597**	**−**	**200,320**	**−**	**66,683**	**−**	**381,079**
Foreign currency translation	**1,510**	**816**	**2,017**	**−**	**97**	**−**	**10,595**	**−**	**15,035**
Additions through lease agreements	**3,343**	**−**	**10,720**	**−**	**184,754**	**−**	**12,866**	**−**	**211,683**
Capitalized repair works	**−**	**−**	**−**	**−**	**23**	**−**	**−**	**−**	**23**
Lease modifications	**−**	**88**	**4,244**	**−**	**7,750**	**−**	**4,679**	**−**	**16,761**
Termination of lease agreements	**(6,662)**	**(18)**	**(6,468)**	**−**	**(27,770)**	**−**	**(5,184)**	**−**	**(46,102)**
Depreciation charge	**(6,714)**	**(22,636)**	**(8,256)**	**−**	**(25,838)**	**−**	**(6,667)**	**−**	**(70,111)**
Depreciation and impairment on disposals	**5,880**	**18**	**4,430**	**−**	**27,166**	**−**	**5,096**	**−**	**42,590**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	**−**	**−**	**(2,188)**	**−**	**(44,874)**	**−**	**−**	**−**	**(47,062)**
Transfer to property, plant and equipment	**−**	**−**	**−**	**−**	**(672)**	**−**	**(44)**	**−**	**(716)**
Net book value at December 31, 2024	**8,151**	**50,953**	**35,096**	**−**	**320,956**	**−**	**88,024**	**−**	**503,180**
Historical cost of right−of−use assets under lease agreements	**24,642**	**120,268**	**66,507**	**−**	**395,566**	**−**	**111,218**	**−**	**718,201**
Accumulated depreciation and impairment of right−of−use assets under lease agreements	**(16,491)**	**(69,315)**	**(31,411)**	**−**	**(74,610)**	**−**	**(23,194)**	**−**	**(215,021)**
Net book value at December 31, 2024	**8,151**	**50,953**	**35,096**	**−**	**320,956**	**−**	**88,024**	**−**	**503,180**

As at December 31, 2024 property, plant and equipment with net book value of 269,087 million tenge was pledged as collateral for some of the Group's borrowings (December 31, 2023: 200,191 million tenge).

As at December 31, 2024 the cost of fully amortised property, plant and equipment of the Group was equal to 1,479,159 million tenge (December 31, 2023: 1,404,115 million tenge).

In 2024 the Group capitalized borrowing costs at an average interest rate of 12.93% in the amount of 107,098 million tenge *(Notes 19, 20)* less investment income of 465 million tenge (2023: at an average interest rate of 13.56% in the amount of 84,178 million tenge less investment income of 1,665 million tenge).

9. INTANGIBLE ASSETS

In millions of tenge	Licenses	Subsur-face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2023	694,980	795,766	317,072	27,286	66,786	43,749	1,945,639
Foreign currency translation	(9,039)	(3,659)	(211)	(477)	(318)	(253)	(13,957)
Changes in estimates	–	(279)	–	–	–	–	(279)
Additions	156,723	68	–	–	26,220	30,604	213,615
Acquisition through business combinations (*Note 5*)	–	667	9,814	–	3,098	1,716	15,295
Disposals	(821)	–	–	–	(6,483)	(509)	(7,813)
Amortization charge	(53,046)	(39,616)	–	–	(35,291)	(4,018)	(131,971)
Accumulated amortization and impairment on disposals	817	–	–	–	6,319	455	7,591
(Impairment)/reversal of impairment, net *(Note 29)*	36	–	–	–	25	(1,807)	(1,746)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	–	–	–	(1,289)	–	(1,289)
Other transfers and reclassifications	6,241	–	–	–	(1,893)	(4,348)	–
Other changes	1	62	–	–	495	459	1,017
Net book value at December 31, 2023 (restated)	795,892	753,009	326,675	26,809	57,669	66,048	2,026,102
Foreign currency translation	**71,155**	**29,423**	**1,845**	**4,161**	**909**	**2,243**	**109,736**
Additions	**12,653**	**178**	**–**	**–**	**7,387**	**20,728**	**40,946**
Acquisition through business combinations (*Note 5*)	**18**	**709,797**	**–**	**–**	**–**	**–**	**709,815**
Additions through lease agreements	**678**	**–**	**–**	**–**	**1,901**	**–**	**2,579**
Disposals	**(5,564)**	**–**	**(1,515)**	**–**	**(11,383)**	**(588)**	**(19,050)**
Amortization charge	**(56,355)**	**(47,549)**	**–**	**–**	**(21,614)**	**(3,575)**	**(129,093)**
Accumulated amortization and impairment on disposals	**5,559**	**–**	**1,515**	**–**	**11,279**	**421**	**18,774**
(Impairment)/reversal of impairment, net *(Note 29)*	**–**	**–**	**–**	**–**	**(23)**	**(305)**	**(328)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (*Note 7*)	**(151,210)**	**–**	**(96,206)**	**–**	**(2,501)**	**(3,222)**	**(253,139)**
Other transfers and reclassifications	**1,694**	**–**	**–**	**–**	**7,593**	**(9,287)**	**–**
Other changes	**–**	**1,953**	**–**	**–**	**253**	**(9,205)**	**(6,999)**
Net book value at December 31, 2024	**674,520**	**1,446,811**	**232,314**	**30,970**	**51,470**	**63,258**	**2,499,343**
Historical cost	**1,016,883**	**1,725,564**	**346,005**	**79,497**	**238,686**	**156,844**	**3,563,479**
Accumulated amortization and impairment	**(342,363)**	**(278,753)**	**(113,691)**	**(48,527)**	**(187,216)**	**(93,586)**	**(1,064,136)**
Net book value at December 31, 2024	**674,520**	**1,446,811**	**232,314**	**30,970**	**51,470**	**63,258**	**2,499,343**
Historical cost	1,102,731	973,032	441,880	68,816	243,184	148,895	2,978,538
Accumulated amortization and impairment	(306,839)	(220,023)	(115,205)	(42,007)	(185,515)	(82,847)	(952,436)
Net book value at December 31, 2023 (restated)	795,892	753,009	326,675	26,809	57,669	66,048	2,026,102

9. INTANGIBLE ASSETS (continued)

In millions of tenge	Licenses	Subsur-face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Including right−of−use assets under lease agreements							
Net book value at January 1, 2024	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Additions through lease agreements	**678**	**–**	**–**	**–**	**1,901**	**–**	**2,579**
Depreciation charge	**(10)**	**–**	**–**	**–**	**(38)**	**–**	**(48)**
Transfer to intangible assets	**(668)**	**–**	**–**	**–**	**–**	**–**	**(668)**
Net book value at December 31, 2024	**–**	**–**	**–**	**–**	**1,863**	**–**	**1,863**
Historical cost of right−of−use assets under lease agreements	**–**	**–**	**–**	**–**	**1,901**	**–**	**1,901**
Accumulated depreciation and impairment of right−of−use assets under lease agreements	**–**	**–**	**–**	**–**	**(38)**	**–**	**(38)**
Net book value at December 31, 2024	**–**	**–**	**–**	**–**	**1,863**	**–**	**1,863**

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

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

Cash-generating unit	**December 31, 2024**	December 31, 2023 (restated)
Pavlodar refinery CGU	**88,553**	88,553
Kcell JSC CGU	**53,490**	53,490
Karatau LLP CGU	**24,808**	24,808
JV Akbastau JSC CGU	**18,520**	18,520
National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") CGU	**15,520**	15,520
CGUs of KMGI	**13,737**	11,892
CGU Dunga *(Note 5)*	**9,814**	9,814
MC Ortalyk LLP CGU	**5,166**	5,166
IP TV CGU	**2,706**	2,706
MTS CGU *(Note 7)*	**–**	96,206
Total goodwill	**232,314**	326,675

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

10. EXPLORATION AND EVALUATION ASSETS

In millions of tenge	Tangible	Intangible	Total
Net book value at January 1, 2023	279,308	14,992	294,300
Foreign currency translation	(3,376)	–	(3,376)
Change in estimate	(374)	–	(374)
Additions	45,013	30,038	75,051
Disposals	(19,921)	(824)	(20,745)
Loss of control over subsidiaries (*Note 7*)	–	(14,678)	(14,678)
Impairment/write-off, net of reversal of impairment *(Note 29)*	(121,319)	(9,865)	(131,184)
Depreciation and impairment on disposals	19,918	648	20,566
Transfers from/(to) property, plant and equipment, net	(14,841)	355	(14,486)
Net book value at December 31, 2023	184,408	20,666	205,074
Foreign currency translation	**21,216**	**–**	**21,216**
Change in estimate	**3,959**	**(5)**	**3,954**
Additions	**29,050**	**13,285**	**42,335**
Acquisition through business combinations (*Note 5*)	**1,723**	**–**	**1,723**
Disposals	**(47,953)**	**(2,405)**	**(50,358)**
Loss of control over subsidiaries (*Note 7*)	**(191)**	**(100)**	**(291)**
Impairment/write-off, net of reversal of impairment *(Note 29)*	**(20,648)**	**(1,036)**	**(21,684)**
Depreciation and impairment on disposals	**47,953**	**2,082**	**50,035**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	**–**	**(16)**	**(16)**
Transfers from/(to) property, plant and equipment, net	**(13,481)**	**–**	**(13,481)**
Other transfers and reclassifications	**84**	**(84)**	**–**
Other changes	**58**	**(1,566)**	**(1,508)**
Net book value at December 31, 2024	**206,178**	**30,821**	**236,999**
Historical cost	**322,568**	**43,892**	**366,460**
Accumulated impairment	**(116,390)**	**(13,071)**	**(129,461)**
Net book value at December 31, 2024	**206,178**	**30,821**	**236,999**
Historical cost	316,150	34,783	350,933
Accumulated impairment	(131,742)	(14,117)	(145,859)
Net book value at December 31, 2023	184,408	20,666	205,074

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

In millions of tenge	**2024**	2023
North Caspian project	**161,838**	140,098
KMG Barlau	**27,199**	14,346
NAC KAP projects	**14,792**	26,019
Turgai paleozoi project	**14,604**	–
JSC "NC "QazaqGaz" projects	**5,590**	4,510
Embamunaigas JSC	**2,711**	1,509
Other	**10,265**	18,592
	236,999	205,074

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

As at December 31 investments in joint ventures and associates comprised the following:

			2024		2023	
In millions of tenge	**Main activity**	**Place of business**	**Carrying amount**	**Percentage ownership**	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP[1]	Oil and gas exploration and production	Kazakhstan	**3,987,223**	**20.00%**	3,598,510	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**781,532**	**50.00%**	978,536	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**307,283**	**50.00%**	280,300	50.00%
Mangistau Investments B.V. Group	Oil and gas development and production	Kazakhstan	**196,938**	**50.00%**	203,614	50.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	**88,018**	**50.00%**	93,258	50.00%
Forum Muider B.V.	Production of coal	Kazakhstan	**79,402**	**50.00%**	79,941	50.00%
Ural Group Limited	Oil and gas exploration and production		**67,860**	**50.00%**	7,641	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	**66,539**	**50.00%**	69,479	50.00%
Kazakhstan − China Pipeline LLP	Oil transportation	Kazakhstan	**66,202**	**50.00%**	53,358	50.00%
Silleno LLP[2]	Construction of the first integrated gas-chemical complex	Kazakhstan	**65,190**	**40.00%**	17,663	60.00%
Semizbay-U LLP	Extraction, processing and export of uranium products	Kazakhstan	**39,763**	**51.00%**	31,318	51.00%
Other			**273,295**		243,203	
Total joint ventures			**6,019,245**		5,656,821	
Associates						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	**540,455**	**29.82%**	432,557	29.82%
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	**484,247**	**20.75%**	451,913	20.75%
Air Astana JSC	Air transportation	Kazakhstan	**168,737**	**41.00%**	−	−
JV KATCO LLP	Exploration, production, processing and export of uranium	Kazakhstan	**138,146**	**49.00%**	97,501	49.00%
PetRepublic of Kazakhstanazakhstan Inc. ("PKI")	Exploration, production and processing of oil and gas	Kazakhstan	**82,175**	**33.00%**	94,887	33.00%
Other			**272,828**		166,328	
Total associates			**1,686,588**		1,243,186	
			7,705,833		6,900,007	

[1] *The share of 20% provides the Group the joint control over TCO where decisions about the relevant activities require unanimous consent.*
[2] *The share of 40% and 60% as at December 31, 2024 and 2023, respectively, provided the Group the joint control over Silleno where decisions about the relevant activities require unanimous consent.*

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of significant joint ventures, based on IFRS financial statements of these entities for 2024, reflecting equity method accounting adjustments:

In millions of tenge	Tengiz-chevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	TOO "Kalamkas-Khazar Operating"	Forum Muider B.V.	Ural Group Limited	KazRosGas LLP	Kazakhstan – China Pipeline LLP	Silleno LLP	Semizbay-U LLP
Joint ventures											
Non-current assets	**26,176,361**	**1,033,027**	**572,890**	**453,936**	**31,962**	**195,987**	**242,666**	**19,368**	**119,017**	**132,833**	**34,155**
Current assets, including	**2,664,463**	**731,998**	**126,431**	**237,009**	**6,307**	**90,157**	**23,706**	**127,977**	**49,543**	**1,918**	**75,899**
Cash and cash equivalents	**1,142,568**	**634,950**	**86,021**	**84,851**	**6,301**	**4,486**	**15,317**	**75,084**	**39,103**	**1,884**	**5,034**
Non-current liabilities, including	**7,086,258**	**164,754**	**67,684**	**140,577**	**43,328**	**14,006**	**47,481**	**403**	**22,936**	**–**	**7,316**
Non-current financial liabilities	**3,675,770**	**–**	**58,267**	**–**	**–**	**10,875**	**24,832**	**–**	**–**	**–**	**66**
Current liabilities, including	**1,818,449**	**37,207**	**53,348**	**159,532**	**5,819**	**113,335**	**19,923**	**13,864**	**13,220**	**5,623**	**16,301**
Current financial liabilities	**1,050,220**	**–**	**16,276**	**–**	**–**	**96,017**	**–**	**–**	**–**	**–**	**7,952**
Equity	**19,936,117**	**1,563,064**	**578,289**	**390,836**	**(10,878)**	**158,803**	**198,968**	**133,078**	**132,404**	**129,128**	**86,437**
Share of ownership	**20.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**40.00%**	**51.00%**
Recognition of investment (*Note 7*)	**–**	**–**	**–**	**–**	**93,258**	**–**	**–**	**–**	**–**	**–**	**–**
Impairment of the investment	**–**	**–**	**–**	**–**	**–**	**–**	**(20,000)**	**–**	**–**	**–**	**–**
Goodwill	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,105**
Unrealised profit/(loss)	**–**	**–**	**–**	**–**	**199**	**–**	**–**	**–**	**–**	**–**	**(8,557)**
Consolidation adjustments	**–**	**–**	**18,138**	**1,520**	**–**	**–**	**(11,624)**	**–**	**–**	**13,539**	**132**
Carrying amount of investment as at December 31, 2024	**3,987,223**	**781,532**	**307,283**	**196,938**	**88,018**	**79,402**	**67,860**	**66,539**	**66,202**	**65,190**	**39,763**
Revenue	**8,358,505**	**897,105**	**164,864**	**871,754**	**–**	**138,481**	**26,561**	**255,369**	**87,939**	**–**	**95,508**
Depreciation, depletion and amortization	**(2,615,840)**	**(73,064)**	**(30,168)**	**(94,355)**	**–**	**(12,466)**	**(6)**	**(312)**	**(10,267)**	**–**	**(7,869)**
Finance income	**116,985**	**39,451**	**4,538**	**1,800**	**139**	**5,630**	**–**	**6,602**	**2,688**	**–**	**752**
Finance costs	**(240,018)**	**(223)**	**(9,684)**	**(17,802)**	**(1,495)**	**(11,521)**	**(586)**	**–**	**(333)**	**–**	**(1,178)**
Income tax (expenses)/benefit	**(669,126)**	**(164,140)**	**–**	**(38,238)**	**–**	**(21)**	**9,581**	**(14,569)**	**(10,519)**	**–**	**(12,612)**
Profit/(loss) for the year	**1,517,402**	**651,445**	**89,965**	**71,452**	**(10,479)**	**(912)**	**(17,922)**	**38,315**	**41,688**	**(2,138)**	**48,624**
Other comprehensive income/(loss) for the year	**2,693,108**	**725**	**–**	**4,365**	**–**	**(167)**	**33,035**	**20,454**	**(1)**	**–**	**(38)**
Total comprehensive income/(loss) for the year	**4,210,510**	**652,170**	**89,965**	**75,817**	**(10,479)**	**(1,079)**	**15,113**	**58,769**	**41,687**	**(2,138)**	**48,586**
Unrealised profit	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,058)**
Dividends received	**458,813**	**523,089**	**18,000**	**44,584**	**–**	**–**	**–**	**53,276**	**8,000**	**–**	**13,277**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of significant joint ventures, based on IFRS financial statements of these entities for 2023, reflecting equity method accounting adjustments:

In millions of tenge	Tengiz-chevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	TOO "Kalamkas-Khazar Operating"	Forum Muider B.V.	Ural Group Limited	KazRosGas LLP	Kazakhstan − China Pipeline LLP	Silleno LLP	Semizbay-U LLP
Joint ventures											
Non-current assets	24,831,196	1,086,415	599,565	462,565	9,192	191,625	193,637	33,032	127,038	36,284	31,061
Current assets, including	1,863,832	1,055,299	150,686	199,708	1,232	87,470	11,475	148,932	49,554	5,546	52,012
Cash and cash equivalents	696,871	881,038	8,226	89,410	112	5,196	6,905	65,122	23,837	5,516	29,571
Non-current liabilities, including	7,434,076	161,112	130,617	132,981	10,376	11,220	145,798	238	23,107	−	7,677
Non-current financial liabilities	4,091,040	−	117,703	−	−	8,959	119,188	−	−	−	−
Current liabilities, including	1,268,404	23,530	95,311	119,109	324	107,993	4,033	42,769	46,768	18,511	11,512
Current financial liabilities	−	−	45,825	−	−	93,781	−	−	32,843	−	3,646
Equity	17,992,548	1,957,072	524,323	410,183	(276)	159,882	55,281	138,957	106,717	23,319	63,884
Share of ownership	20.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	60.00%	51.00%
Recognition of investment (*Note 7*)	−	−	−	−	93,258	−	−	−	−	−	−
Impairment of the investment	−	−	−	−	−	−	(20,000)			−	−
Goodwill	−	−	−	−	−	−	−	−	−	−	4,105
Unrealised profit/(loss)	−	−	−	−	138	−	−	−	−	(173)	(5,499)
Consolidation adjustments	−	−	18,138	(1,477)	−	−	−	−	−	3,844	131
Carrying amount of investment as at December 31, 2023	**3,598,510**	**978,536**	**280,300**	**203,614**	**93,258**	**79,941**	**7,641**	**69,479**	**53,358**	**17,663**	**31,318**
Revenue	8,796,634	856,980	178,259	878,362	−	131,225	(352)	260,125	86,843	−	70,757
Depreciation, depletion and amortization	(2,426,361)	(76,035)	(28,452)	(107,455)	−	(9,395)	(109)	(295)	(10,170)	−	(7,994)
Finance income	86,023	20,964	5,788	784	2	9,331	-	2,243	585	−	712
Finance costs	(283,225)	(3,808)	(16,971)	(14,411)	(118)	(1,083)	(606)	−	(3,628)	−	(838)
Income tax expenses	(730,465)	(127,111)	−	(47,354)	−	(7,139)	8,206	(13,996)	(9,341)	−	(8,506)
Profit/(loss) for the year	1,704,419	537,264	105,855	76,510	(44)	23,760	(94,011)	64,648	37,440	(992)	32,542
Other comprehensive (loss)/income for the year	(325,499)	(738)	−	1,285	−	(195)	(3,243)	(305)	1	−	−
Total comprehensive income/(loss) for the year	**1,378,920**	**536,526**	**105,855**	**77,795**	**(44)**	**23,565**	**(97,254)**	**64,343**	**37,441**	**(992)**	**32,542**
Unrealised profit	−	−	−	−	−	−	−	−	−	−	(3,572)
Dividends received	502,227	−	10,864	−	−	−	−	553	2,500	−	9,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of significant associates, based on IFRS financial statements of these entities for 2024 and 2023, reflecting equity method accounting adjustments:

	2024					2023			
In millions of tenge	**Kazzinc LLP**	**Caspian Pipeline Consortium JSC**	**Air Astana JSC***	**JV KATCO LLP**	**Petro-Kazakhstan Inc. ("PKI")**	Kazzinc LLP	Caspian Pipeline Consortium JSC	JV KATCO LLP	Petro-Kazakhstan Inc. ("PKI")
Associates									
Non-current assets	**1,102,652**	**2,109,714**	**651,008**	**221,614**	**174,833**	1,057,553	1,969,703	166,440	206,008
Current assets	**1,068,419**	**288,618**	**334,104**	**110,132**	**139,072**	834,858	295,663	88,943	138,626
Non-current liabilities	**97,412**	**8,147**	**529,300**	**14,464**	**16,382**	74,966	18,722	22,037	20,063
Current liabilities	**261,394**	**299,418**	**215,592**	**26,587**	**27,971**	366,986	279,064	14,872	16,497
Equity	**1,812,265**	**2,090,767**	**240,220**	**290,695**	**269,552**	1,450,459	1,967,580	218,474	308,074
Share of ownership	**29.82%**	**20.75%**	**41.00%**	**49.00%**	**33.00%**	29.82%	20.75%	49.00%	33.00%
Goodwill	**–**	**50,413**	**70,247**	**68**	**–**	–	43,640	68	–
Unrealised profit	**–**	**–**	**–**	**(19,567)**	**–**	–	–	(16,881)	–
Additional allocation of profits	**–**	**–**	**–**	**15,205**	**–**	–	–	7,261	–
Impairment of the investment	**–**	**–**	**–**		**(6,778)**	–	–	–	(6,778)
Carrying amount of investment	**540,455**	**484,247**	**168,737**	**138,146**	**82,175**	432,557	451,913	97,501	94,887
Revenue	**1,925,032**	**1,063,100**	**557,069**	**242,535**	**132,943**	1,668,169	1,039,509	147,448	128,343
Profit/(loss) for the year	**215,884**	**392,890**	**26,800**	**138,226**	**6,828**	(170,572)	310,160	66,006	14,814
Other comprehensive income/(loss) for the year	**–**	**334,726**	**32,042**	**–**	**20,354**	–	(42,915)	–	(4,927)
Total comprehensive income/(loss) for the year	**215,884**	**727,616**	**58,842**	**138,226**	**27,182**	(170,572)	267,245	66,006	9,887
Unrealised profit	**–**	**–**	**–**	**(2,687)**	**–**	–	–	(6,288)	–
Dividends received	**31,293**	**115,804**	**–**	**40,233**	**17,920**	–	124,585	49,689	2,864

* *The amounts of revenue, profit, other comprehensive income and total comprehensive income of Air Astana JSC represent the amounts accrued for the period from the date of loss of control to December 31, 2024.*

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

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate aggregate financial information of individually insignificant joint ventures (the Group's proportional interest):

In millions of tenge	**2024**	2023
Carrying amount of investments as at December 31	**273,295**	243,203
Net profit for the year	**79,129**	98,503
Other comprehensive income for the year	**4,659**	(1,701)
Total comprehensive income for the year	**83,788**	96,802

The following tables illustrate aggregate financial information of individually insignificant associates (the Group's proportional interest):

In millions of tenge	**2024**	2023
Carrying amount of investments as at December 31	**272,828**	166,328
Net profit for the year	**74,179**	65,799
Other comprehensive income / (loss) for the year	**12,952**	(7,503)
Total comprehensive income for the year	**87,131**	58,296

In 2024 dividends received from individually insignificant joint ventures and associates were equal to 124,149 million tenge (2023: 104,884 million tenge).

The following table summarizes the movements in equity investments in joint ventures and associates in 2024 and 2023:

In millions of tenge	**2024**	2023
Balance as at January 1	**6,900,007**	6,735,441
Share in profit of joint ventures and associates, net *(Note 32)*	**1,148,846**	945,079
Dividends received	**(1,448,438)**	(808,125)
Change in dividends receivable	**21,395**	(21,796)
Additional contributions without change in ownership	**75,610**	21,229
Acquisitions	**219,198**	100,820
Adjustment of unrealized income*	**(322)**	(2,140)
Disposals	**(7,169)**	(1)
Disposal of an interest in a joint venture without loss of joint control	**(6,393)**	–
Foreign currency translation	**738,074**	(100,768)
Other comprehensive income, other than foreign currency translation	**11,467**	5,916
Impairment, net *(Note 29)*	**(4,420)**	(5,073)
Other changes in the equity of the joint venture	**57,978**	29,425
Balance as at December 31	**7,705,833**	6,900,007

* *Adjustment of unrealized income includes unrealized income from sale of other non-current assets from joint ventures to Group and capitalized borrowings costs on the loans provided by the Group to joint ventures.*

As at December 31, 2024, the Group's share in unrecognized losses of joint ventures and associates was equal to 158,588 million tenge (December 31, 2023: 8,516 million tenge).

12. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE

As at December 31, loans issued and net investment in finance lease comprised the following:

In millions of tenge	**2024**	**Weighted average effective interest rate**	2023	Weighted average effective interest rate
Loans issued at amortized cost	**195,606**	**12.61%**	130,979	11.33%
Loans issued at fair value through profit or loss	**82,945**	**8.71%**	86,173	12.95%
Net investment in finance lease	**37,489**	**10.54%**	45,614	10.21%
Total loans and net investment in finance lease	**316,040**		262,766	
Less: allowance for expected credit losses	**(22,224)**		(28,756)	
Loans issued and net investment in finance lease, net	**293,816**		234,010	
Less: current portion	**(65,682)**		(131,472)	
Non-current portion	**228,134**		102,538	

Movements in the loan allowance for expected credit losses for the years ended December 31 were as follows:

In millions of tenge	**2024**	2023
Allowance at January 1	**28,756**	17,284
Charged, net	**(1,161)**	11,372
Acquisition through business combinations *(Note 5)*	**(1,280)**	–
Write-off	**(3,956)**	–
Other changes	**(135)**	100
Allowance at December 31	**22,224**	28,756

As at December 31, 2024 and 2023 for loans issued and net investment in finance lease for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). Since initial recognition of the loans and receivables due from related parties there have been no significant increases in credit risk.

As at December 31 the components of net investment in finance lease are as follows:

In millions of tenge	**2024**	2023
Within one year	**10,614**	12,674
Later than one year, but not later than five years	**26,120**	28,862
After five years	**13,545**	21,232
Lease payments	**50,279**	62,768
Less: unearned finance income	**(12,790)**	(17,154)
Net investment in finance lease	**37,489**	45,614

In millions of tenge	**2024**	2023
Loans issued and net investment in finance lease in tenge	**210,884**	145,335
Loans issued in US dollars	**82,932**	88,675
	293,816	234,010

13. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at December 31 amounts due from credit institutions comprised the following:

In millions of tenge	**2024**	2023
Bank deposits	**1,525,420**	1,258,181
Loans to credit institutions	**32,345**	41,119
Less: allowance for expected credit losses	**(260)**	(420)
Amounts due from credit institutions, net	**1,557,505**	1,298,880
Less: current portion	**(1,523,660)**	(1,243,196)
Non-current portion	**33,845**	55,684

In millions of tenge	**2024**	2023
Rating from A+(A1) to A-(A3)	**1,511,294**	1,217,905
Rating from BBB-(Baa3) to BB-(Ba3)	**45,725**	80,531
Rating from B+(B1) to B-(B3)	**486**	444
	1,557,505	1,298,880

In millions of tenge	**2024**	**Weighted average effective interest rate**	2023	Weighted average effective interest rate
Amounts due from credit institutions, denominated in US dollars	**1,515,113**	**4.88%**	1,227,916	5.68%
Amounts due from credit institutions, denominated in tenge	**42,024**	**3.07%**	70,671	6.28%
Amounts due from credit institutions, denominated in other currencies	**368**	**9.97%**	293	6.62%
	1,557,505		1,298,880	

As at December 31, 2024 there has not been a significant increase in credit risk for amounts due from credit institutions since their initial recognition.

14. OTHER FINANCIAL ASSETS

As at December 31 other financial assets comprised the following:

In millions of tenge	**2024**	2023
Financial assets at fair value through other comprehensive income, including:	**436,964**	46,696
Treasury notes of foreign governments	**274,390**	23,844
Treasury bills of the Ministry of Finance of the RK	**98,599**	6,869
Corporate bonds	**58,827**	15,910
Eurobonds of the Ministry of Finance of the RK	**5,075**	–
Equity securities	**73**	73
Financial assets at amortized cost, including:	**1,134,507**	1,513,528
Bonds of Kazakhstani financial institutions	**459,758**	791,958
Corporate bonds	**138,375**	123,472
Treasury notes of foreign governments	**76,425**	99,079
Notes of the National Bank of the RK	**69,901**	122,178
Treasury bills of the Ministry of Finance of the RK	**33,676**	18,462
Eurobonds of the Ministry of Finance of the RK	**6,030**	1,936
Other financial assets at amortized cost, including:		
Restricted cash	***223,120***	*186,347*
Other accounts receivable	***227,660***	*233,692*
Amounts due from employees	***12,046***	*13,530*
Dividends receivable	***8,308***	*21,262*
Reservation of cash for repayment of borrowings	**–**	*2,530*
Other	***12,919***	*13,670*
Less: allowance for expected credit losses	**(133,711)**	(114,588)
Financial assets at fair value through profit or loss, including:	**197,670**	168,287
Equity securities	**169,060**	136,850
Additional consideration for sale of a subsidiary	**17,461**	13,862
Guaranteed returns from a shareholder of a joint venture	**10,798**	13,728
Corporate bonds	**351**	1,762
Options	**–**	2,085
Total financial assets	**1,769,141**	1,728,511
Less: current portion	**(704,277)**	(1,134,317)
Non-current portion	**1,064,864**	594,194

Debt securities

During the year ended December 31, 2024 as part of its free cash flow management strategy the Group was investing into notes of the National Bank of the RK with maturities of less than twelve months, that are usually held to maturity. As of December 31, 2024 the investment amounted to 69,901 million tenge (December 31, 2023: 122,178 million tenge).

During the year ended December 31, 2024 the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury), Ministries of Finance of the RK and other foreign countries. As of December 31, 2024 the investment amounted to 494,195 million tenge (December 31, 2023: 150,190 million tenge).

As at December 31 other financial assets by currency, except for derivatives, comprised:

In millions of tenge	**2024**	2023
Financial assets, denominated in tenge	**917,103**	1,265,181
Financial assets, denominated in US dollars	**819,579**	437,477
Financial assets, denominated in euro	**15,870**	15,059
Financial assets, denominated in other currency	**16,589**	8,709
	1,769,141	1,726,426

15. INVENTORIES

As at December 31 inventories comprised the following:

In millions of tenge	**2024**	2023
Uranium products (at lower of cost and net realizable value)	**314,367**	328,015
Production materials and supplies (at lower of cost and net realizable value)	**143,297**	129,158
Oil refined products for sale (at lower of cost and net realizable value)	**92,028**	61,621
Crude oil (at cost)	**90,509**	82,354
Gas processed products (at cost)	**87,291**	64,123
Work in progress (at lower of cost and net realizable value)	**80,658**	104,378
Goods for resale (at lower of cost and net realizable value)	**69,998**	58,455
Oil and gas industry materials and supplies (at cost)	**45,979**	53,786
Fuel (at lower of cost and net realizable value)	**34,101**	40,305
Railway industry materials and supplies (at cost)	**23,496**	25,547
Electric transmission equipment spare parts (at cost)	**8,333**	7,400
Uranium industry materials and supplies (at lower of cost and net realizable value)	**2,701**	3,374
Telecommunication equipment spare parts (at cost)	**2,488**	2,526
Aircraft spare parts (at cost)	**–**	1,560
Other materials and supplies (at lower of cost and net realizable value)	**34,746**	46,044
	1,029,992	1,008,646

As at December 31, 2024 carrying value of inventories under pledge as collateral amounted to 225,074 million tenge (December 31, 2023: 186,378 million tenge).

16. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS

As at December 31 trade accounts receivable comprised the following:

In millions of tenge	**2024**	2023
Trade accounts receivable	**1,514,191**	1,366,846
Less: allowance for expected credit losses	**(64,587)**	(73,988)
	1,449,604	1,292,858

At December 31, 2024 the Group's receivables of 181,346 million tenge were pledged under certain Group borrowings (December 31, 2023: 197,651 million tenge).

As at December 31 other assets comprised the following:

In millions of tenge	**2024**	2023
Advances paid for non-current assets	**932,933**	899,680
Long-term VAT receivable	**400,530**	332,795
Assets under agency agreements	**272,513**	190,178
Other advances paid and deferred expenses	**222,370**	183,403
Other prepaid taxes	**88,206**	118,229
Long-term inventories	**25,061**	18,788
Non-financial assets for distribution to the Shareholder	**20,149**	–
Other	**45,082**	52,252
Less: impairment allowance	**(153,329)**	(128,957)
Total other assets	**1,853,515**	1,666,368
Less: current portion	**(535,664)**	(445,854)
Non-current portion	**1,317,851**	1,220,514

Assets under agency agreements are mainly represented by the funds of 272,513 million tenge transferred to the construction companies as part of the execution of contracts on comprehensive works and services for the construction of facilities within the framework of the pilot National project "Comfort School", where the Group acts as an agent under IFRS 15 (as at December 31, 2023: 190,178 million tenge) (*Note 24*).

16. TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS (continued)

The Group revised the classification of assets related to corporate income tax withheld as at December 31, 2023 and reclassified the assets in the amount of 40,121 million tenge from other current assets to other non-current assets. This reclassification had no impact on the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.

As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk city which is the subject for further transfer to the Shareholder. On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act.

Movements in the allowance for expected credit losses for trade accounts receivable for the years ended December 31 were as follows:

In millions of tenge	**2024**	2023
Allowance at January 1	**73,988**	62,147
Charged, net	**(4,578)**	31,303
Foreign exchange difference, net	**2,300**	(320)
Transfers to assets classified as held for sale or distribution to the Shareholder	**(1,468)**	(266)
Write-off	**(6,014)**	(18,855)
Other changes	**359**	(21)
Allowance at December 31	**64,587**	73,988

Movements in the impairment allowance for other current assets for the years ended December 31 were as follows:

In millions of tenge	**2024**	2023
Allowance at January 1	**128,957**	69,797
Charged, net	**27,221**	59,287
Foreign exchange difference, net	**168**	109
Transfers to assets classified as held for sale or distribution to the Shareholder	**(1,219)**	(84)
Write-off	**(808)**	(152)
Other changes	**(990)**	–
Allowance at December 31	**153,329**	128,957

17. CASH AND CASH EQUIVALENTS

As at December 31 cash and cash equivalents comprised the following:

In millions of tenge	**2024**	2023
Bank deposits − US dollars	**1,018,564**	816,838
Bank deposits − tenge	**781,196**	441,364
Bank deposits − other currency	**64,303**	79,121
Current accounts with banks − US dollars	**496,029**	467,059
Current accounts with banks − tenge	**111,632**	122,711
Current accounts with banks − other currency	**24,415**	16,271
Reverse repurchase agreements with contractual maturity of three months or less	**367,286**	465,653
Cash in accounts for servicing budget programs in accordance with the legislation of the RK	**221,505**	306,153
Cash on digital accounts	**117,719**	–
Balances on brokerage accounts payable on demand	**706**	10,119
Cash on hand	**8,404**	8,997
Cash in transit	**2,140**	6,461
Less: allowance for expected credit losses	**(1,657)**	(411)
	3,212,242	2,740,336

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 and other securities with maturities of up to 3 months.

17. CASH AND CASH EQUIVALENTS (continued)

As at December 31, 2024 cash on digital accounts represents programmable digital tenge for the modernisation of the Dostyk-Moiynty railway transport corridor.

At December 31, 2024, the Group had cash in the amount of 221,505 million tenge (at December 31, 2023: 306,153 million tenge) which is represented by a cash control account in the regional treasury department of the Ministry of Finance of RK opened with a purpose of the implementation of the pilot national project "Comfortable School" in the amount of 199,897 million tenge (at December 31, 2023: 306,153 million tenge) and the construction of an infrastructure facility for water treatment for the special economic zone "National Industrial Petrochemical Technopark" in the amount of 21,608 million tenge.

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 December 31, 2024 the weighted average interest rates for short-term bank deposits were 14.74% in tenge, 4.07% in US dollars, 5.18% in other currency; and current accounts were 1.53% in tenge, 2.67% in USD dollars, 1.88% in other currency, respectively (December 31, 2023: the weighted average interest rates for short-term bank deposits were 15.23% in tenge, 5.22% in US dollars, 5.97% in other currency; and current accounts were 3.74% in tenge, 4.24% in USD dollars, 0.74% in other currency, respectively).

18. EQUITY

18.1 Share capital

During 2024 and 2023 the Fund issued common shares, which were paid as follows:

Payment for shares	Number of shares authorized and issued	Par value per share, in tenge	Share capital in millions of tenge
As of January 1, 2023	3,481,961,409		5,268,819
Shares issued during the year:			
Shares issued and paid by contributions of state-owned interests in subsidiaries	1	89,206,406,162	89,206
	50	723,663,220	36,183
	40	586,110,925	23,445
	100	64,469,200	6,447
Shares issued and paid by contribution of property	1,000	16,915,397	16,915
	20	114,504,250	2,290
Shares issued and paid by cash	6,000	8,246,277	49,478
As of December 31, 2023	3,481,968,620		5,492,783
Shares issued during the period:			
Shares issued and paid by contributions of state-owned interests in subsidiary and joint venture	**100**	**387,371,430**	**38,737**
	100	**92,941,670**	**9,294**
	1	**57,672,000**	**58**
As of December 31, 2024	**3,481,968,821**		**5,540,872**

As at December 31, 2024: 3,481,968,821 shares of the Fund were fully paid (December 31, 2023: 3,481,968,620 shares).

Contribution of state-owned interests in subsidiary and joint venture

On January 24, 2024, the Fund issued 100 shares at par value of 387,371,430 tenge and 1 share at par value of 57,672,000 tenge for the total amount of 38,795 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of GPCI (*Note 6*) and 50% of interest in authorized capital of "Soft Art" LLP (*Note 11*). The fair value of the investments was equal to the nominal amount of issued shares. The difference between the consideration transferred and the net assets of GPCI was recognized in retained earnings.

18. EQUITY (continued)

18.1 Share capital (continued)

Contribution of state-owned interests in subsidiary and joint venture (continued)

On September 27, 2024 the Fund issued 100 shares at par value of 92,941,670 tenge for the amount of 9,294 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of Asiagas Chundzha in accordance with the Resolution of the Government of the RK (*Note 6*). The difference between the consideration transferred and the net assets of Asiagas Chundzha was recognized in retained earnings.

On April 19, 2023 the Fund issued 50 shares at par value of 723,663,220 tenge and 40 shares at par value of 586,110,925 tenge for the total amount of 59,628 million tenge, which were paid off by the Shareholder by means of 100% of interest in "AES Shulbinskaya GES" LLP (hereinafter- "Shulbinskaya GES") and "AES Ust-Kamenogorskaya GES" LLP (hereinafter- "UK GES") in accordance with the Resolution of the Government of the RK. In 2024 the Fund transferred these companies to the subsidiary, "Samruk-Energy" JSC (hereinafter – "Samruk-Energy"), as a contribution to the share capital.

Also, on September 12, 2023, the Fund issued 100 shares at par value of 64,469,200 tenge for the amount of 6,447 million tenge, which were paid off by the Shareholder by shares of National Geological Exploration Company "Kazgeology" (hereinafter – "Kazgeology") in accordance with the Resolution of the Government of the RK. Shares of Kazgeology were transferred to the share capital of subsidiary TKS.

These transactions represent business combination of entities under common control and are accounted for retrospectively under the pooling of interest method based on the predecessor's values. Accordingly, consolidated financial statements for 2023 were presented as if the interests of entities were transferred at the beginning of the earliest presented period. As a result of these transactions the share capital of the Fund was increased by 66,075 million tenge with respective decrease in the retained earnings in consolidated financial statements.

On September 12, 2023 in accordance with the Resolution of the Government of the RK the Shareholder transferred the 28.8% non-controlling interest in Kazakhtelecom JSC to the Fund as a payment for the share issued at par value of 89,206,406,162 tenge, as a result of which the Group's share in Kazakhtelecom JSC increased to 80.85%. Fair value of the transferred sgares is 89,206 million tenge. As a result of this transaction the difference of acquired the non-controlling interest of 235,168 million tenge and fair value of transferred shares of 89,206 million tenge was recognized as an increase of retained earnings of 145,962 million tenge in the consolidated statement of changes in equity.

Property contributions

On April 14 and August 9, 2023 the Fund issued 1,000 shares at par value of 16,915,397 tenge and 20 shares at par value of 114,504,250 tenge, which were paid off by the Shareholder by an immovable properties with a fair value of 19,205 million tenge. These properties was transferred to the share capital of subsidiaries Qazaq Gas and Samruk-Energy.

Cash contributions

In November 2023, the Shareholder made cash contributions to the Fund's share capital of 49,478 million tenge. These amounts were aimed to finance the project "Construction of Infrastructure facilities on the territory of SEZ "National Industrial Petrochemical Technopark" (*Note 17*).

18.2 Additional paid-in capital

During 2024, the Fund received republican property in the form of gas supply facilities in the total amount of 243,931 million tenge from the Shareholder as the payment for future issued shares of the Fund. As of December 31, 2024, the property was recognized as additional paid-in capital.

18.3 Dividends

Dividends attributable to equity holder of the Parent

During 2024 in accordance with the Resolutions of the Government of the RK the Fund declared and paid dividends to the Shareholder in the total amount of 736,819 million tenge from retained earnings of 2022 and 2023.

On December 26, 2023 according to the Resolution of the Government of the RK dated December 19, 2023 the Fund declared and paid dividends to the Shareholder of 238,027 million tenge on financial results for 2022.

18. EQUITY (continued)

18.3 Dividends (continued)

During the period of October to November, 2023, according to the Resolution of the Government of the RK dated October 20, 2023 the Fund paid dividends to the Shareholder of 1,026,726 million tenge from the retained earnings of 2021.

On April 4, 2023 Shulbinskaya GES and UK GES paid dividends to the Shareholder in the amount of 2,227 million tenge and 1,872 million tenge, respectively, based on financial results of 2022.

Dividends attributable to equity holder of the Parent (continued)

Due to the fact that these subsidiaries of the Group were transferred to the Group on April 19, 2023, and these transfers represented business combination of entities under common control, dividends paid to the Shareholder by these companies were reflected as dividends attributable to equity holder of the Parent in the consolidated statement of changes in equity.

Dividends attributable to non-controlling interests

During 2024 the Group declared dividends of 313,079 million tenge to the holders of non-controlling interests in groups of National Atomic Company "Kazatomprom" JSC ("NAC KAP"), NC KMG, Kazakhtelecom JSC ("KTC"), Kazakhstan Electricity Grid Operating Company JSC ("KEGOC"), NC KTZh and "Samruk-Kazyna Business Service" LLP. Total amount of dividends paid to the holders of non-controlling interests during in 2024 equaled 313,311 million tenge.

During 2023 the Group declared dividends of 172,201 million tenge to the holders of non-controlling interests in groups of NAC KAP, NC KMG, KTC, "Air Astana" JSC, KEGOC, NC KTZh, "Samruk-Kazyna Business Service" LLP and "Samruk-Kazyna Ondeu" LLP ("SKO"). Total amount of dividends paid to the holders of non-controlling interests during 2023 equaled 173,976 million tenge.

18.4 Distributions to the Public Foundation "Qazaqstan halqyna"

In accordance with Article 20 of the Law of the RK "On the National Welfare Fund", the Fund annually allocates funds to a non-profit organization represented by the public foundation "Qazaqstan halqyna" (hereinafter - "Public Foundation") in the amount of not less than 7% of the Fund's net income according to separate financial statements. According to the Shareholder's resolution, the Fund has recognized an obligation to allocate funds to the Public Foundation in the amount of 50,000 million tenge (in 2023: 66,614 million tenge). During 2024 the Fund transferred the funds to the Public Foundation in the amount of 45,964 million tenge (during 2023: 20,650 million tenge).

18.5 Other distributions to the Shareholder

Social projects financing

During 2024 in accordance with the Shareholder's resolution, the Fund recognised liabilities for financing of gasification projects of settlements of RK for the amount 105,094 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As at December 31, 2024 the Fund fully repaid these liabilities.

Also, during 2024 in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of various social projects, including financing of the projects aimed at the development of physical culture and sports of RK in the total amount of 30,736 million tenge (during 2023: 32,730 million tenge). As at December 31, 2024 the Fund repaid these liabiltites in the total amount of 32,779 million tenge (2023: 32,730 million tenge).

Financing construction of social facilities

During 2024 in accordance with the Shareholder's resolutions, the Fund recognised liabilities for financing construction of social facilities in the total amount of 60,580 million tenge as other distribution to the Shareholder in the consolidated statement of changes in equity. As of December 31, 2024 the Group made repayment of these liabilities in the total amount of 10,579 million tenge.

During 2022, in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of the construction of National coordination center for emergency medicine in Astana city with 200 beds and National Scientific Center of infectious diseases in Almaty city with 350 beds in the amount of 166,867 million tenge. During 2024 the Group made repayment of liabilities in the amount of 40,571 million tenge (during 2023: 44,792 million tenge).

18. EQUITY (continued)

18.5 Other distributions to the Shareholder (continued)

Financing construction of social facilities (continued)

During 2023, in accordance with the Shareholder's resolution on the construction of a Perinatal center in Astana, the Group recognised liabilities of 65,000 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As of December 31, 2023 the Group made repayment of liabilities in the amount of 19,149 million tenge.

18.6 Other transactions with the Shareholder

"Kazakhstan Housing Company" JSC (hereinafter – "KHC")

On May 6, 2024, the Fund and KHC concluded credit line agreement in the amount up to 272,000 million tenge with an interest rate of 0.01% per annum and a repayment period of 10 years in order to finance the project according to the Decree of the Government of the RK. At the same date the Fund recognized a commitment to provide a loan to KHC at below market rate with fair value of 172,009 million tenge. The loan commitment determined as a difference between the fair value of the unused credit limit and its nominal value was recognized as a decrease in equity within other transactions with the Shareholder in the consolidated statement of changes in equity.

In 2024, the Fund provided loan in the full amount of 272,000 million tenge and recognized respective decrease in the loan commitment of 168,134 million tenge. Difference between the amount of initial recognition of the loan obligation and the subsequent reduction of the obligation due to the utilization of the credit line was recognized as amortization of the loan obligation in the amount of 3,875 million tenge as part of interest income in the statement of comprehensive income.

Construction of the multifunctional sport and recreation complex in Uralsk

During 2023 in accordance with the Order of the President of the RK on the construction of the multifunctional sport and recreation complex in Uralsk (hereinafter – "the Sport Complex") as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Group recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge and reflected it in the consolidated statement of changes in equity. In 2024 the Group increased the accrual of the liability on construction by 1,989 million tenge (*Note 21*).

As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk. On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act. As of December 31, 2024, the Group offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sport Complex (*Notes 16, 21*).

Financing of the Akimat of Astana

In accordance with the Shareholder's resolution, in September 2024 the Fund recognized an obligation to finance the Akimat of the city of Astana for implementation of infrastructure projects in Astana in the amount of 35,029 million tenge. As of December 31, 2024 the Group fully repaid these liabilities.

Capital repair of Ekibastuz TPP

In 2024 in accordance with Government's instruction, for the purpose of ensuring uninterrupted heat supply to the population of the city of Ekibastuz, the Group recognized the liability on capital repair of Ekibastuz TPP in the amount of 12,597 million tenge and reflected it in the consolidated statement of changes in equity (*Note 21*).

18.7 Transfer of assets to the Shareholder

In 2024 in accordance with the Shareholder's resolution the Group recognized obligation on transfer of movable and immovable assets with the book value of 14,848 million tenge as transfer of assets to the Shareholder in the consolidated statement of changes in equity (*Note 24*). During 2024 the Group transferred movable and immovable assets with the book value of 12,370 million tenge.

In 2023 in accordance with the Shareholder's order, the Group transferred an immovable property with the carrying amount of 3,796 million tenge to the President's Affairs Administration of the RK. This transaction was reflected as a transfer of assets to the Shareholder in the consolidated statement of changes in equity.

18. EQUITY (continued)

18.8 Discount on loans from the Government

During 2024, the Fund placed bonds in the amount of 238,256 million tenge. The difference between nominal and fair value in the amount of 49,204 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 20*).

18.8 Discount on loans from the Government (continued)

During 2023, the Fund placed bonds in the amount of 173,709 million tenge. The difference between nominal and fair value in the amount of 38,435 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 20*).

During 2023, the Fund received loan in the amount of 162,600 million tenge. The difference between nominal and fair value in the amount of 139,497 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 20*).

18.9 Change in ownership interests of subsidiaries − disposal of interest that does not result in the loss of control

NAC KAP

In accordance with the Shareholder's resolution, in July 2024 the Fund sold 12.01% shares of NAC KAP to the National Fund of the RK (trustee manager of the "National Bank of the RK"). As a result of the deal the Fund received proceeds of 467,423 million tenge, non-controlling interests increased by 169,024 million tenge, and the difference of 327 million tenge and 298,726 million tenge was recognized as decrease of revaluation reserve of investments at fair value through other comprehensive income and increase of retained earnings, respectively.

NC KMG

In 2023 the Fund sold 20% shares of KMG to the "National Bank of the Republic of Kazakhstan" in the amount of 1,300,000 million tenge. As a result of the deal the Fund received proceeds of 1,300,000 million tenge, non-controlling interests increased by 2,096,861 million tenge, and the difference of 842,858 million tenge and 45,821 million tenge was recognized as decrease of currency translation reserve and increase of retained earnings attributable to the equity holder of the Parent, respectively.

KEGOC

In November 2023 as part of the SPO (secondary public offering) program, KEGOC conducted a secondary placement of ordinary shares totaling 15,294,118 shares at a price of 1,482 tenge on organized securities markets (KASE and AIX).

As a result of the secondary placement of shares, the Group received an amount of 22,123 million tenge, after deducting transaction expenses totaling 543 million tenge. The non-controlling interest increased by 16,916 million tenge, and the difference was recognized as an increase in retained earnings in the amount of 5,207 million tenge.

18.10 Non-controlling interests

The following tables illustrate information of subsidiaries in which there is significant non-controlling interests as at December 31:

	Non-controlling interests			
	2024		2023	
	Share	**Carrying amount**	Share	Carrying amount
NC KazMunayGas JSC	**32.58%**	**3,810,913**	32.58%	3,320,199
NAC Kazatomprom JSC	**37.01%**	**1,715,446**	25.00%	862,335
Kazakhtelecom JSC	**19.15%**	**241,995**	19.15%	229,731
KEGOC JSC	**15%**	**62,304**	15%	55,160
Air Astana JSC	**–**	**–**	49.00%	47,522
Other		**158,672**		94,304
		5,989,330		4,609,251

All significant subsidiaries with non-controlling interests are registered in Kazakhstan.

18. EQUITY (continued)

18.10 Non-controlling interests (continued)

The following tables illustrate summarized financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2024 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC	Kazakhtelecom JSC	KEGOC JSC
Summarized statement of financial position				
Non-current assets	**14,928,977**	**2,195,342**	**869,853**	**516,984**
Current assets	**4,005,670**	**1,626,539**	**773,568**	**136,886**
Non-current liabilities	**5,566,680**	**403,345**	**315,938**	**200,594**
Current liabilities	**1,443,683**	**420,985**	**472,637**	**37,914**
Total equity	**11,924,284**	**2,997,551**	**854,846**	**415,362**
Attributable to:				
Equity holder of the Parent	**8,113,371**	**1,282,105**	**612,851**	**353,058**
Non-controlling interests	**3,810,913**	**1,715,446**	**241,995**	**62,304**
Summarized statement of comprehensive income				
Revenue	**8,330,261**	**1,813,352**	**731,118**	**319,906**
Profit for the year	**1,094,247**	**1,132,115**	**77,231**	**92,199**
Other comprehensive income/ (loss)	**1,042,821**	**853**	**(3,064)**	**–**
Total comprehensive income for the year, net of tax	**2,137,068**	**1,132,968**	**74,167**	**92,199**
Attributable to:				
Equity holder of the Parent	**2,136,253**	**873,133**	**71,121**	**92,199**
Non-controlling interests	**815**	**259,835**	**3,046**	**–**
Dividends declared to non-controlling interests	**100,546**	**198,608**	**4,836**	**6,685**
Summarised cash flow information				
Operating activity	**1,064,031**	**516,487**	**199,578**	**106,359**
Investing activity	**(263,134)**	**(42,415)**	**(242,358)**	**(53,687)**
Financing activity	**(780,560)**	**(415,264)**	**(5,065)**	**(46,145)**
Net increase/(decrease) in cash and cash equivalents	**20,337**	**58,808**	**(47,845)**	**6,527**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. EQUITY (continued)

18.10 Non-controlling interests (continued)

The following tables illustrate summarized financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2023 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC	Kazakhtelecom JSC	KEGOC JSC	Air Astana JSC
Summarized statement of financial position					
Non-current assets	13,504,064	1,308,584	1,265,576	483,938	430,146
Current assets	3,437,037	1,290,708	217,424	120,371	189,166
Non-current liabilities	5,010,269	160,213	390,631	198,049	315,072
Current liabilities	1,534,218	430,812	288,706	38,527	207,256
Total equity	**10,396,614**	**2,008,267**	**803,663**	**367,733**	**96,984**
Attributable to:					
Equity holder of the Parent	7,076,415	1,145,932	573,932	312,573	49,462
Non-controlling interests	3,320,199	862,335	229,731	55,160	47,522
Summarized statement of comprehensive income					
Revenue	8,319,543	1,434,635	669,468	252,136	533,071
Profit for the year	926,678	580,335	104,403	71,563	30,739
Other comprehensive (loss)/income	(117,847)	(357)	1,998	–	3,315
Total comprehensive income for the year, net of tax	**808,831**	**579,978**	**106,401**	**71,563**	**34,054**
Attributable to:					
Equity holder of the Parent	845,194	418,835	95,065	71,563	34,054
Non-controlling interests	(36,363)	161,143	11,336	–	–
Dividends declared to non-controlling interests	39,226	117,174	7,048	3,336	3,683
Summarised cash flow information					
Operating activity	966,144	432,225	240,883	67,265	122,738
Investing activity	(53,771)	(61,200)	(403,934)	(28,064)	(20,994)
Financing activity	(608,388)	(319,425)	(3,019)	(21,385)	(91,459)
Net increase/(decrease) in cash and cash equivalents	**303,985**	**51,600**	**(166,070)**	**17,816**	**10,285**

18. EQUITY (continued)

18.11 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. In 2024 foreign translation difference amounted to 1,209,829 million tenge before tax of 90,712 million tenge (2023: 158,461 million tenge before tax of 11,101 million tenge).

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As at December 31, 2024 unrealized foreign currency loss of 363,581 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income (2023: gain of 46,478 million tenge).

18.12 Hedge reserve

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.

For the year ended December 31, 2024, the effective part of 1,464 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value loss on cash flow hedging instruments (for the year ended December 31, 2023: 849 million tenge as net fair value gain on cash flow hedging instruments). Hedge expense attributable to non-controlling interests comprised 477 million tenge (2023: hedge income attributable to non-controlling interests of 101 million tenge).

NC KTZh

During 2024, the Group implemented a cash flow hedge to reduce the risk of changes in tenge equivalent revenue from freight transit transportation denominated in Swiss Francs. To confirm highly probable transactions, the Group relied on the existence of a history of cash flows from freight transit transportation in Swiss Francs, sufficient infrastructure, as well as a favourable geographical location for freight transit transportation. The Group has a monopoly in terms of access to the main railway network and dominates in freight transportation services.

The principal debt of the Group's loans of 1,070 million Swiss Francs, with fixed repayment schedules fully consistent with projected freight transit revenue flows in Swiss Francs, is a hedging instrument that is separately identifiable and reliably measurable. As at 31 December 2024, the carrying value of these loans amounted to 598,982 million tenge. The hedged item in this respect is the highly probable revenue from transit transportation of 1,070 million Swiss Francs for the period from November 21, 2024 to November 15, 2034, of which 139 million Swiss Francs are repayable in 2025. At the commencement date of the hedging relationship, the hedge effectiveness has been confirmed at 100%, reflecting full compliance with the terms of the instruments and the hedged items.

As at December 31, 2024, the effective portion of 20,399 million tenge was allocated to the hedge reserve in other comprehensive income as fair value loss arising on cash flow hedging instruments. The deferred tax effect amounted to 4,080 million tenge.

In December 2024, the revenue from freight transportation in international (transit) route, which is the cash flow hedged item, was received, and respectively, the accumulated loss of 412 million tenge attributable to the hedging instrument was reclassified from other comprehensive income to revenue from freight transportation. The deferred tax effect amounted to 82 million tenge.

Air Astana JSC

In 2015 Air Astana JSC 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.

18. EQUITY (continued)

18.12 Hedge reserve (continued)

Air Astana JSC (continued)

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 December 31, 2022 shall remain in equity until the forecasted revenue cash flows are received.

During 2023 amount reclassified from the hedging reserve to foreign exchange loss from inception of the hedge was 5,191 million tenge before tax of 1,038 million tenge. Hedge income attributable to non-controlling interests comprised 2,544 million tenge before tax of 509 million tenge.

18.13 Other capital reserves

Other capital reserves include mainly remuneration of employees for the services rendered in the form of share-based payments with equity instruments of a subsidiary in which they are employed. The cost of equity-settled remunerations is recognized, together with a corresponding increase in other capital reserves, over the period in which performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

18.14 Book value and earnings per share

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.

In millions of tenge	**2024**	2023 (restated)*
Total assets	**41,099,656**	36,924,734
Less: intangible assets	**(2,499,343)**	(2,026,102)
Less: total liabilities	**(15,506,172)**	(15,185,202)
Net assets for common shares	**23,094,141**	19,713,430
Number of common shares as at December 31	**3,481,968,821**	3,481,968,620
Book value per common share, tenge	**6,632**	5,662
Earnings per share		
Net profit for the year attributable to Equity holder of the Parent	**2,354,397**	1,699,569
Weighted average number of common shares for basic and diluted earnings per share	**3,481,968,741**	3,481,963,068
Basic and diluted share in net profit for the period attributable to Equity holder of the Parent	**676.17**	488.11

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

Basic earnings per share is calculated by dividing the profit or loss attributable to Equity holder of the Parent by the weighted average number of common shares during the year. The Group has no dilutive potential common shares, therefore, the diluted earnings per share equals the basic earnings per share.

19. BORROWINGS

As at December 31 borrowings, including interest payable, comprised the following:

In millions of tenge	**2024**	**Weighted average effective rate**	2023	Weighted average effective rate
Fixed interest rate borrowings	***4,712,432***		*4,840,980*	
Loans received	**816,521**	**9.87%**	902,851	11.71%
Debt securities issued	**3,895,911**	**6.11%**	3,938,129	6.11%
Floating interest rate borrowings	***1,955,736***		*1,522,922*	
Loans received	**1,818,519**	**8.09%**	1,252,063	9.44%
Debt securities issued	**137,217**	**15.45%**	270,859	18.82%
	6,668,168		6,363,902	
Less: amounts due for settlement within 12 months	**(836,272)**		(980,684)	
Amounts due for settlement after 12 months	**5,831,896**		5,383,218	

In millions of tenge	**2024**	2023
US dollar-denominated borrowings	**3,652,455**	3,682,629
Tenge-denominated borrowings	**1,928,150**	2,137,211
Swiss francs-denominated borrowings	**687,822**	256,070
Euro-denominated borrowings	**309,261**	223,659
Rubles-denominated borrowings	**79,276**	51,207
Other currency-denominated borrowings	**11,204**	13,126
	6,668,168	6,363,902

As at December 31, the bonds comprised:

In millions of tenge	**Issuance amount**	**Redemption date**	**Effective interest rate**	**December 31, 2024**	December 31, 2023
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	**778,795**	669,582
Bonds LSE 2018	1.25 billion USD	2030	5.375%	**644,556**	562,142
Bonds LSE 2017	1.25 billion USD	2047	5.75%	**639,143**	552,309
Bonds LSE 2020	750 million USD	2033	3.50%	**389,109**	336,780
Bonds ISE 2017	750 million USD	2027	4.60%	**373,513**	323,208
Bonds KASE 2019	0.3 billion KZT	2034	11.50%	**308,433**	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	**261,878**	225,947
Bonds LSE 2017	1 billion USD	2027	4.75%	**131,604**	454,060
Bonds KASE 2019	80 billion KZT	2026	11.86%	**80,280**	80,262
Bonds KASE 2016	50 billion KZT	2026	Inflation rate + 2.52%	**54,090**	56,302
Bonds KASE 2016	47.5 billion KZT	2031	Inflation rate + 2.9%	**50,830**	52,769
Bonds KASE 2022	118.9 billion KZT	2024	TONIA Compounded 6M + 3% margin	**–**	129,491
Bonds KASE 2019	70 billion KZT	2024	4%	**–**	82,746
Bonds KASE 2018	75 billion KZT	2024	9.25%	**–**	76,831
Other	–	–	–	**320,897**	298,126
Total				**4,033,128**	4,208,988

Loans received

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

19. BORROWINGS (continued)

Loans received (continued)

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

In 2024, the Group, received a loan from JSC "Halyk Bank of Kazakhstan" ("Halyk Bank") for a total amount of 48,246 million tenge at a Base rate of National Bank of RK + 1.50% and maturing by the end of 2032 for the construction of Oil and Gas Refinery plant.

In 2024, based on the notification of the Ministry of Energy of the RK on the termination of the contract for subsoil use under the Zhenis project, the Group derecognized the loan received from Lukoil Kazakhstan Upstream (carry-financing) in the amount of 48,432 million tenge (*Note 31).*

In 2024, the Group partially repaid a loan from JSC "Development Bank of Kazakhstan" ("DBK") for a total amount of 46,688 million tenge, including interest.

In July 2024, the Group, within the framework of a master agreement with Citibank Kazakhstan on short-term loans, concluded on November 30, 2009, received borrowings in the total amount of 14,000 million tenge with an interest rate of 15% and up to six months maturity. In December 2024, the Group signed an additional agreement to extend the maturity until July 2025 and to change the interest rate from 15% to 16.5%.

In 2024, under the credit line agreement with ForteBank JSC concluded on June 13, 2022, the Group received 97,000 million tenge with an interest rate of 15.75% to 16.75% and up to six months maturity. The Group made full/partial early repayment of loans received in the amount of 55,000 million tenge.

In 2024, the Group, under the master framework agreement with Societe Generale and Natixis under the guarantee of export credit agency BPIfrance dated February 23, 2023 to finance the acquisition of freight and passenger locomotives for a total amount of 627 million euros, borrowed 134 million euros (equivalent to 67,738 million tenge) (in 2023: 329 million euros (equivalent to 162,473 million tenge) (including the BPIfrance premium)). Loan interest is paid semi-annually at Euribor 6m + 1.15%. Principal is repaid semi-annually until full repayment in 2035.

In 2024, the Group, under the credit line agreement with Halyk Bank, concluded on February 26, 2015, borrowed 97,000 million tenge with an interest rate of 15.75% to 17.25% and a maturity of up to one year. The Group has made full/partial early repayment of loans received in the total amount of 78,000 million tenge.

In 2024, the Group under the loan agreement with Eurasian Development Bank ("EDB") dated May 11, 2023 to finance the acquisition of freight diesel locomotives for a total amount of 17,685 million russian roubles borrowed 7,640 million russian roubles (equivalent to 37,956 million tenge) (in 2023: 10.045 million russian roubles (equivalent to 50,345 million tenge)). Loan interest is paid semi-annually at 7.8%. Principal is repaid semi-annually until full repayment in 2034.

In 2024, the Group, under the credit line agreement with Citibank, dated April 4, 2024, borrowed funds in the total amount of 150 million Swiss francs (equivalent to 77,828 million tenge) with an interest rate from 3.21% to 3.4% and a repayment period of up to one year.

In 2024, the Group, under a loan agreement with Citibank under the guarantee of Export-Import Bank of the United States (US EXIM Bank), dated May 7, 2024, to finance the acquisition of freight and passenger locomotives for a total amount of 593,952,912 US Dollars in Swiss Francs equivalent, borrowed 443,076,513 swiss francs (equivalent to 234,670 million tenge) (including the US EXIM Bank premium). Loan interest is repaid quarterly at SARON 3m + 0.75% margin. The principal is repayable quarterly until full repayment in 2034.

In July 2024, the Group, under the credit line agreement with European Bank for Reconstruction and Development ("EBRD"), dated July 4, 2024, borrowed funds in the total amount of 200 million swiss francs (equivalent to 107,986 million tenge). Interest is repaid semi-annually at SARON 6m + 1.80% margin. The principal is repayable semi-annually until full repayment in 2029.

In 2024, the Group, under the loan agreement with the EBRD signed on November 25, 2022, for the amount of 130 million tenge with an interest rate of the 6-month TONIA Compounded Rate + 1%, utilized loan funds in the total amount of 44,173 million tenge

On December 18, 2024, the Group, under the agreement with the EBRD signed for the construction of the mining and processing plant on December 30, 2016, made an early repayment of the loan in the amount of 124,158 thousand US dollars (equivalent to 64,804 million tenge), including interest for 2024 in the amount of 4,549 million tenge (for 2023: 2,856 million tenge).

19. BORROWINGS (continued)

Loans received (continued)

In 2024, the Group, under the credit line agreement with Halyk Bank, concluded on October 22, 2022, made an early full repayment of borrowings received of 60,540 million tenge.

In 2024, the Group, under the credit line agreement with Halyk Bank, concluded on October 20, 2022, made an early partial repayment of borrowings received of 9,198 million tenge.

In December 2024, under the credit line agreement with Halyk Bank to finance the construction of a power plant based on a combined cycle gas plant in the Turkestan region dated June 7, 2022, the Group received the second tranche in the amount of 100,828 million tenge with an interest rate equal to the Halyk Bank bond yield plus 2% per annum for the term of the bond circulation, which is 7 years (in 2023 received 138,172 million tenge with an interest rate equal to the base rate of the National Bank of the RK plus 2.5% per annum).

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

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

In 2023, the Group made full repayment of the loan from VTB Bank (PJSC) in the amount of 58,010 million Russian Roubles (equivalent to 294,841 million tenge), including interest.

In November 2023, the Group under the credit agreement with Citibank and Santander and the guarantee of MIGA, dated September 19, 2023 to finance the acquisition of electric locomotives, passenger carriages, capital and current repairs of railway tracks, borrowed 513 million Swiss francs (equivalent to 264,633 million tenge) (including the MIGA premium). Loan interest is paid semi-annually at SARON 6m + 0.95%. Principal is repaid semi-annually until full repayment in 2033. The grace period for repayment of principal debt is 1 year.

In 2023, a subsidiary of the Group, Atyrau Refinery LLP (further Atyrau refinery), partially repaid loans from Halyk Bank for a total amount of 102,674 million tenge, respectively, including interest.

In 2023, based on the notification of the Ministry of Energy of RK on the termination of the subsoil use contract, the Group derecognized the loan of Eni Isatai B.V. for the Isatai project in the amount of 4,377 million tenge (*Note 31*).

Debt securities issued

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

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

State subsidy of the interest rate

In May 2020, the Group, entered into a contract with the Ministry of Industry and Construction of the RK 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 modernisation, updating locomotives and freight carriages. 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.

In 2024, the Group recognised income from government subsidies under the Program in the amount of 22,300 million tenge as part of finance income (*Note 31*).

19. BORROWINGS (continued)

Covenants

The carrying value of the Group's non-current borrowings include borrowings amounting to 5,698,779 million tenge that contain certain financial and non-financial covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than twelve months after the end of reporting period. The Group reviews compliance with all the Group loan covenants at each reporting date. As at December 31, 2024 the respective subsidiaries of the Group complied with all the covenants that were required to be met on or before December 31, 2024, except those mentioned below.

Loan received from Halyk Bank

In March 2022, the Group represented by its subsidiary JV Alaigyr LLP entered into a credit line agreement with Halyk Bank of Kazakhstan JSC for a total amount of 56,000 thousand US dollars. Repayment of interest and principal on the credit line is made monthly, while the principal debt is paid starting from 2024.

In accordance with the terms of the credit line, JV Alaigyr LLP has certain financial and non-financial covenants that were not complied with as of December 31, 2024, and December 31, 2023. Due to the right to early reclaim, the loan was classified as short-term. During 2024, the Group fulfilled its obligations for the payment of the principal and interest.

In January 2025, the JV Alaigyr LLP made a full early repayment of the loan received from Halyk Bank.

Loan received from EBRD

The Group, represented by its subsidiary ShalkiyaZinc LTD JSC, has a credit line from the EBRD in the amount of 175 million US dollars at the SOFR rate + 2.5% per annum with repayment of the principal amount in equal semi-annual payments from 2025 and interest in semi-annual payments from 2021.

In accordance with the terms of the agreement, the Group must comply with the covenants throughout the term of the agreement. During 2024 and 2023, the Group failed to comply with the terms of contract liabilities on the conclusion of the contract for the construction of the mining and processing plant, the contract for the construction of the tailings storage facility, the contract for the construction of the surface complex with infrastructure and the contract for the supply of mining equipment.

On December 18, 2024, the agreement with the EBRD was terminated early, and the loan, including accrued interest, in the amount of 124,158 thousand US dollars (equivalent to 64,804 million tenge) was fully repaid.

In millions of tenge	**2024**	2023
NC KMG and its subsidiaries	**3,261,602**	3,281,937
NC KTZh and its subsidiaries	**1,650,814**	1,348,931
Qazaq Gaz and its subsidiaries	**396,116**	375,947
The Fund	**368,455**	346,741
CCGT Turkistan LLP	**275,017**	156,521
Samruk-Energy and its subsidiaries	**253,055**	190,448
KEGOC and its subsidiaries	**161,581**	163,535
Kazakhtelecom and its subsidiaries	**108,399**	248,820
EGRES-2	**100,744**	97,017
NAC KAP and its subsidiaries	**44,228**	86,252
NMC TKS and subsidiaries	**20,365**	66,772
Other subsidiaries of the Fund	**27,792**	981
Total borrowings	**6,668,168**	6,363,902

19. BORROWINGS (continued)

Covenants (continued)

Loan received from EBRD (continued)

Changes in borrowings are as follows:

In millions of tenge	**2024**	2023
Balance as at January 1	**6,363,902**	6,667,675
Received by cash*	**1,455,334**	1,218,171
Interest accrued	**408,497**	465,318
Discount	**(32,829)**	(1,090)
Interest capitalized *(Note 8)*	**72,229**	64,557
Interest paid	**(452,254)**	(503,416)
Repayment of principal*	**(1,759,390)**	(1,535,865)
Purchase of property plant and equipment financed by borrowings	**67,738**	114,106
Transfer to assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**(48,170)**	(187)
Amortization of discount	**26,729**	19,948
Foreign currency translation	**584,795**	(132,183)
Derecognition of loan (*Note 31*)	**(48,442)**	(4,377)
Acquisition through business combinations (*Note 5*)	**29,118**	–
Other	**911**	(8,755)
Balance as at December 31	**6,668,168**	6,363,902

* *The amounts are not reconciled to cash flows shown within financing activies of the consolidated statement of cash flows, as do not contain the changes with respect to liabilities associated with assets classified as held for sale.*

20. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

As at December 31 loans from the Government of the Republic of Kazakhstan comprised the following:

In millions of tenge	**Redemption date**	**Effective interest rate**	**2024**	2023
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2026-2063	5.56%-15.25%	**1,053,179**	836,941
Loans from the Government of the Republic of Kazakhstan	2029-2053	5.96-11.59%	**33,893**	35,905
			1,087,072	872,846
Less: amounts due for settlement within 12 months			**(12,204)**	(11,028)
Amounts due for settlement after 12 months			**1,074,868**	861,818

The change in loans from the Government of the Republic of Kazakhstan are represented as follows:

In millions of tenge	**2024**	2023
Balance as at 1 January	**872,846**	683,604
Received by cash	**238,256**	336,309
Interest accrued	**11,787**	13,758
Interest capitalized (*Note 8*)	**34,869**	19,621
Discount (*Note 18.8*)	**(49,204)**	(177,932)
Interest paid*	**(44,636)**	(26,696)
Repayment of principal	**(7,097)**	(891)
Amortisation of discount	**30,251**	25,073
Balance as at 31 December	**1,087,072**	872,846

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

20. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN (continued)

Bonds acquired by the National Bank of the RK

In December 2022, the Fund's bond issue was registered in the amount of 542,863 million tenge, with an annual coupon of 7.37% per annum. During 2024 the Fund placed bonds in the total amount of 163,969 million tenge (2023: 173,709 million tenge) for financing the construction of the second tracks of the Dostyk-Moiynty railway section, aimed at increasing the transit and export potential of the country. The bonds were purchased by the National Bank of the RK funded by the National Fund. The fair value of consideration received was 130,444 million tenge (2023: 135,274 million tenge). The difference between nominal and fair value of the bond in the amount of 33,525 million tenge (2023: 38,435 million tenge) was recognized as a discount on loan from the Government in the consolidated statement of changes in equity (*Note 18.8*).

In 2024, the Fund placed bonds in the total amount of 74,287 million tenge with an annual coupon of 9.25% per annum. The bonds were purchased by the National Bank of the RK using funds from the National Fund. The funds raised from the issuance of these bonds were directed towards financing the construction of the "Taldykorgan-Usharal" main gas pipeline. The fair value of the received funds amounted to 58,608 million tenge. The difference between the nominal and fair value of the bonds, amounting to 15,679 million tenge, was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 18.8*).

Other loans from the Government

During 2023, in accordance with the Law of the RK "On Republican budget for 2023-2025" dated December 1, 2022, the Fund received loan from the Ministry of Finance of the RK in the total amount of 162,600 million tenge with an interest rate of 0.05% and maturity of 30 years. The fair value of consideration received was 23,103 million tenge. The difference between nominal and fair value of the bond in the amount of 139,497 million tenge was recognized as a discount on loan from the Government in the consolidated statement of changes in equity (*Note 18.8)*.

21. PROVISIONS

As at December 31 provisions comprised the following:

In millions of tenge	Asset retirement obligations	Provision for environ-mental remediation	Provision for taxes other than income tax	Provision for aircraft maintenanc e	Other	Total
Provision at January 1, 2023	275,080	87,984	14,272	87,737	97,257	562,330
Foreign currency translation	(1,506)	(1,062)	(44)	(1,507)	(1,109)	(5,228)
Change in estimate	6,162	(1,350)	(548)	–	(155)	4,109
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (*Note 7*)	–	–	–	(115,362)	–	(115,362)
Additions through business combinations (*Note 5*)	4,346	–	–	–	–	4,346
Unwinding of discount	26,137	2,926	–	1,536	162	30,761
Provision for the year	67,092	3,796	787	40,476	58,561	170,712
Use of provision	(1,616)	(5,168)	(366)	(11,532)	(26,257)	(44,939)
Reversal of unused amounts	(367)	(4,619)	(5,651)	(1,348)	(29,609)	(41,594)
Other changes	–	–	–	–	2,380	2,380
Provision at December 31, 2023	375,328	82,507	8,450	–	101,230	567,515
Foreign currency translation	**11,879**	**9,137**	**158**	**–**	**8,845**	**30,019**
Change in estimate	**(21,412)**	**(254)**	**–**	**–**	**(14)**	**(21,680)**
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**(10,652)**	**–**	**(681)**	**–**	**–**	**(11,333)**
Additions through business combinations (*Note 5*)	**106**	**–**	**–**	**–**	**333**	**439**
Unwinding of discount	**33,409**	**1,650**	**–**	**–**	**164**	**35,223**
Provision for the year	**7,213**	**4**	**721**	**–**	**25,215**	**33,153**
Use of provision	**(2,818)**	**(6,139)**	**(124)**	**–**	**(33,126)**	**(42,207)**
Reversal of unused amounts	**(1,333)**	**(3,954)**	**(4,399)**	**–**	**(4,437)**	**(14,123)**
Transfers and reclassifications to other financial liabilities (*Note 23*)	**–**	**–**	**–**	**–**	**(4,742)**	**(4,742)**
Other changes	**1,868**	**(1,868)**	**–**	**–**	**–**	**–**
Provision at December 31, 2024	**393,588**	**81,083**	**4,125**	**–**	**93,468**	**572,264**

21. PROVISIONS (continued)

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

In millions of tenge	Asset retirement obligations	Provision for environmental remediation	Provision for taxes other than income tax	Provision for aircraft maintenance	Other	Total
Current portion	9,081	7,056	8,450	–	71,866	96,453
Non-current portion	366,247	75,451	–	–	29,364	471,062
Provision at December 31, 2023	375,328	82,507	8,450	–	101,230	567,515
Current portion	**6,108**	**3,518**	**4,125**	**–**	**75,909**	**89,660**
Non-current portion	**387,480**	**77,565**	**–**	**–**	**17,559**	**482,604**
Provision at December 31, 2024	**393,588**	**81,083**	**4,125**	**–**	**93,468**	**572,264**

Other provisions

Capital repair of Ekibastuz TPP

In 2024 the Group recognized the liability on capital repair of Ekibastuz TPP in the amount of 12,597 million tenge (*Note 18.6*). On December 31, 2024 the Group transferred the completed capital works to the Akimat of the city of Ekibastuz in the amount of 3,723 million tenge reducing previously accrued provision. As of December 31, 2024 long-term and short term provision on capital repair of Ekibastuz TPP amounted to 4,031 million tenge and 4,843 million tenge, respectively.

Sport Complex in Uralsk city

In 2024 the Group increased the accrual of the liability on construction of the Sport Complex in Uralsk city by the amount of 1,989 million tenge. As of December 31, 2024, the Group completed the construction of the Sport Complex in Uralsk city.

On January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act. As of December 31, 2024, the Group offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sport Complex (*Note 16*).

Other

As at December 31, 2024 other provisions included provision for gas transportation of 38,391 million tenge (as at December 31, 2023: 33,226 million tenge).

22. LEASE LIABILITIES

As at December 31 future minimum lease payments under leases together with the present value of the net minimum lease payments comprised the following:

	Minimum lease payments		Present value of minimum lease payments	
In millions of tenge	**2024**	2023	**2024**	2023
Within one year	**111,241**	94,648	**91,631**	70,906
Two to five years inclusive	**302,726**	247,169	**171,776**	160,297
After five years	**348,600**	259,758	**154,813**	121,874
	762,567	601,575	**418,220**	353,077
Less: amounts representing finance costs	**(344,347)**	(248,498)	**–**	–
Present value of minimum lease payments	**418,220**	353,077	**418,220**	353,077
Less: amounts due for settlement within 12 months			**(91,631)**	(70,906)
Amounts due for settlement after 12 months			**326,589**	282,171

As at December 31, 2024 interest calculation was based on effective interest rates ranging from 7.89% to 17.96% (December 31, 2023: from 6.72% to 18.87%).

22. LEASE LIABILITIES (continued)

Finance lease agreements with Industrial Development Fund JSC

In 2020-2023 the Group, represented by its subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC entered into agreements to lease flat carriages, passenger carriages and open wagons with Industrial Development Fund JSC at interest rate from 13.5%-15% per annum, of which 6%-10% per annum are subsidised by the Government. The Group acts as a lessee.

During 2024 within the framework of these agreements the Group received 193 flat carriages, 62 passenger carriages and 1,689 open wagons and recognised right-of-use assets of 95,411 million tenge for 22-40 years and lease liability of 55,839 million tenge for 14-15 years.

In 2024 the Group entered into a lease agreement for 2,000 flat cars, 157 passenger carriages and 3 electric trains with the total amount of 178,590 million tenge and interest rate of 13.75%-14.50% per annum, of which 7%-10% per annum are subsidised by the Government.

During 2024 within the framework of these agreements the Group received 373 flat carriages, 50 passenger carriages and 1 electric train, and recognised right-of-use assets of 48,849 million tenge for 32-40 years and lease liability of 24,635 million tenge for 15 years.

The group acts as a lessee. The grace period for the payment of the principal debt under agreements concluded in 2024 is 5 years.

The terms and conditions of lease agreements of the Group with Industrial Development Fund JSC, includes compliance with the financial ratio (covenant) "Debt Security Coverage Ratio". As at December 31, 2024 this condition was met.

Also, the requirements of the Group's lease agreements with Industrial Development Fund JSC incorporate restrictive terms with respect to changing legal status through voluntary liquidation; concluding a transaction or several transactions where the value exceeds 10-25% of the carrying amount of assets; subleasing lease subjects or a part of them. In the event of a default as defined by the lease agreements, the lessor is entitled to demand the indisputable requisition of lease items.

Lease agreements with Transtelecom JSC

In 2024, the Group, represented by the NC KTZh, entered into a lease agreement of communication channels with its associate Transtelecom JSC and recognised right-of-use assets and a lease liability in the amount of 27,261 million tenge for 5 years.

Changes in lease liabilities are as follows:

In millions of tenge	**2024**	2023
Balance as at January 1	**353,077**	621,160
Interest paid	**(33,510)**	(48,016)
Repayment of principal	**(70,148)**	(161,898)
Interest accrued (*Note 30*)	**48,795**	58,190
Foreign currency translation	**10,542**	(6,876)
Additions of leases	**149,754**	168,259
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**(52,434)**	(326,780)
Lease agreement termination	**(3,473)**	(17,012)
Lease agreement modification	**17,137**	68,074
Other	**(1,520)**	(2,024)
Balance as at December 31	**418,220**	353,077

23. OTHER FINANCIAL LIABILITIES

As at December 31 other financial liabilities comprised the following

In millions of tenge	**2024**	2023
Obligations to the Shareholder on the financing of social projects	**187,097**	172,982
Vacation and other employee benefits allowance	**164,959**	154,041
Amounts due to customers	**124,041**	80,070
Obligations under guarantee agreements	**86,102**	34,616
Due to employees	**59,689**	52,572
Derivative financial instruments	**36,327**	35,840
Payable under repo transactions	**25,225**	9,595
Accounts payable	**16,271**	13,997
Historical costs associated with obtaining subsoil use rights	**8,512**	9,730
Dividends payable	**515**	1,043
Other	**130,685**	70,270
Total financial liabilities	**839,423**	634,756
Less: current portion	**(786,833)**	(533,042)
Non-current portion	**52,590**	101,714

Liabilities on financing of other social projects

In 2024, based on the resolutions of the Shareholder, the Fund recognized liability due to Public Foundation and obligations on financing of various social projects in the total amount of 246,394 million tenge (2023: 154,927 million tenge) *(Notes 18.4, 18.5*).

Actual amount of cash paid during 2024 totaled to 234,987 million tenge (2023: 117,321 million tenge).

Derivative financial instruments

In October-November 2022, the subsidiary of the Group, NC KTZh, entered into agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US Dollars.

NC KTZh pays a fixed amount of Swiss Francs in exchange for a fixed amount of US Dollars. The payment of these fixed amounts in Swiss Francs is a management of the foreign exchange risk of borrowings, as the Group has a share of revenue denominated in Swiss Francs. These derivative financial instruments are not designated into hedging relationships.

During 2024, as part of the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc. (UK), Societe Generale SA (France) and Citibank London in the amount of 17,675 thousand US Dollars (equivalent to 8,221 million tenge) and 4,541 thousand Swiss Francs (equivalent to 2,385 million tenge) (during 2023: 17,479 thousand US dollars (equivalent to 8,146 million tenge) and 4,486 thousand Swiss Francs (equivalent to 2,345 million tenge), respectively).

As at December 31, 2024 the fair value of derivative financial instruments, accounted at fair value through profit or loss, under agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) in the amount of 62,268 thousand US Dollars (equivalent to 32,697 million tenge) was recognised within financial liabilities (December 31, 2023: 78,579 thousand US Dollars (equivalent to 35,719 million tenge)).

24. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES

As at December 31 trade accounts payable comprised the following:

In millions of tenge	**2024**	2023
Trade accounts payable	**1,479,284**	1,210,558
Accounts payable for the supply of property, plant and equipment	**331,011**	341,397
Other accounts payable	**40,615**	45,660
	1,850,910	1,597,615

24. TRADE AND OTHER PAYABLES, AND OTHER LIABILITIES (continued)

As at December 31, trade accounts payable were expressed in the following currencies:

In millions of tenge	**2024**	2023
Tenge-denominated trade accounts payable	**613,035**	649,265
US dollar-denominated trade accounts payable	**772,158**	470,228
Other currency-denominated trade accounts payable	**94,091**	91,065
	1,479,284	1,210,558

As at December 31 other current liabilities comprised the following:

In millions of tenge	**2024**	2023
Liabilities under agency agreements	**468,561**	496,331
Contract liabilities to customers	**413,238**	339,564
Other taxes payable	**178,020**	194,576
Government grant liability	**134,795**	84,980
Pension and social contributions liabilities	**37,122**	31,742
Advances received and deferred income	**23,465**	21,170
Liabilities under inventory loan agreements	**–**	91,151
Other	**22,515**	23,138
Total other liabilities	**1,277,716**	1,282,652
Less: current portion	**(1,097,920)**	(1,150,318)
Non-current portion	**179,796**	132,334

Government grant liability

In 2020-2024 the Group, represented by its subsidiaries KTZ Express JSC, Passenger Transportation JSC and Kaztemirtrans JSC entered into an agreement to lease flat carriages, passenger carriages and open wagons with Industrial Development Fund JSC at interest rate from 13.5%-15% per annum, of which 6%-10% per annum is subsidised by the State (*Note 22*). The Group acts as a lessee. Government grants to subsidise part of interest rate on finance leases are accounted for as government subsidy liabilities and are recognized as finance income during the periods in which the Group recognizes the relevant finance costs.

Liabilities under agency agreements

During 2023 the Group entered into agency agreements with local authorities for the implementation of the pilot national project "Comfortable School" ("national project") on construction of secondary education facilities. The Group acts as an agent under IFRS 15. The liabilities under the agency agreements represent the amounts received from local authorities, which are to be further transferred by the Group to the construction companies (*Note 17*), that are responsible for construction of secondary education facilitites under the national project.

Liabilities under inventory loan agreements

The Group borrowed 886 tones of natural uranium from ANU Energy OEIC Ltd. due for return at December 31, 2023. In December 2023 the Group has returned 38 tones and extended the due date of agreement until the end of March 2024. As at December 31, 2023 the fair value of liability under inventory loan agreement was 91,151 million tenge. In March 2024 the Group returned the remaining 848 tones of natural uranium. The fair value of inventory loan amounted to 86,391 million tenge at the date of return, which was greater than the cost of inventory returned by 9,572 million tenge. Gain from revaluation of uranium loans to fair value for 4,760 million tenge as well as net gain from disposal of the loan returned to ANU Energy OEIC Ltd. in the amount of 9,572 million tenge are recognised as other operating income.

25. REVENUE

Revenue comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Revenue from contracts with customers:		
Sales of crude oil	**4,670,749**	4,614,945
Sales of oil refined products	**2,591,958**	2,679,801
Railway cargo transportation	**1,869,783**	1,677,659
Sales of uranium products	**1,715,172**	1,391,438
Sales of refined gold	**1,260,191**	812,527
Sales of gas products	**1,090,795**	987,297
Telecommunication services	**732,107**	668,530
Electricity complex	**595,239**	448,999
Oil and gas transportation fee	**384,657**	319,978
Oil processing fees	**258,530**	248,058
Electricity transmission services	**237,308**	197,436
Railway passenger transportation	**114,989**	105,570
Air transportation	**78,011**	548,804
Postal services	**34,762**	31,724
Income from financial services and commissions	**21,325**	19,323
Sales of test products (*Note 7*)	**20,001**	63,427
Other revenue	**611,323**	481,527
	16,286,900	15,297,043
Rental income	**97,509**	88,283
Interest revenue	**48,657**	48,679
	16,433,066	15,434,005

In millions of tenge	**2024**	2023
Geographical markets		
Kazakhstan	**7,124,816**	5,981,665
United Arab Emirates	**1,883,385**	223,626
Switzerland	**1,853,827**	1,677,592
China	**1,358,396**	1,169,095
Romania	**1,250,539**	1,334,672
Other countries	**2,815,937**	4,910,393
	16,286,900	15,297,043

26. COST OF SALES

Cost of sales comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023 (restated)
Materials and supplies	**6,977,225**	6,455,824
Personnel costs, including social taxes and withdrawals	**1,901,661**	1,692,434
Depreciation, depletion and amortization	**1,176,681**	1,164,654
Fuel and energy	**488,309**	550,822
Production services rendered	**423,161**	417,286
Repair and maintenance	**385,966**	389,665
Taxes other than social taxes and withdrawals	**221,018**	202,551
Mineral extraction tax	**186,326**	195,212
Transportation expenses	**170,564**	138,573
Short-term rent	**107,755**	118,566
Interest expense	**58,806**	58,777
Communication services	**47,890**	49,145
Security services	**41,132**	38,638
Other	**308,145**	299,642
	12,494,639	11,771,789

27. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Personnel costs, including social taxes and withdrawals	**301,944**	271,307
Taxes other than social taxes and withdrawals	**33,678**	28,834
Audit and consulting services	**32,754**	33,038
Depreciation and amortization	**32,112**	32,905
Sponsorship and charitable donations	**30,640**	6,741
Other services by third parties	**30,043**	26,139
Repair and maintenance	**11,097**	11,469
Business trips	**9,067**	8,519
Social payments and maintenance of social facilities	**7,649**	6,612
Utilities expenses and maintenance of buildings	**6,254**	4,536
Short-term rent	**5,587**	5,251
Insurance	**4,473**	4,658
Professional education and advanced trainings	**4,401**	3,905
Transportation services	**3,091**	3,020
Communication services	**2,383**	2,452
Bank services	**1,904**	2,113
Other	**50,326**	74,882
	567,403	526,381

28. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Transportation	**509,246**	488,491
Rent tax	**139,656**	138,986
Custom duties	**127,369**	115,965
Personnel costs, including social taxes and withdrawals	**27,572**	28,634
Commission fees to agents and advertising	**23,400**	31,560
Depreciation and amortization	**20,165**	19,085
Rent expenses	**10,033**	9,265
Other	**43,694**	38,512
	901,135	870,498

29. IMPAIRMENT LOSS

Impairment loss comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets *(Notes 8, 9, 10)*	**126,502**	262,167
Impairment of VAT receivable, net	**13,142**	27,606
Impairment of investments in joint ventures and associates *(Note 11)*	**4,420**	5,073
(Reversal of impairment)/impairment of non – current advances for non-current assets and its construction	**(13,270)**	27,490
Other	**7,202**	3,471
	137,996	325,807

29. IMPAIRMENT LOSS (continued)

For the following property, plant and equipment, exploration and evaluation assets and intangible assets impairment losses were recognised for years ended:

In millions of tenge	**2024**	2023
Seawater desalination plant	**70,521**	–
Objects of the unfinished construction of power unit No. 3 (*Note 4*)	**18,524**	13,216
Abai project	**17,703**	–
MTS	**7,848**	–
Kairan and Aktoty project	**3,953**	74,255
CGUs of KMGI (*Note 4*)	**1,010**	97,636
Jenis project	**–**	40,244
Liman project	**–**	8,847
Ereymentau Wind Power assets (*Note 4*)	**–**	4,913
Southern Urikhtay project	**–**	4,876
Drilling jack-up rig(*Note 4*)	**(16,189)**	–
Gas turbine power plant and water treatment assets (KUS) (*Note 4*)	**(9,877)**	–
Other	**33,009**	18,180
	126,502	262,167

Impairment of a seawater desalination plant and supply infrastructure

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

Impairment of exploration and evaluation assets

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

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

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

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

30. FINANCE COSTS

Finance costs comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Interest on loans and debt securities issued	**438,025**	520,793
Interest on lease liabilities (*Note 22*)	**51,829**	58,190
Discount on provisions and other payables	**39,375**	43,101
Revaluation loss on financial assets at fair value through profit/loss	**5,910**	45,374
Discount on assets at rates below market	**1,466**	12,520
Financial guarantees	**6**	1,695
Other	**37,807**	28,274
	574,418	709,947

31. FINANCE INCOME

Finance income comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Interest income on amounts due from credit institutions and cash and cash equivalents	**343,120**	309,175
Interest income from loans and financial assets	**111,384**	108,890
Derecognition of loan (*Note 19*)	**48,442**	4,377
Revaluation gain on financial assets at fair value through profit/loss	**31,316**	47,041
Income from subsidized interest rates on financial liabilities	**28,019**	2,220
Income from derecognition of loan commitment	**10,462**	–
Income from financial guarantees	**8,538**	2,513
Discount on liabilities at rates below market	**8,123**	1,090
Other	**16,177**	11,058
	605,581	486,364

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

Share in profit/(loss) of joint ventures and associates comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023
Joint ventures		
Asia Gas Pipeline LLP	**325,723**	268,632
Tengizchevroil LLP	**303,480**	340,884
Beineu Shymkent Gas Pipeline LLP	**44,983**	52,927
Mangistau Investments B.V.	**35,726**	38,255
KC Energy Group LLP*	**27,288**	–
Petrosun LLP	**26,238**	46,567
KazGerMunay LLP	**25,336**	20,983
Semizbay-U LLP	**21,741**	13,025
Kazakhstan − China Pipeline LLP	**20,844**	18,720
KazRosGas LLP	**19,157**	32,324
Ulba-FA LLP	**(6,634)**	5,677
Ural Group Limited BVI	**(8,961)**	(47,006)
Other	**350**	36,598
	835,271	827,586
Associates		
Caspian Pipeline Consortium JSC	**81,525**	64,358
JV KATCO LLP	**80,249**	33,315
Kazzinc LLP	**64,381**	(50,868)
JV South Mining Chemical Company LLP	**47,910**	34,171
Other	**39,510**	36,517
	313,575	117,493
	1,148,846	945,079

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

33. INCOME TAX EXPENSES

As at December 31, 2024 income taxes prepaid of 248,343 million tenge (2023: 190,850 million tenge) are mainly represented by corporate income tax. As at December 31, 2024 income taxes payable of 24,942 million tenge (2023: 38,834 million tenge) are mainly represented by corporate income tax.

33. INCOME TAX EXPENSES(continued)

Income tax expenses comprised the following for the years ended December 31:

In millions of tenge	**2024**	2023 (restated)
Current income tax expenses		
Corporate income tax ("CIT")	**637,507**	610,694
Withholding tax on dividends and interest income	**88,166**	92,630
Alternative mineral extraction tax	**2,628**	–
Excess profit tax	**1,360**	838
Deferred income tax expense/(benefit)		
Corporate income tax ("CIT")	**217,721**	70,659
Withholding tax on dividends and interest income	**(27,554)**	(33,376)
Excess profit tax	**5,734**	(10,392)
Income tax expenses	**925,562**	731,053

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

In millions of tenge	**2024**	2023 (restated)
Profit from continuing operations before income tax	**4,238,577**	2,861,353
Theoretical income tax expense at 20% statutory rate	**847,715**	572,271
Tax effect of other items, which are not deductible	**149,874**	86,891
Change in unrecognized deferred tax assets	**34,215**	(28,542)
Effect of different corporate income tax rates	**61,696**	74,413
Excess profit tax	**9,722**	(9,554)
Share in non-taxable profit of joint ventures and associates	**(179,716)**	(133,736)
Recognition of deferred tax liability in relation to the disposal group (*Note 7*)	**42,758**	–
Other differences	**(40,702)**	169,310
Total corporate income tax expenses	**925,562**	731,053

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. INCOME TAX EXPENSES (continued)

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

	2024				2023 (restated)			
In millions of tenge	**Corporate income tax**	**Alternative mineral extraction tax**	**Withholding tax**	**Total**	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
Deferred tax assets								
Property, plant and equipment	**27,617**	**–**	**–**	**27,617**	28,225	–	–	28,225
Tax loss carryforward	**789,846**	**–**	**–**	**789,846**	839,623	–	–	839,623
Employee related accruals	**26,979**	**–**	**–**	**26,979**	27,136	–	–	27,136
Allowance for expected credit losses of financial assets	**46,672**	**–**	**–**	**46,672**	61,364	–	–	61,364
Provision for environmental liability	**80,614**	**–**	**–**	**80,614**	81,887	–	–	81,887
Lease liabilities	**26,213**	**–**	**–**	**26,213**	19,615	–	–	19,615
Other	**118,122**	**4,291**	**–**	**122,413**	128,342	10,334	–	138,676
Less: unrecognized deferred tax assets	**(603,415)**	**–**	**–**	**(603,415)**	(569,200)	–	–	(569,200)
Less: deferred tax assets offset with deferred tax liabilities	**(395,348)**	**–**	**–**	**(395,348)**	(518,947)	–	–	(518,947)
Deferred tax assets	**117,300**	**4,291**	**–**	**121,591**	98,045	10,334	–	108,379
Deferred tax liabilities								
Property, plant and equipment	**1,895,535**	**230**	**–**	**1,895,765**	1,610,181	539	–	1,610,720
Undistributed earnings of joint ventures and associates	**–**	**–**	**634,427**	**634,427**	–	–	571,270	571,270
Right-of-use asset	**33,641**	**–**	**–**	**33,641**	24,612	–	–	24,612
Recognition of deferred tax liability in relation to the disposal group (*Note 7*)	**42,758**	**–**	**–**	**42,758**	–	–	–	–
Other	**56,534**	**–**	**–**	**56,534**	68,850	–	–	68,850
Less: deferred tax assets offset with deferred tax liabilities	**(395,348)**	**–**	**–**	**(395,348)**	(518,947)	–	–	(518,947)
Deferred tax liabilities	**1,633,120**	**230**	**634,427**	**2,267,777**	1,184,696	539	571,270	1,756,505
Net deferred tax liabilities	**(1,515,820)**	**4,061**	**(634,427)**	**(2,146,186)**	(1,086,651)	9,795	(571,270)	(1,648,126)

34. INCOME TAX EXPENSES (continued)

The movements in the net deferred tax liabilities were as follows for the years ended December 31:

	2024				2023 (restated)			
In millions of tenge	**Corporate income tax**	**Alternative mineral extraction tax**	**Withholding tax**	**Total**	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
Balance at January 1	**1,086,650**	**(9,795)**	**571,270**	**1,648,125**	953,535	597	615,747	1,569,879
Foreign currency translation	**84,231**	**–**	**90,711**	**174,942**	(4,877)	–	(11,101)	(15,978)
Recognised to other comprehensive income	**(2,800)**	**–**	**–**	**(2,800)**	1,743	–	–	1,743
Acquisition through business combinations (*Note 5*)	**142,552**	**–**	**–**	**142,552**	48,754	–	–	48,754
Recognized in equity	**1,621**	**–**	**–**	**1,621**				
Transfer to assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**(14,155)**	**–**	**–**	**(14,155)**	16,837	–	–	16,837
Recognised to profit and loss	**217,721**	**5,734**	**(27,554)**	**195,901**	70,659	(10,392)	(33,376)	26,891
Balance at December 31	**1,515,820**	**(4,061)**	**634,427**	**2,146,186**	1,086,651	(9,795)	571,270	1,648,126

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax asset arising mainly from tax losses carry forward were equal to 603,475 million tenge as at December 31, 2024 (December 31, 2023: 569,200 million tenge).

Tax losses carryforwards as at December 31, 2024 in the RK expire for tax purposes 10 (ten) years from the date they are incurred.

35. CONSOLIDATION

Subsidiaries included in the consolidated financial statements are presented as follows:

		Main activity	Country of incorporation	Ownership percentage	
				2024	2023
1	National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	**67.42%**	67.42%
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	National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	Passenger and cargo transportation	Kazakhstan	**100.00%**	100.00%
4	National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries (*Note 18.9*)	Production and mining of uranium, rare metals	Kazakhstan	**62.99%**	75.00%
5	Samruk-Energy JSC ("Samruk-Energy") and subsidiaries*	Electricity and heat production	Kazakhstan	**100.00%**	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	Electricity transmission services	Kazakhstan	**85.00%**	85.00%
7	Kazpost JSC and subsidiaries	Postal and financial activities	Kazakhstan	**100.00%**	100.00%
8	Kazakhtelecom JSC ("KTC") and subsidiaries	Telecommunication services	Kazakhstan	**80.85%**	80.85%
9	Air Astana JSC ("Air Astana") and subsidiaries (*Note 7*)	Air transportation	Kazakhstan	**–**	51.00%
10	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Kazakhstan	**100.00%**	100.00%
11	National Mining Company "Tau-Ken Samruk" ("NMC TKS") and subsidiaries	Exploration, mining and processing of solid minerals	Kazakhstan	**100.00%**	100.00%
12	Samruk-Kazyna Ondeu LLP and subsidiaries	Development and implementation of projects in the chemical industry	Kazakhstan	**100.00%**	100.00%
13	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Kazakhstan	**100.00%**	100.00%
14	Samruk-Kazyna Contract LLP	Procurement activities	Kazakhstan	**100.00%**	100.00%
15	Stantsiya Ekibastuzskaya GRES-2 JSC ("EGRES-2")	Power generation	Kazakhstan	**100.00%**	100.00%
16	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Kazakhstan	**100.00%**	100.00%
17	Qazaq Air JSC	Air transportation	Kazakhstan	**100.00%**	100.00%
18	Kazakhstan nuclear electric plants LLP	Servicing companies in the electricity sector	Kazakhstan	**100.00%**	100.00%
19	Kazakhstan Petrochemical Industries Inc. JSC (*Note 7*)	Production of oil-and-gas and petrochemical products	Kazakhstan	**–**	99%
20	CCGT Turkistan LLP	Transmission, distribution and sale of electricity	Kazakhstan	**100.00%**	100.00%
21	Center for Scientific and Technological Initiatives "Samgau" Foundation	Institutional service for innovative technologies, other research and experimental developments in the natural and technical sciences	Kazakhstan	**100.00%**	100.00%
22	AES Shulbinskaya GES LLP and subsidiary*	Production and wholesale realization of electric power	Kazakhstan	**–**	100.00%
23	AES Ust-Kamenogorskaya GES LLP*	Production and wholesale realization of electric power	Kazakhstan	**–**	100.00%
24	Kokshetauskaya TEC LLP**	Electricity and heat production	Kazakhstan	**100.00%**	–
25	Oskemen Energo LLP**	Electricity and heat production	Kazakhstan	**100.00%**	–
26	Semey Energo LLP**	Electricity and heat production	Kazakhstan	**100.00%**	–

* *On May 14, 2024, the Fund transferred 100% of its shares in Shulbinskaya GES and UK GES as a contribution to the authorized capital of Samruk-Energy.*

** *New subsidiaries of the Fund registered on June 24, 2024.*

36. 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.

The following table provides the total amount of transactions, which have been entered into with related parties as at December 31:

In millions of tenge		Associates	Joint ventures	Other state-controlled entities
	2024	**18,906**	**204,304**	**112,792**
Trade and other accounts receivable	2023	25,045	120,512	87,152
including allowances for ECL on trade and other accounts receivables	**2024**	***(374)***	***(600)***	***(284)***
	2023	*(735)*	*(872)*	*(464)*
	2024	**128,890**	**521,199**	**22,235**
Trade and other payables	2023	69,428	440,772	20,746
	2024	**249,238**	**706,131**	**1,867,922**
Sale of goods and services	2023	132,423	642,987	1,305,296
	2024	**389,736**	**2,464,314**	**176,952**
Purchase of goods and services	2023	294,267	2,517,627	218,691
	2024	**12,669**	**(20,599)**	**(11,652)**
Other income/(loss), net	2023	2,578	530	(25,079)
Cash and cash equivalents, and amounts due from credit institutions	**2024**	**2**	**271**	**347,941**
	2023	–	331	308,390
including allowances for ECL on cash and cash equivalents, and amounts due from credit institutions	**2024**	**–**	**–**	***(17)***
	2023	–	–	*(2)*
	2024	**4,189**	**95,540**	**108,912**
Loans issued	2023	7,124	90,978	39,979
including allowances for ECL on loans issued	**2024**	***(912)***	***(14)***	***(683)***
	2023	*(2,101)*	*(20)*	*(1,280)*
	2024	**-**	**15,616**	**1,351,328**
Borrowings	2023	3,506	15,492	1,192,634
	2024	**46,322**	**19,204**	**379,941**
Other assets	2023	14,368	43,823	304,771
including provision for impairment of other assets	**2024**	***(21)***	**–**	***(345)***
	2023	*(50)*	–	*(189)*
	2024	**52,559**	**149,652**	**180,889**
Lease and other liabilities	2023	19,675	143,454	96,259
Interest accrued due from related parties	**2024**	**673**	**11,645**	**35,896**
	2023	1,379	14,845	56,991
	2024	**5,755**	**20,160**	**119,157**
Interest accrued due to related parties	2023	2,527	17,198	97,109

36. RELATED PARTY DISCLOSURES (continued)

As at December 31, 2024 some of the Group's borrowings of 6,602 million tenge were guaranteed by the Government of the RK (December 31, 2023: 6,758 million tenge).

Total compensation to key management personnel (members of the Boards of Directors and Management boards of the Fund and its subsidiaries) included in general and administrative expenses in the consolidated statement of comprehensive income was equal to 7,687 million tenge for the year ended December 31, 2024 (December 31, 2023: 7,649 million tenge). Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financials assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

The Group's exposure to interest risk relates primarily to the Group's long-term and short-term borrowings with variable interest rates *(Note 19)*.

The following table demonstrates the sensitivity of the Group's profit before income tax (through the impact on variable rate borrowings) to a reasonably possible change in variable interest rates, with all other variables held constant.

In millions of tenge		Increase/ (decrease) in basis points*	Effect on profit before income tax
SOFR	**2024**	**450/(39)**	**(11,340)/983**
	2023	382/(382)	(11,593)/11,593
SARON	**2024**	**126/(77)**	**(7,917)/4,838**
	2023	176/(176)	(4,507)/4,507
Key Rate of National Bank of RK	**2024**	**406/(231)**	**(12,969)/7,379**
	2023	100/(100)	(3,268)/3,268
EURIBOR	**2024**	**354/(121)**	**(8,714)/3,126**
	2023	334/(334)	(5,447)/5,447
COF**	**2024**	**143/(143)**	**(1,720)/1,720**
	2023	143/(143)	(2,023)/2,023
TONIA	**2024**	**286/(286)**	**(2,608)/2,608**
	2023	297/(297)	(4,805)/4,805
Inflation rate of RK	**2024**	**400/(400)**	**(8,209)/8,209**
	2023	400/(400)	(4,363)/4,363

* *1 basis point = 0.01%;*

** *Cost of funding.*

Currency risk

As a result of significant borrowings, lease liabilities, and trade accounts payable, cash and cash equivalents, amounts due from credit institutions and accounts receivable denominated in the US dollars, the Group's consolidated financial position can be affected significantly by movement in the US dollar / tenge exchange rates.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table demonstrates the sensitivity of the Group's profit before income tax to a reasonably possible change in the US dollar and euro, with all the variables held constant.

In millions of tenge	**Increase/(decrease) in exchange rate**	**Effect on profit before income tax**
2024		
US dollar	**9.09%/(7.34%)**	**(11,506)/17,824**
Euro	**9.00%/(5.95%)**	**(28,875)/19,091**
RUB	**19.82%/(38.53%)**	**(15,140)/29,433**
2023		
US dollar	14.15%/(14.15%)	(255,765)/246,390
Euro	12.95%/(12.95%)	(22,419)/22,416
RUB	28.54%/(28.54%)	(13,429)/13,429

Credit risk

Credit risk arising from the inability of a party to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group to that party. It is the Group's policy to enter into financial instruments with a diversity of creditworthy parties. The maximum exposure to credit risk is represented by carrying amount of each financial asset.

The Group considers that its maximum exposure is reflected by the amount of loans issued *(Note 12)*, amount due from credit institutions *(Note 13)*, trade accounts receivable and other current assets *(Note 16)*, other financial assets *(Note 14)*, and cash and cash equivalents *(Note 17)*, net of allowances for expected credit losses recognized at the reporting date.

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The Group has a policy that ensures enforcement of constant control procedures for sales to only be made to buyers with an appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimised by the fact that the Group operates on a prepayment basis with the majority of its buyers.

Liquidity risk

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

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

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

In millions of tenge	On demand	Due later than 1 month but not later than 3 months	Due later than 3 months but not later than 1 year	Due later than 1 year but not later than 5 years	Due after 5 years	Total
At December 31, 2024						
Loans from the Government of the Republic of Kazakhstan	**13**	**302**	**66,731**	**395,818**	**3,093,655**	**3,556,519**
Borrowings	**14,931**	**98,415**	**1,105,981**	**3,979,088**	**6,071,000**	**11,269,415**
Lease liabilities	**10,198**	**16,673**	**94,237**	**348,319**	**420,252**	**889,679**
Due to customers	**79,494**	**–**	**44,529**	**18**	**–**	**124,041**
Financial guarantees*	**36,840**	**3,399**	**61,604**	**275,329**	**839,968**	**1,217,140**
Trade and other payables	**569,374**	**1,101,156**	**217,452**	**17,044**	**2,594**	**1,907,620**
Other financial liabilities	**229,769**	**16,950**	**70,312**	**–**	**–**	**317,031**
	940,619	**1,236,895**	**1,660,846**	**5,015,616**	**10,427,469**	**19,281,445**
At December 31, 2023						
Loans from the Government of the Republic of Kazakhstan	13	24	45,501	279,850	2,702,651	3,028,039
Borrowings	38,310	101,197	1,245,750	3,939,878	6,185,751	11,510,886
Lease liabilities	5,437	34,970	151,783	480,124	314,966	987,280
Due to customers	37,679	–	42,375	16	–	80,070
Financial guarantees*	39,750	3,084	12,441	52,631	88,153	196,059
Trade and other payables	463,535	960,182	269,793	14,503	–	1,708,013
Other financial liabilities	123,482	33,422	5,836	49,442	–	212,182
	708,206	**1,132,879**	**1,773,479**	**4,816,444**	**9,291,521**	**17,722,529**

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

Capital management

The Group manages its capital primarily through capital management of its subsidiaries while conducting its oversight function. Major objective of the capital management is to ensure that subsidiaries of the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary.

The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary. Key performance indicators ("KPI") used by the Group to manage capital of its subsidiaries are ratios of: Debt to Earnings before Interest, Taxes, Depreciation and Amortization, and Interest ("D/EBITDA") from continuing and discontinued operations; and Debt to Equity ("D/E").

Debt is considered to be equal to all borrowings, debt securities, guarantee and finance lease liabilities of relevant subsidiaries reduced by value of cash and cash equivalents. Equity is considered to be equal to the entire equity of the subsidiary attributable to majority shareholders.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Allowed maximum for the indicator is approved for each subsidiary based on the needs and specifics of its business and varies within following ranges (consolidated KPI's for the Group have been presented for reference purposes as the Group does not monitor KPI's on the consolidated level):

Key Performance Indicators	**2024**	2023
D/EBITDA	**1.92**	1.75
D/E	**0.37**	0.36

In billions of tenge	**2024**	2023
Borrowings *(Note 19)*	**6,668**	6,364
Loans from the Government of the Republic of Kazakhstan *(Note 20)*	**1,087**	873
Lease liabilities *(Note 22)*	**418**	353
Derivative instruments	**36**	36
Guaranteed principal amount of liabilities of entities outside the Group	**1,193**	246
Total debt	**9,402**	7,872
Less: cash and cash equivalents	**(3,212)**	(2,740)
Net debt	**6,190**	5,132
EBITDA	**4,905**	4,488
Total equity	**25,593**	21,740

Fair values 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.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

As at December 31, 2024 and 2023 the carrying amount of the following Group's financial instruments is a reasonable estimate of their fair value:

In millions of tenge	Level 1	Level 2	Level 3	December 31, 2024
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	**–**	**–**	**82,945**	**82,945**
Financial assets measured at fair value through OCI	**280,159**	**156,732**	**73**	**436,964**
Financial assets at fair value through profit and loss	**114,004**	**48,067**	**35,599**	**197,670**
Liabilities				
Derivative financial liabilities	**–**	**35,647**	**680**	**36,327**

In millions of tenge	Level 1	Level 2	Level 3	December 31, 2023
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	86,173	86,173
Financial assets measured at fair value through OCI	24,986	21,636	74	46,696
Financial assets at fair value through profit and loss	50,576	75,824	39,802	166,202
Derivative financial assets	–	347	2,085	2,432
Liabilities				
Derivative financial liabilities	–	35,840	–	35,840

	December 31, 2024				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	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 net investment in finance lease	**210,871**	**212,146**	**–**	**117,107**	**95,039**
Amounts due from credit institutions	**1,557,505**	**1,553,951**	**1,523,240**	**30,711**	**–**
Financial liabilities					
Borrowings	**6,835,916**	**6,576,835**	**3,008,884**	**3,403,903**	**164,048**
Loans from the Government of the Republic of Kazakhstan	**1,087,072**	**885,907**	**–**	**885,907**	**–**
Guarantee obligations	**86,102**	**96,696**	**–**	**94,288**	**2,408**

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

	December 31, 2023				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	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 net investment in finance lease	147,837	148,057	–	6,285	141,772
Amounts due from credit institutions	1,298,880	1,294,716	1,021,437	273,279	–
Financial liabilities					
Borrowings	7,322,081	7,068,783	2,951,315	2,913,962	1,203,506
Loans from the Government of the Republic of Kazakhstan	872,846	631,071	–	631,071	–
Guarantee obligations	34,616	35,054	–	32,268	2,786

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

Except for the financial instruments stated above as at December 31, 2024 and December 31, 2023 the management assessed that the fair value of financial instruments of the Group, such as trade and other accounts receivable and payable, cash and cash equivalents, short-term bank deposits and other current liabilities approximates their carrying amounts largely due to the short-term maturites of these instruments.

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

	Valuation technique	Significant unobservable inputs	Range as of December 31,	
			2024	2023
Loans issued at amortized cost and net investment in finance lease	Discounted cash flow method	Interest/ discount rate	**5.0%–30%**	8.5%–30%
Financial assets at fair value through profit and loss	WACC	Interest/ discount rate	**9.2%–19.39%**	9.2%–18.46%
Loans issued at fair value through profit and loss	Discounted cash flow method	Interest/ discount rate indexed to changes in the US dollar exchange rate	**SOFR+2,8% – 15%**	SOFR+2.8% – 15%
Borrowings	Discounted cash flow method	Interest/ discount rate	**3.81%– 17%**	SOFR+3.0% – 17%
Financial guarantee issued	Discounted cash flow method	Interest/ discount rate	**7.6%–14.56%**	8.4%–14.56%

38. COMMITMENTS AND CONTINGENCIES

Operating environment

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

38. COMMITMENTS AND CONTINGENCIES (continued)

Commodity price risk

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

Environmental, Social and Governance (ESG) matters - Consideration of climate change and resulting climate related risks

The Group shares the concerns of the world community climate change and supports global efforts to reducing greenhouse gas emissions, increasing energy efficiency, transition to renewable sources energy and phasing out carbon fuels. The Group has the strategic goal to reduce the carbon footprint of the Group by 10% by 2032 compared to 2021 and aims to achieve carbon neutrality by 2060. In general, carbon neutrality does not mean complete exclusion of greenhouse gas emissions - the volume of emissions that not possible to reduce, must be compensated.

The Group is continuously assessing climate related and environmental risks and their impact on the Group's operation. For the identified risks, the Group has assessed their impact on the recognition/derecognition of assets and liabilities and measurement of such assets and liabilities as well as the disclosure provided in its consolidated financial statements. The areas listed below are predominantly impacted by the climate related and environmental risks:

- The Group has initiated projects on constructions of new combined cycle gas plant at the Almaty CHP-2 and CHP-3. The purpose is the replacement of the existing coal-fired equipment with modern environmentally friendly combined cycle power units; and
- The Group has assessed and recognized provisions for decommissioning of power plants and rehabilitating environmental damage due to recently introduced regulatory requirements in accordance with Environmental Code (*Note 21*).

In relation to the identified risks associated with climate change, the Group assessed their impact on the recognition/derecognition of assets and liabilities, the measurement of such assets and liabilities, and the disclosures in the consolidated financial statements. The following areas are primarily exposed to risks associated with climate change.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest. As at December 31, 2024 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

38. COMMITMENTS AND CONTINGENCIES (continued)

Taxation (continued)

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

Comprehensive tax audit at oil refineries of the Group

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

Atyrau refinery, Pavlodar refinery and PKOP did not agree with the assessments and appealed them according to the procedure established by the state. The refineries' appeals are under consideration by the Ministry of Finance of the RK.

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

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

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

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

Tax audit of Samruk-Energy JSC and its subsidiary EGRES-1

From July 2020, the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - "SRC") launched a pilot project to introduce horizontal monitoring, which lasted until 31 December 2024. In 2021-2022 SRC, as part of a pilot project on horizontal monitoring, inspected the historical data of the EGRES-1 and Samruk-Energy (Head office) for the five years period. Based on the results, SRC completed tax audits and issued acts with the results of tax audit. The main non-compliances relate to the interest expense deducted for tax purposes and underaccrual of withholding tax. The Group expressed its disagreement, lawsuits and complaints were filed with the courts and the Appeal Commission of the Ministry of Finance of the Republic of Kazakhstan. In December 2023, the Appeal Commission of the Ministry of Finance of the Republic of Kazakhstan made a decision on the Head office in favor of the Group, on 14 August 2024, the Supreme Court ruled in favor of EGRES-1 regarding the deduction of loan interest on loans that were used for the project "Rehabilitation of Unit 1" and for the repayment of dividend payment obligations, and in favor of the tax authority regarding the deduction of loan interest on bonds. As a result, EGRES-1 paid a fine and penalty in the amount of Tenge 502 million at the expense of the previously accrued provision.

38. COMMITMENTS AND CONTINGENCIES (continued)

Taxation (continued)

Tax audit of Samruk-Energy JSC and its subsidiary EGRES-1 (continued)

The Group management believes that its interpretation of the relevant legislation is appropriate and the Group's tax positions will be sustained. In the opinion of the Group management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made in these consolidated financial statements.

Income tax expenses of QazaqGaz

QazaqGaz recognized interest expense and foreign exchange differences in the statement of comprehensive income on a bank loan that was obtained for the purpose of refinancing a previous loan. During 2023, this loan resulted in foreign exchange gains that were not included in total annual taxable income due to the fact that the loan was not related to income-generating activities. Management believes that its interpretation of tax laws is appropriate, and it is probable that it will be able to justify its position to the tax authorities. Management believes that the risk of additional charge as of December 31, 2024 and 2023 is low. Accordingly, no additional tax liabilities have been recognized by the Group in these consolidated financial statements. The amount of possible additional charge is approximately 20,000 million tenge.

Legal proceedings

The civil litigation at KMGI

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

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

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

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

As of December 31, 2024, OEBS paid 30% directly to NAMR the remaining 70% was included in the restructuring plan and will be paid until 2026. The Group also reclassified the previously recognized provision into other financial liabilities (*Note 21*).

Competition investigation in Moldova

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

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

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

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

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

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

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

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

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

On June 9, 2023, Specialized Court for Administrative Offenses of Pavlodar city issued a resolution to terminate administrative proceedings. On June 30, 2023, Decree on the consumption of administrative proceedings and the cancellation of the protocol entered into legal force. As a result, as at December 31, 2023, administrative proceedings were closed, and Pavlodar refinery reversed a provision accrued in 2022 in the amount of 28,187 million tenge and recognized in other operating income *(Note 21).*

Legal proceeding of the NAC KAP

On July 23, 2021, the Fund for the Protection of the Rights of Investors in Foreign Countries, to which the rights of claim were assigned by Quorum Debt Management Group, filed a lawsuit with the Arbitration Court of the Irkutsk Region, Russia, demanding the recovery of funds from the Company in the amount 50,000,000 US dollars under a Framework Agreement (support for asset recovery activities) dated December 26, 2013, which was expired on December 25, 2016. In February 2024 after a series of court hearings, Quorum Debt Management Group LLC proposed to resolve the legal dispute amicably. In connection with this, a joint petition was filed to postpone the court hearing, which was satisfied on March 2024 by the Arbitration Court of the Irkutsk Region and postponed until May 21, 2024. On April 25, 2024, a Settlement Agreement was signed between the parties, under the terms of which the parties completely and forever renounce their claims against each other. On May 6, 2024 the Settlement Agreement was approved by the Arbitration Court of the Irkutsk Region. The Settlement Agreement came into force from the moment of approval.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

Inspection by the General Prosecutor's Office

The Prosecutor's Office conducted an inspection to verify compliance with procurement legislation, tax laws, the legality of expenditures, and anti-corruption measures at EGRES-1 in 2024 and EGRES-2 in 2023. Following the inspection, a report on the results was issued. Due to disagreements with the conclusions outlined in the report, the Group submitted a reasoned objection and comments to the General Prosecutor's Office. In response to the notice regarding the elimination of legal violations, and considering the objections and comments, the Group developed an Action Plan to address the issues raised by the General Prosecutor's Office. This Action Plan was submitted to the General Prosecutor's Office.

The Group's management believes that its interpretations of the relevant legislation are reasonable, and that the Group's legal position is well-founded. According to the management, the Company does not foresee any losses following the prosecutor's inspection and, therefore, does not consider it necessary to create provisions.

Investigations and notices in respect of Kcell JSC

Order of the Antimonopoly agency dated 15 June ,2022

In accordance with the Order of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan for the city of Almaty No. 42-OD dated June 15, 2022 (hereinafter referred to as the Order), an investigation was initiated against Kcell JSC on the grounds of a violation provided for in Article 174 (1) of the Entrepreneurial Code of the Republic of Kazakhstan. Initial audited period was from January 1, 2020 to September 12, 2022. Antimonopoly agency observed high prices for the mobile communication for the Kcell brand. The subject of investigation is the establishment of factual data confirming or refuting the commission of a violation by Kcell JSC, expressed in maintaining a monopoly high price aimed at restricting and eliminating competition.

On July 26, 2022 the Group appealed the resolution on investigation in Antimonopoly agency, but the appeal was denied on August 16, 2022. As a result of the appeal, the investigation was suspended by Antimonopoly agency on July 28, 2022.

During 2023 the Group filed the appeal against the Order. On November 9, 2023 the Supreme Court of the RK hearing was held. The court declared the Order No. 42-OD dated June 15, 2022 unlawful for the period from January 1, 2020 to December 31, 2021. The investigation was resumed on November 27, 2023.

On December 13, 2023 the Group filed an appeal against resumption of investigation. On December 22, 2023 the investigation was suspended due to filed appeal. The Supreme Court of the RK left the lower courts decisions unchanged as the case which is not subject to administrative proceedings, and the cassation appeal was denied.

On January 30, 2025 the Group received the Determination to open the investigation from January 29, 2025. The Group is working on preparing the response to the request of Antimonopoly agency within the investigation.

As of December 31, 2024 Management of the Group assessed the risk of Antimonopoly legislation violation as possible, and consequently did not accrue the provision on losses in respect of abovementioned investigations and notifications.

Order of the Antimonopoly agency dated December 21, 2023.

In accordance with the Order of the Antimonopoly agency for the city of Almaty No. 38-OD dated December 21, 2023 an investigation was initiated against Kcell JSC. The subject of investigation is the susception of coordinated actions with competitors to set and maintain prices for communication services during May-July 2023. Within the framework of investigation Antimonopoly agency send the request to the Group for information needed for the investigation process. The investigation was suspended from January 10, 2024.

During 2024 the Group's appeals were denied by the lower courts. The appeal was filed on October 16, 2024. The date of hearing in the Supreme Court of RK has not yet been scheduled.

As of December 31, 2024 Management of the Group assessed the risk of Antimonopoly legislation violation as possible, and consequently did not accrue the provision on losses in respect of abovementioned investigations and notifications.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

Main proceedings in the Stati claim filed on December 7, 2017, in which the Stati asks the court to recognize the Fund as part of the RK and oblige the Fund to comply with the Arbitral Award

On 17 March 2021, a hearing in the main proceedings was held.

On 28 April 2021, the Court of Appeal granted the Fund's request to postpone this process until the decision of the Court of Appeal in The Hague to appeal the restriction on shares of KMG Kashagan B.V.

On November 2, 2022, the Fund filed an application to terminate the trial, in connection with the decision of the Court of Appeal of The Hague dated June 14, 2022, according to which the arrest of Kashagan shares owned by the Fund, imposed in September 2017, was lifted.

On February 8, 2023, the District Court of Amsterdam ruled that the claims of Anatole and Gabriel Stati and their companies ("Stati") against the Fund were inadmissible and, as a result, the proceedings were dismissed. Stati is currently appealing this decision.

On 4 February 2025, the proceedings were terminated following a joint appeal by the parties to terminate the proceedings at the Amsterdam Court of Appeal.

Environmental audits

Inspection of land-based facilities of North Caspian Operating Company N.V., which is the operator under the Product Sharing Agreement for the Northern Caspian Sea (hereinafter referred to as the Operator)

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

Cost recovery audits

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

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

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

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

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

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

38. COMMITMENTS AND CONTINGENCIES (continued)

Cost recovery audits (continued)

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

Kazakhstan local market obligation

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

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

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

Oil supply commitments

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

Commitments under oilfield and mining field licenses and subsurface use contracts

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

Year	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenditures, including joint ventures and associates	Operational expenditures of joint ventures and associates
2025	658,796	53,647	285,389	105,769
2026	471,132	39,509	278,568	59,007
2027	392,982	24,278	254,452	58,551
2028	462,766	25,022	263,201	61,345
2029-2059	4,658,557	44,088	2,860,394	350,784
Total	**6,644,233**	**186,544**	**3,942,004**	**635,456**

Liabilities on unconditional purchase of gas transportation services to the joint ventures

As of December 31, 2024, the Group has unconditional liability on purchase of gas transportation services to Asia Gas Pipeline LLP and Beineu Shymkent Gas Pipeline LLP in the total amount of 177,033 million tenge and 209,368 million tenge excluding VAT, respectively (December 31, 2023: 313,200 million tenge and 203,148 million tenge excluding VAT, respectively).

Capital commitments

As at December 31, 2024 the Group had capital commitments of approximately 4,386,222 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (as at December 31, 2023: 1,960,099 million tenge, excluding VAT), including capital commitments of joint ventures and associates in the amount of 50,339 million tenge, excluding VAT (as at December 31, 2023: 16,508 million tenge, excluding VAT). As at December 31, 2024, the contractual obligations of GPCI, classified as held for sale, for the acquisition of fixed assets and construction services amount to 178,244 million tenge excluding VAT.

38. COMMITMENTS AND CONTINGENCIES (continued)

Capital commitments (continued)

As at December 31, 2024, the Group had commitments in the total amount of 1,322,168 million tenge (as at December 31, 2023: 1,139,355 million tenge) under the investment programs approved by the joint order of Ministry of Energy of the RK and CRNM to facilitate production units.

Liabilitites under agreements for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

Within the framework of the concluded contracts, it is planned to purchase works on the construction of 359 facilities. During 2023 and 2024, tender procedures were conducted for the purchase of works on the construction of 208 facilities.

As at December 31, 2024 the Group had contractual commitments to local authorities for the provision of project management services in the amount of 10,876 million tenge (2023: 17,640 million tenge), where the Group acts as a principal, as well as the comprehensive construction works and services in the amount of 2,053,004 million tenge, where the Group acts as an agent (2023: 2,307,427 million tenge).

Non-financial guarantees

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

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

39. SEGMENT REPORTING

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments *(Note 1)*.

Certain of operating segments have been formed by aggregation of smaller reportable segments in line with the organizational structure of the Group. Each reportable segment maintains its accounting records in line with IFRS. Financial performance of each segment prepared in line with IFRS is reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Eliminations represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments 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.

39. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2024:

In millions of tenge	Oil-and-gas and petrochemi-cal segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	9,476,375	3,076,567	2,172,456	788,383	823,822	26,292	44,818	24,353	–	16,433,066
Revenue from contracts with customers	*9,469,275*	*3,076,102*	*2,103,337*	*788,383*	*807,302*	*26,292*	–	*16,209*	–	*16,286,900*
Rental income	*7,100*	*465*	*69,119*	–	*16,520*	–	–	*4,305*	–	*97,509*
Interest revenue	–	–	–	–	–	–	*44,818*	*3,839*	–	*48,657*
Revenues from sales to other segments	*133,286*	*52*	*27,053*	*4,888*	*149,099*	*13,015*	*1,012,682*	*19,813*	*(1,359,888)*	–
Total revenue	9,609,661	3,076,619	2,199,509	793,271	972,921	39,307	1,057,500	44,166	(1,359,888)	16,433,066
Geographical markets										
Kazakhstan	2,108,976	1,596,687	1,995,580	772,533	922,917	39,307	1,012,682	36,022	(1,359,888)	7,124,816
United Arab Emirates	1,850,401	31,944	999	41	–	–	–	–	–	1,883,385
Switzerland	1,852,927	850	50	–	–	–	–	–	–	1,853,827
China	663,749	663,721	28,419	2,507	–	–	–	–	–	1,358,396
Romania	1,198,204	52,335	–	–	–	–	–	–	–	1,250,539
Other countries	1,928,304	730,617	105,342	18,190	33,484	–	–	–	–	2,815,937
Cost of sales	(7,660,471)	(2,185,198)	(1,691,343)	(566,438)	(609,436)	(25,766)	(95,112)	(28,023)	367,148	(12,494,639)
Gross profit	1,949,190	891,421	551,334	241,142	363,485	13,541	962,388	16,143	(992,740)	3,995,904
General and administrative expenses	(312,881)	(53,118)	(137,691)	(56,974)	(38,071)	(3,508)	(24,907)	(6,667)	66,414	(567,403)
Transportation and selling expenses	(846,094)	(26,303)	(3,316)	(22,533)	(11,950)	(3,488)	-	(31)	12,580	(901,135)
Finance income	350,822	38,107	56,768	50,165	22,421	5,506	119,466	60,647	(98,321)	605,581
Finance costs	(396,380)	(20,227)	(181,290)	(57,590)	(55,974)	(2,253)	(15,028)	(14,481)	168,805	(574,418)
Share in profits/(loss) of joint ventures and associates	902,374	223,676	10,772	(253)	(116)	354	12,037	2	–	1,148,846
Foreign exchange gain/(loss), net	162,272	69,175	(69,725)	3,306	2,563	6,148	83,132	15,123	(31,801)	240,193
Depreciation, depletion and amortization	(717,580)	(122,717)	(183,645)	(117,581)	(79,727)	(7,116)	(648)	(2,677)	(1,225)	(1,232,916)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(90,055)	(1,942)	(17,196)	(8,574)	(18,601)	9,866	–	–	–	(126,502)
Reversal/(impairment) of other assets,net	7,058	(7,093)	(6,635)	(800)	(257)	(640)	(59,484)	–	56,357	(11,494)
Income tax expenses	(366,056)	(238,220)	(50,955)	(79,488)	(63,778)	(1,040)	(107,367)	(13,077)	(5,581)	(925,562)
Net profit/(loss) for the year from continuing operations	1,406,779	1,202,317	159,789	77,929	202,066	23,295	1,084,009	56,794	(899,963)	3,313,015
Net loss for the year from discontinued operations	(10,373)	–	–	–	–	–	–	–	–	(10,373)
Total net profit/(loss) for the year	1,396,406	1,202,317	159,789	77,929	202,066	23,295	1,084,009	56,794	(899,963)	3,302,642
Other segment information										
Total assets of the segment	23,520,182	4,693,395	5,974,653	2,046,474	2,594,797	254,999	10,032,994	1,225,759	(9,243,597)	41,099,656
Total liabilities of the segment	8,503,805	963,554	3,998,807	1,152,250	1,278,132	27,390	2,014,934	866,576	(3,299,276)	15,506,172
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(13,673)	14,094	1,593	(3,977)	1,560	(48)	(4,203)	(992)	(4,234)	(9,880)
Investments in joint ventures and associates	6,469,119	815,847	50,074	381	82,709	9,036	278,607	60	–	7,705,833
Capital expenditures	1,182,412	168,986	1,173,169	180,807	276,988	3,580	219	9,594	(161)	2,995,594

39. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2023:

In millions of tenge	Oil-and-gas and petrochemi-cal segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	9,301,623	2,250,519	2,425,440	719,496	657,259	16,975	41,679	21,014	–	15,434,005
Revenue from contracts with customers	*9,291,454*	*2,250,325*	*2,374,644*	*719,496*	*635,416*	*16,975*	–	*8,733*	–	*15,297,043*
Rental income	*10,169*	*194*	*50,796*	–	*21,843*	–	–	*5,281*	–	*88,283*
Interest revenue	–	–	–	–	–	–	*41,679*	*7,000*	–	*48,679*
Revenues from sales to other segments	162,048	87	21,274	5,367	80,266	13,000	639,490	19,386	(940,918)	–
Total revenue	**9,463,671**	**2,250,606**	**2,446,714**	**724,863**	**737,525**	**29,975**	**681,169**	**40,400**	**(940,918)**	**15,434,005**
Geographical markets										
Kazakhstan	1,866,922	966,159	2,005,457	703,619	683,041	29,776	639,490	28,119	(940,918)	5,981,665
United Arab Emirates	223,586	–	12	28	–	–	–	–	–	223,626
Switzerland	1,677,576	16	–	–	–	–	–	–	–	1,677,592
China	621,279	522,521	23,313	1,982	–	–	–	–	–	1,169,095
Romania	1,334,646	26	–	–	–	–	–	–	–	1,334,672
Other countries	3,729,493	761,690	367,136	19,234	32,641	199	–	–	–	4,910,393
Cost of sales	(7,504,316)	(1,483,131)	(1,935,164)	(522,214)	(511,682)	(26,238)	(88,091)	(23,274)	322,321	(11,771,789)
Gross profit	1,959,355	767,475	551,867	223,374	225,843	3,737	593,078	17,126	(618,597)	3,723,258
General and administrative expenses	(234,493)	(58,061)	(135,945)	(50,729)	(27,949)	(3,378)	(20,118)	(6,117)	10,409	(526,381)
Transportation and selling expenses	(804,777)	(28,927)	(13,201)	(23,226)	(13,428)	(1,281)	–	(36)	14,378	(870,498)
Finance income	184,921	47,655	39,237	42,411	18,050	3,188	139,213	46,844	(35,155)	486,364
Finance costs	(439,422)	(10,820)	(236,040)	(42,673)	(51,118)	(5,659)	(19,893)	(24,111)	119,789	(709,947)
Share in profits/(loss) of joint ventures and associates	868,403	47,664	8,145	–	12,075	(14)	8,819	(13)	–	945,079
Foreign exchange gain/(loss), net	61,441	(19,678)	(20,451)	(4,109)	399	(38)	(5,222)	4,531	3,555	20,428
Depreciation, depletion and amortization	(667,497)	(95,830)	(232,802)	(140,928)	(87,335)	(6,343)	(691)	(3,354)	13,219	(1,221,561)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(230,491)	134	(11,670)	(993)	(14,241)	(4,906)	–	–	–	(262,167)
(Impairment)/reversal of other assets,net	(47,686)	(1,259)	3,432	130	(10,536)	(3,931)	(4,241)	451	–	(63,640)
Income tax expenses	(254,806)	(148,904)	(32,911)	(29,835)	(43,546)	(791)	(214,698)	(5,445)	(117)	(731,053)
Total net profit/(loss) for the year	**1,246,699**	**533,727**	**166,216**	**105,990**	**94,057**	**(23,626)**	**476,925**	**25,719**	**(495,407)**	**2,130,300**
Other segment information										
Total assets of the segment	20,502,408	3,321,395	4,987,879	1,811,102	2,158,606	199,417	11,096,378	838,239	(7,990,690)	36,924,734
Total liabilities of the segment	7,591,245	701,773	3,222,807	967,452	966,377	67,377	3,193,305	674,649	(2,199,783)	15,185,202
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(15,586)	(15,620)	2,627	(10,620)	(180)	(881)	454	(6,260)	7,252	(38,814)
Investments in joint ventures and associates	6,081,988	641,794	40,568	–	82,883	8,682	44,092	–	–	6,900,007
Capital expenditures	1,205,486	88,351	799,097	414,466	209,027	1,943	1,435	1,669	(858)	2,720,616

39. SUBSEQUENT EVENTS

Issue of shares

On January 9, 2025, the Fund issued 1,000 shares at par value of 8,116,947 tenge for the total amount of 8,117 million tenge, which were paid off by the Shareholder by means of 100% shares of «Phystech II» JSC.

On February 14, 2025, the Fund issued 1 share at par value of 491,267,000 tenge for the total amount of 491 million tenge, which were paid off by the Shareholder by means of 100% of interest in "Akmolit" LLP, 100% of interest in "Topaz-NS" LLP and 100% of interest in "Marhit" LLP. Further, the Fund transferred these shares as a contribution to the authorized capital of Fund's subsidiary, TKS.

On February 25, 2025, the Fund issued 1000 shares at par value of 243,931,446 tenge for the total amount of 243,931 million tenge, which were paid off by previously received gas supply objects . Further, the Fund transferred these shares as a contribution to the authorized capital of Fund's subsidiary, QazaqGaz.

Dividends received

In March and April, 2025 the Group received dividends from joint ventures Tengizchevroil LLP, Asia Gas Pipeline LLP, Beineu-Shymkent Pipeline LLP, and also associate, Transtelecom JSC, in the amount of 255 million US dollars (equivalent to 128,222 million tenge), 80 billion tenge, 16 billion tenge, and 1.500 million tenge, respectively.

The incident at the facility of the Caspian Pipeline Consortium

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

Sale of a subsidiary

On January 6, 2025, the Group completed the sale of 100% interest in MTS in favor of PIH Communication LLC by signing the corresponding document for consideration of 1,100 million US dollars, including contingent consideration, and lost control over the subsidiary. On January 14, 2025 the Group received the first tranche of 700 million US Dollars according to this sale contract.

Change in Trade Tariffs

In early April 2025, the US Presidential Administration announced the introduction of large trade tariffs on imports of goods into the United States. The list of countries and territories with the highest additional tariffs included China, Vietnam, India, Japan and others. The Group considers this event to be a non-adjusting event after the reporting period, the quantitative effect of which cannot be estimated at the current time with a sufficient degree of certainty. The Fund will continue to monitor the developments and assess the impact, if any, that changes in tariffs may have on the financial position of the Group.

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Consolidated financial statements

For the year ended December 31, 2023
with independent auditor’s report

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Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and its subsidiaries (hereinafter - the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

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

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

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Key audit matter	*How our audit addressed the key audit matter*
Impairment of non-current assets	
We considered this matter to be one of the matters of most significance in our audit due to the high level of subjectivity in respect of assumptions underlying impairment analysis of non-current assets and significant judgements and estimates made by the management. In addition, increased cost of debt and uncertainty regarding future economic growth affects the Group's business prospects and triggers potential impairment of the Group's assets.	We obtained management's impairment analysis, including analysis of impairment indicators and impairment test models.
Significant assumptions included discount rates, commodities prices, tariffs forecasts, inflation and exchange rate forecasts. Significant estimates included production forecasts, future capital expenditures and commodity reserves available for development and production.	We involved our internal business valuation specialists in the testing of the impairment analysis and calculation of recoverable amounts performed by the management. We analysed the assumptions underlying management forecast. We compared natural resource and commodity prices used in the calculation of recoverable amounts to available market forecasts. We compared the discount rate and long-term growth rates to general market indicators and other available information. We tested the mathematical accuracy of the impairment models and assessed their sensitivity to changes in assumptions.
Information on non-current assets and the impairment tests performed is disclosed in *Note 4* to the consolidated financial statements.	We analysed the disclosures made in the consolidated financial statements in respect of the impairment of non-current assets.
Compliance with loan covenants	
In accordance with the terms of certain financing arrangements, the Group should comply with certain loan covenants. Breaching covenants could result in significant fines and penalties along with funding shortages. In addition, cross default provisions are in place under many of the Group's financing arrangements. Compliance with covenants was one of the matters of most significance in our audit since it can have a major impact on the going concern assumption used in the preparation of the consolidated financial statements, and on classification of interest-bearing liabilities in the consolidated statement of financial position.	We examined the terms of financing arrangements on covenants including additional clauses on cross default conditions.
	We compared data used in the calculations with the consolidated financial statements and with the financial statements of subsidiaries.
	We assessed arithmetic accuracy of financial covenants calculations.
	We analysed the forecast made in approved budgets as of 31 December 2023, to assess if a breach is likely to occur in the next 12 months, we obtained and analysed management's analysis for the potential impact on going concern.
	We analysed communication with creditors in respect of compliance with covenants as at 31 December 2023.
Information on compliance with covenants is disclosed in *Note 20* to the consolidated financial statements.	We also analysed the information disclosed in the consolidated financial statements.

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Provisions and contingent liabilities

Provisions are recognized and contingent liabilities are disclosed by the Group in respect of government inspections, provisions for asset retirement obligations (ARO) and general legal proceedings, as well as other matters.

The assessment as to whether, or not, a liability should be recognized and whether amounts can be reliably measured involves estimates and judgements. Predicting the outcome of the matter and estimating the potential impact if the outcome is unfavorable represents a complex process and the potential exposure on the consolidated financial statements may be significant.

Calculation of ARO requires significant judgment due to the inherent complexity in estimating future costs and due to significance of this liability. Most of these obligations are expected to be settled in a long-term perspective. The Group involved specialists to assess the ARO. Management's assumptions used in the calculation include expected approach to decommissioning and discount rates, along with the effects of changes in inflation rates.

Assessment of legal and constructive obligations of the Group according to the contractual agreements and relevant local legislation requires management's judgement and evaluation and implies variability.

We considered provisions and contingent liabilities to be one of the matters of most significance in our audit because of their significance to the consolidated financial statements and the level of judgment required.

Information on provisions, contingent liabilities and commitments is disclosed in notes 22 and 38 to the consolidated financial statements.

We inquired the Group's management and legal department for instances of non-compliance with laws and regulations and the status of any pending and ongoing litigations, claims and proceedings. We obtained legal letters from internal and external legal advisers.

We inspected relevant correspondence, the minutes of the meetings of the Group's management and Board of Directors.

Our procedures in respect of ARO included assessment of legal and constructive obligations related to the liquidation of assets on the basis of contractual agreements and relevant local legislation.

We considered the competence and objectivity of the specialists involved by the Group, who produced the cost estimates as a basis for ARO. We compared the discount and inflation rates used to available external data. We checked mathematical accuracy of the calculations.

We have also assessed changes in estimated future costs related to ARO and assessed how the Group took into consideration the recent changes in the related legislation.

We analysed the Group's management's estimates underlying the amounts recognized as provisions in the consolidated financial statements and assessed judgements in respect of the probability of potential outcomes of contingent liabilities in the consolidated financial statements.

We analysed the related disclosures in the consolidated financial statements.

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Other information included in the Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of management and the Audit Committee for the consolidated financial statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

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

Ernst & Young LLP

Adil Syzdykov
Auditor

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

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

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

19 April 2024

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

In millions of tenge	Note	2023	2022 (restated)*
Assets			
Non-current assets			
Property, plant and equipment	8	**15,429,527**	14,428,771
Intangible assets	9	**2,017,748**	1,945,639
Exploration and evaluation assets	10	**205,074**	294,300
Investment property		**33,273**	36,529
Investments in joint ventures and associates	11	**6,900,007**	6,735,441
Amounts due from credit institutions	13	**55,684**	270,568
Loans issued and net investment in finance lease	12	**102,538**	151,726
Other non-current financial assets	14	**594,194**	743,213
Other non-current assets	15	**1,180,393**	473,725
Deferred tax assets	34	**108,379**	89,252
		26,626,817	25,169,164
Current assets			
Inventories	16	**1,008,646**	866,290
VAT receivable		**386,977**	203,658
Income tax prepaid		**190,850**	125,227
Trade accounts receivable	17	**1,292,858**	1,083,292
Amounts due from credit institutions	13	**1,243,196**	1,433,305
Loans issued and net investment in finance lease	12	**131,472**	66,889
Other current financial assets	14	**1,134,317**	347,750
Other current assets	17	**485,975**	250,117
Cash and cash equivalents	18	**2,740,336**	2,945,616
		8,614,627	7,322,144
Assets classified as held for sale or distribution to the Shareholder	7	**1,684,900**	1,140,071
		10,299,527	8,462,215
Total assets		**36,926,344**	33,631,379

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	Note	2023	2022 (restated)*
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital	19.1	**5,492,783**	5,268,819
Currency translation reserve	19.10	**1,270,562**	2,220,063
Revaluation reserve of investments at fair value through other comprehensive income		**36,091**	35,519
Hedging reserve	19.11	**(3,469)**	(5,900)
Other capital reserves	19.12	**(17,003)**	(16,986)
Retained earnings		**10,349,822**	9,787,891
		17,128,786	17,289,406
Non-controlling interests	19.9	**4,608,529**	2,504,016
Total equity		**21,737,315**	19,793,422
Non-current liabilities			
Borrowings	20	**5,383,218**	5,400,163
Loans from the Government of the Republic of Kazakhstan	21	**861,818**	679,844
Provisions	22	**471,062**	407,211
Lease liabilities	23	**282,171**	482,968
Employee benefit liabilities		**128,229**	126,562
Other non-current financial liabilities	24	**101,714**	66,618
Other non-current liabilities	24	**132,334**	112,062
Deferred tax liabilities	34	**1,760,332**	1,659,131
		9,120,878	8,934,559
Current liabilities			
Borrowings	20	**980,684**	1,267,512
Loans from the Government of the Republic of Kazakhstan	21	**11,028**	3,760
Provisions	22	**96,453**	155,119
Income taxes payable		**38,834**	79,110
Trade and other payables	25	**1,597,615**	1,126,850
Lease liabilities	23	**70,906**	138,192
Employee benefit liabilities		**15,451**	13,488
Other current financial liabilities	25	**533,042**	435,871
Other current liabilities	25	**1,150,318**	638,403
		4,494,331	3,858,305
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	7	**1,573,820**	1,045,093
		6,068,151	4,903,398
Total liabilities		**15,189,029**	13,837,957
Total equity and liabilities		**36,926,344**	33,631,379

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2022 and reflect adjustments made, refer to Note 6.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 120 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31

In millions of tenge	Note	2023	2022 (restated)*
Revenue	26	**15,434,005**	14,815,147
Government grants		**61,042**	53,392
		15,495,047	14,868,539
Cost of sales	27	**(11,773,450)**	(11,300,892)
Gross profit		**3,721,597**	3,567,647
General and administrative expenses	28	**(526,381)**	(483,812)
Transportation and selling expenses	29	**(870,498)**	(906,869)
Expected credit losses on financial assets, net		**(38,814)**	(19,584)
Impairment loss, net	30	**(325,807)**	(71,682)
Gain/(loss) on disposal of subsidiaries, net	7	**193,585**	(1,882)
Other operating income	38	**32,182**	–
Other operating loss	25	**(55,700)**	(30,093)
Operating profit		**2,130,164**	2,053,725
Finance costs	31	**(709,947)**	(653,989)
Finance income	32	**486,364**	320,983
Other non-operating loss		**(57,852)**	(79,400)
Other non-operating income		**45,456**	65,886
Share in profit of joint ventures and associates, net	33	**945,079**	1,449,389
Net foreign exchange gain/(loss), net		**20,428**	(9,898)
Profit before income tax		**2,859,692**	3,146,696
Income tax expenses	34	**(731,609)**	(772,632)
Net profit for the year		**2,128,083**	2,374,064

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	2023	2022 (restated)*
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations	19.10	**(193,838)**	710,833
Gain/(loss) from hedge instruments for the net investment in the foreign operations	19.10	**46,478**	(224,708)
Unrealized gain/(loss) on debt instruments at fair value through other comprehensive income		**1,102**	(1,424)
Share of the other comprehensive income of associates and joint ventures	11	**5,362**	5,188
Gain on transactions with hedge instruments	19.11	**5,002**	44,675
Net realized (loss)/gain on debt instruments at fair value through other comprehensive income		**(566)**	66
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods, net of tax		**(136,460)**	534,630
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Share of the other comprehensive gain/(loss) of associates and joint ventures	11	**554**	(18)
Actuarial gain on defined benefit plans		**1,855**	9,474
Other comprehensive gain not to be reclassified to profit or loss in subsequent periods		**2,409**	9,456
Other comprehensive (loss)/income for the year, net of tax		**(134,051)**	544,086
Total comprehensive income for the year, net of tax		**1,994,032**	2,918,150
Net profit for the year attributable to:			
Equity holder of the Parent		**1,698,074**	1,926,689
Non-controlling interests		**430,009**	447,375
		2,128,083	2,374,064
Total comprehensive income for the year, attributable to:			
Equity holder of the Parent		**1,601,388**	2,435,584
Non-controlling interests		**392,644**	482,566
		1,994,032	2,918,150
Earnings per share in net profit for the period attributable to Equity holder of the Parent – tenge			
Basic and diluted	19.13	**487.68**	553.33

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2022 and reflect adjustments made, refer to Note 6.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 120 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31

		Attributable to the equity holder of the Parent								
In millions of tenge	Note	Share capital	Revaluation reserve of investments at fair value through other comprehen-sive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2021		5,268,580	32,694	1,894,545	(48,906)	(16,984)	8,125,704	15,255,633	1,917,459	17,173,092
Restatements	6	–	–	–	–	–	48,837	48,837	–	48,837
Balance as at December 31, 2021 (restated)*		5,268,580	32,694	1,894,545	(48,906)	(16,984)	8,174,541	15,304,470	1,917,459	17,221,929
Net profit for the year (restated)*		–	–	–	–	–	1,926,689	1,926,689	447,375	2,374,064
Other comprehensive income for the year (restated)*		–	2,825	453,184	43,365	–	9,521	508,895	35,191	544,086
Total comprehensive income for the year (restated)*		–	2,825	453,184	43,365	–	1,936,210	2,435,584	482,566	2,918,150
Issue of shares	19.1	239	–	–	–	–	–	239	–	239
Equity contribution to subsidiary		–	–	–	–	–	–	–	433	433
Distributions to the Shareholder		–	–	–	–	–	(386,934)	(386,934)	(186,073)	(573,007)
*Dividends (restated)**	19.2	–	–	–	–	–	(174,290)	(174,290)	(186,073)	(360,363)
Other distributions to the Shareholder	19.4	–	–	–	–	–	(212,644)	(212,644)	–	(212,644)
Other transactions with the Shareholder	19.5	–	–	–	–	–	(4,201)	(4,201)	–	(4,201)
Discount on loans from the Government	19.7	–	–	–	–	–	68,684	68,684	–	68,684
Acquisition of joint venture		–	–	–	–	–	9,937	9,937	1,052	10,989
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	19.8	–	–	(128,297)	272	(2)	(9,470)	(137,497)	288,571	151,074
Other equity movements		–	–	631	(631)	–	(876)	(876)	8	(868)
Balance as at December 31, 2022		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,787,891	17,289,406	2,504,016	19,793,422

The accounting policies and explanatory notes on pages 9 through 120 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

		Attributable to the equity holder of the Parent								
In millions of tenge	Note	Share capital	Revaluation reserve of investments at fair value through other comprehen-sive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at December 31, 2022		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,738,130	17,239,645	2,504,016	19,743,661
Restatements	6	–	–	–	–	–	49,761	49,761	–	49,761
Balance as at December 31, 2022 (restated)*		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,787,891	17,289,406	2,504,016	19,793,422
Net profit for the year		–	–	–	–	–	1,698,074	1,698,074	430,009	2,128,083
Other comprehensive income/(loss) for the year		–	574	(107,271)	2,866	–	7,145	(96,686)	(37,365)	(134,051)
Total comprehensive income/(loss) for the year		–	574	(107,271)	2,866	–	1,705,219	1,601,388	392,644	1,994,032
Issue of shares	19.1	223,964	–	–	–	–	(66,075)	157,889	–	157,889
Distributions to the Shareholder		–	–	–	–	–	(1,423,899)	(1,423,899)	(172,201)	(1,596,100)
Dividends	19.2	–	–	–	–	–	(1,268,852)	(1,268,852)	(172,201)	(1,441,053)
Distributions to the Public Foundation "Qazaqstan halqyna"	19.3	–	–	–	–	–	(66,614)	(66,614)	–	(66,614)
Other distributions to the Shareholder	19.4	–	–	–	–	–	(88,433)	(88,433)	–	(88,433)
Other transactions with the Shareholder	19.5	–	–	–	–	–	(29,848)	(29,848)	–	(29,848)
Transfer of assets to the Shareholder	19.6	–	–	–	–	–	(3,796)	(3,796)	–	(3,796)
Discount on loans from the Government	19.7	–	–	–	–	–	177,932	177,932	–	177,932
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	19.1	–	–	–	–	–	145,967	145,967	(235,172)	(89,205)
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control	19.8	–	(2)	(842,858)	193	(17)	56,431	(786,253)	2,119,242	1,332,989
Other equity movements		–	–	628	(628)	–	–	–	–	–
Balance as at December 31, 2023		5,492,783	36,091	1,270,562	(3,469)	(17,003)	10,349,822	17,128,786	4,608,529	21,737,315

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2022 and reflect adjustments made, refer to Note 6.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 9 through 120 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

In millions of tenge	Note	2023	2022 (restated)*
Cash flows from operating activities			
Receipts from customers		**16,782,090**	16,593,354
Payments to suppliers		**(9,465,532)**	(9,707,706)
Payments to employees		**(1,785,243)**	(1,461,545)
Other taxes and payments		**(2,125,159)**	(2,116,145)
Operations with financial instruments		**55,462**	12,548
Short-term lease payments and variable lease payments		**(142,511)**	(95,791)
Proceeds from subsidized interest rates on financial liabilities		**–**	29,276
Cash received under agency agreements	25	**496,331**	–
Cash paid within the framework of the implementation of the national project	17	**(190,178)**	–
Return of VAT from the budget		**43,281**	143,866
Other payments		**(204,508)**	(253,187)
Income taxes paid		**(815,837)**	(513,419)
Interest paid		**(634,980)**	(607,858)
Interest received		**384,115**	214,578
Net cash flows received from operating activities		**2,397,331**	2,237,971
Cash flows from investing activities			
Acquisition of property, plant and equipment, and exploration and evaluation assets and other non-current assets		**(2,571,821)**	(1,302,672)
Acquisition of intangible assets		**(213,388)**	(29,417)
Proceeds from sale of property, plant and equipment		**6,068**	6,849
Proceeds from sale of other non-current assets		**13,180**	42,565
Dividends received from joint ventures and associates	11	**808,125**	734,518
Acqusition of subsidiaries, net of cash acquired with the subsidiary	5	**(156,390)**	–
Issuance of bank deposits		**(1,781,998)**	(2,239,910)
Redemption of bank deposits		**2,127,548**	1,345,573
Loans issued		**(74,107)**	(20,935)
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		**114,522**	(2,869)
(Acquisition)/ proceeds from sale of joint ventures and associates, net		**(4,488)**	44
Additional contributions to share capital of joint ventures and associates without change in ownership	11	**(21,229)**	(15,418)
Repayment of loans issued		**34,554**	239,040
Purchase of equity and debt instruments		**(4,297,186)**	(1,171,329)
Proceeds from sale/repayment by issuers of equity and debt instruments		**3,865,808**	1,051,685
Other payments		**(878)**	(12,956)
Net cash flows used in investing activities		**(2,151,680)**	(1,375,232)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Note	2023	2022 (restated)*
Cash flows from financing activities			
Proceeds from borrowings	20, 21	**1,601,116**	1,341,055
Repayment of borrowings	20	**(1,550,405)**	(1,618,738)
Reservation of cash for payment of borrowings	14	**(2,530)**	(152)
Repayment of lease liabilities	23	**(161,898)**	(153,822)
Contributions to the share capital by the Equity holder of the Parent	19.1	**49,478**	–
Contributions by non-controlling interests		**–**	50
Distributions to the Public Foundation "Qazaqstan halqyna"	19.3	**(20,650)**	–
Other distributions to the Shareholder	19.4	**(96,671)**	(132,204)
Other transactions with the Shareholder		**(20,885)**	–
Dividends paid to non-controlling interests of subsidiaries	19.2	**(173,976)**	(184,145)
Disposal of interest that does not result in the loss of control	19.8	**1,332,944**	153,860
Dividends paid to the Shareholder	19.2	**(1,268,852)**	(174,290)
Bonds early extinguishment premium and fees paid	20	**–**	7,370
Repo transactions		**(11,458)**	8,549
Other payments		**(5,957)**	(3,939)
Net cash flows used in financing activities		**(329,744)**	(756,406)
Net (decrease)/increase in cash and cash equivalents		**(84,093)**	106,333
Effects of exchange rate changes on cash and cash equivalents		**(35,288)**	102,497
Changes in cash and cash equivalents disclosed as part of assets held for sale		**(86,072)**	(80,760)
Change in allowance for expected credit losses		**173**	274
Cash and cash equivalents at the beginning of the year		**2,945,616**	2,817,272
Cash and cash equivalents at the end of the year	18	**2,740,336**	2,945,616

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2022 and reflect adjustments made, refer to Note 6.*

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

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

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 No. 669 dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan No. 962 dated October 17, 2008. The formation was enacted by the merger of "Sustainable Development Fund "Kazyna" JSC and "Kazakhstan Holding Company for State Assets Management "Samruk" JSC 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 35* (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 39)*:

- 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., Astana, the Republic of Kazakhstan (hereinafter- "RK").

These consolidated financial statements were authorised for issue by the Managing Director for Economy and Finance − Member of the Management Board and Chief accountant of the Fund on April 19, 2024 and preliminary approved by the Audit Committee of the Board of Directors of the Fund. These consolidated financial statements should be further approved by the Board of Directors and the Sole Shareholder.

1. GENERAL INFORMATION (continued)

Privatization plan

On April 30, 2014 the Government approved the initial Complex privatization plan for 2014-2016. On December 30, 2015 the Government approved the new 2016-2020 Complex privatization plan (replacing previous 2014-2016 Complex 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 Complex privatization plan for 2021-2025 was approved, which includes a new list of state owned organizations and assets of the Fund's group to be transferred to a competitive environment.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements.

These consolidated financial statements are presented in Kazakhstan tenge ("tenge") and all monetary amounts are rounded to the nearest million tenge except when otherwise indicated.

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standard Board ("IASB").

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

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

Foreign currency translation

Functional and presentation currency

Items included in these consolidated financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates ("the functional currency"). The 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.

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

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 the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income 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 ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

The following table presents currency exchange rates to tenge:

	December 31, 2023	December 31, 2022	**Weighted average for 2023**	Weighted average for 2022	**April 19, 2024**
United States dollar ("USD")	**454.56**	462.65	**456.21**	460.93	**446.49**
Euro ("EUR")	**502.24**	492.86	**493.22**	485.29	**475.38**
Russian ruble ("RUR")	**5.06**	6.43	**5.41**	6.92	**4.79**

For the year ended December 31, 2023, the Group had foreign exchange loss of 7,051,068 million tenge and foreign exchange gain of 7,071,496 million tenge, due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFROMATION

New and amended standards and interpretations

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

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 2023, but do not have an impact on the consolidated financial statements of the Group.

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

IFRS 17 Insurance Contracts

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

3. MATERIAL ACCOUNTING POLICY INFROMATION (continued)

New and amended standards and interpretations (continued)

IFRS 17 Insurance Contracts (continued)

IFRS 17 is based on a general model, supplemented by:

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

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

Definition of Accounting Estimates - Amendments to IAS 8

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

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

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

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

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

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

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

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

International Tax Reform – Pillar II Model Rules - Amendments to IAS 12 Income Taxes

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

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

The Group's subsidiaries are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), and will enter into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

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

The Group is in the process of assessing the potential exposure to Pillar II income taxes as at December 31, 2023. The potential exposure, if any, to Pillar II income taxes is currently not known or reasonably estimable. The Group continues to progress on the assessment and expects to complete the assessment in 2024.

3. MATERIAL ACCOUNTING POLICY INFROMATION (continued)

Standards that have been issued but not yet effective

There are new pronouncements issued as at December 31, 2023:

- Amendments to *IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements* (issued on May 25, 2023);
- Amendments to *IAS 1 Presentation of Financial Statements: classification of Liabilities as Current or Noncurrent* (issued on January 23, 2020), *deferral of effective date of classification of Liabilities as Current or Noncurrent* (issued on July 15, 2020), *non-current Liabilities with Covenants* (issued on October 31, 2022);
- Amendments to *IFRS 16 Leases: Lease Liability in a Sale and Leaseback* (issued on September 22, 2022);
- Amendments to *IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (issued on August 15, 2023).

These amendments and interpretations are not expected to have a material impact on the consolidated financial statements of the Group.

Basis of consolidation

These consolidated financial statements comprise the financial statements of the Fund and its controlled subsidiaries *(Note 35)*.

Subsidiaries

Subsidiaries are the entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Except for acquisition in transactions between entities under common control, subsidiaries are consolidated from the date when control is obtained by the Group and are de-consolidated from the date when control ceases. At the acquisition of the subsidiary, acquisition cost is distributed between assets and liabilities based on their fair value as at the date of acquisition. Financial statements of the subsidiaries are prepared for the same reporting period as those of the Fund, using consistent accounting policies.

All intra-group balances and transactions, including unrealized gains resulting from intra-group transactions are eliminated in full. Unrealized losses are eliminated in the same manner as unrealized gains, except that they are eliminated to the extent that there is no evidence of impairment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

Non-controlling interests represents a portion of equity in subsidiaries, which is not owned by the Group, and is recorded separately in equity in the consolidated statement of financial position separately from the equity attributable to the Parent. Losses within a subsidiary are attributed to the non-controlling interests even if that results in its deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business combinations

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

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

If the business combination is achieved in stages, equity interest previously held by the Group in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Business combinations (continued)

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

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

Acquisition of subsidiaries from parties under common control

Acquisition of subsidiaries from parties under common control (entities under the Government's control) is accounted for using the pooling of interest method.

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

These consolidated financial statements are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the Predecessor.

Change in ownership interests in subsidiaries

In transactions where part of the interest in existing subsidiary is either sold or acquired, but control is retained, the differences between the carrying amounts of net assets attributable to interests in subsidiaries acquired or disposed and the consideration given or received for such increases or decreases are charged or credited to retained earnings.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognizes its: Assets, including its share of any assets held jointly; Liabilities, including its share of any liabilities incurred jointly; Revenue from the sale of its share of the output arising from the joint operation; Share of the revenue from the sale of the output by the joint operation; Expenses, including its share of any expenses incurred jointly.

Investment in joint ventures and associates

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

The consolidated statement of comprehensive income reflects the share of the results of operations of the joint venture / associate. Where there has been a change in net assets recognized directly in the equity of the joint venture / associate, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture / associate are eliminated to the extent of the Group's interest in the joint venture / associate.

The share in profit of joint ventures / associates is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the joint venture / associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the joint ventures / associates.

Financial statements of the joint venture / associate are prepared for the same reporting period as those of the Parent. Where necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint ventures / associates.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Investment in joint ventures and associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture / associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of investment in the joint venture / associate and its carrying amount and recognises impairment loss in the consolidated statement of comprehensive income.

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

Assets classified as held for sale

Assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through the continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 (one) year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated.

Oil and natural gas exploration, evaluation and development expenditure

Costs incurred before obtaining subsoil use rights (licenses)

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

Expenditures for acquisition of subsurface use rights

Expenditures for acquisition of subsurface use rights (exploration and production) comprise signature bonuses, historical costs, obligatory expenditures for ecological and social programs and are capitalized within intangible assets as subsurface use rights at exploration and evaluation phase.

Expenditures for acquisition of subsurface use rights are accounted for on a field-by-field basis. Each field is tested for impairment on an annual basis. If no future activity is planned, the remaining balance of the acquisition costs is written off. Starting from the commercial production on fields subsurface use rights (remaining costs) shall be transferred to the property, plant and equipment and shall be amortized using unit-of-production method on actual production based on total proved reserves.

Exploration and evaluation expenditures (construction in progress)

Exploration and evaluation expenditures include geological and geophysical costs; costs directly related to exploration drilling; stripping activities; overhead and other expenses on exploration and evaluation, which could be related to a certain field. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. Except for geological and geophysical costs, exploration and evaluation expenditures are capitalized within exploration and evaluation assets, accounted for by subsurface use contracts and are not amortized. If mineral or hydrocarbon resources are not found, this could be an indication of impairment. All capitalized costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. If mineral or hydrocarbon resources are determined and development is sanctioned, relevant costs are then transferred to oil and gas or mining assets subclasses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration, evaluation and development expenditure (continued)

Development and production expenditures (oil and gas and mining assets)

Development and production expenditures comprise previously capitalized (and reclassified in commencement of production) expenditures for acquisition of subsurface use rights and exploration and evaluation costs; drilling of producing wells regardless of the drilling results; construction of landfills; development of surface technological facilities required for production, collection and preparation of hydrocarbons and mineral resources at fields; other costs incurred in the process of organization of commercial production at fields; capitalized discounted costs for wells and mines abandonment and site restoration.

Development and production expenditures are capitalized within property, plant and equipment (oil and gas and mining assets), and are accounted for on a field-by-field basis. Oil and gas and mining assets are depreciated using a unit-of-production method based on actual production from commencement of commercial production at fields. Certain oil and gas and mining assets (surface facilities and equipment) with useful lives significantly differing from those of the fields are depreciated on a straight-line basis over their useful lives. The cost of acquisition of subsurface use rights including discounted decommissioning costs are depreciated over total proved reserves. The other field development costs are amortized over proved developed reserves.

Property, plant and equipment (other than oil and gas and mining assets)

On initial recognition, property, plant and equipment is measured at cost. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Property, plant and equipment, other than oil and gas and mining assets, principally comprise the following classes of assets, which are depreciated on a straight-line basis over the expected useful lives:

Unified power system assets	8-100 years
Refinery assets	4-100 years
Pipelines	2-30 years
Buildings and premises	2-100 years
Railway tracks and infrastructure	10-80 years
Machinery, equipment and vehicles	2-50 years
Other	2-20 years

In cases when items of property, plant and equipment are subject to major inspection, the cost is recognized in the carrying amount of property, plant and equipment as a replacement of component if the recognition criteria set out in IAS 16 are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period the asset is derecognised.

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets (continued)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with the finite useful life principally comprise the following classes of assets which are amortised on a straight-line basis over the expected useful lives:

Licenses	3-20 years
Software	1-14 years
Other	2-15 years

Indefinite lives intangible assets are not amortized, but tested for impairment annually or whenever there are indications of impairment and, if necessary, written down to the recoverable amount.

Investment properties

Investment property is initially measured at cost, including transaction costs.

Since the Group adopted cost model, after initial recognition, investment property is accounted for in accordance with the cost model as set out in IAS 16 *Property, Plant and Equipment*, that is, at cost less accumulated depreciation and less accumulated impairment losses.

The depreciation is calculated based on straight line method basis over the expected remaining useful average life of 2-100 years.

Investment property is derecognised (eliminated from the consolidated statement of financial position) on its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected in the future. The difference between the net inflows arisen from the disposal and carrying amount of the asset is recognised in the consolidated statement of comprehensive income for the period in which it was derecognized.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas development tangible or intangible assets or whenever facts and circumstances indicate impairment. One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment (the list is not exhaustive):

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

The Group's financial assets at amortised cost include trade and other receivables, loans due from third and related parties, debt securities of third and related parties and bank deposits. Also, the Group includes in its financial assets measured at amortized cost notes of the National Bank of the Republic of Kazakhstan with a maturity of up to 3 months due to the fact that these investments are part of the Group's investment activities and not part of cash management.

The Group's financial assets at FVOCI include mainly debt securities of third and related parties.

The Group's financial assets at FVPL include mainly loans issued, debt and equity securities of third and related parties.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

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

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

Hedge accounting

The Group designates certain hedging instruments in respect of foreign currency risk, as either hedges of net investments in foreign operations or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values of foreign operations or cash flows of the hedged item attributable to the hedged risk.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued:

- When the Group revokes the hedging relationship;
- When the hedging instrument expires or is sold, terminated, or exercised; or
- When it no longer qualifies for hedge accounting.

Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Investments in foreign operations hedge

Foreign currency gain or loss arising on items that are designated as part of the hedge of the Group's net investment in foreign operations are recognized in consolidated statement of comprehensive income within currency translation reserve.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Hedge accounting (continued)

Cash flow hedges

Foreign currency gain or loss arising from financial instruments that are designated and qualify as cash flow hedges is recognized in consolidated statement of comprehensive income within hedge reserve.

Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Costs comprise charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to sell. The same cost formula is used for all inventories having a similar nature and use. Inventories of oil and gas and energy operating segments are valued on a first-in first-out ("FIFO") basis. All other inventories are valued on the weighted-average cost basis.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, short-term and highly liquid investments with original maturity of not more than 3 (three) months readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

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

Trade and other payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR).

Loans and borrowings

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contracts after initial recognition at the higher of the amount initially recognized less, when appropriate, the cumulative amount of income/amortization in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers* and the amount of the estimated allowance for expected credit losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

Determining whether the agreement is a lease or whether it contains evidence of a lease is based on an analysis of the content of the agreement at the date of the commencement of the lease. The agreement is a lease or contains signs of a lease if the implementation of the agreement depends on the use of a particular asset (or assets), and the right to use the asset or assets as a result of this agreement is transferred from one party to the other, even if this asset (or these assets) is not indicated (not specified) in the agreement explicitly.

The Group as lessee

For the lease contracts (or separate components of the contracts), under which the Group is granted the right to control the use of an identified asset (as defined by IFRS 16 *Leases*) for a certain period of time in exchange for consideration, the Group recognizes a right-of-use asset and a corresponding lease liability at the inception of the contract. Non-lease components of the contracts are accounted for in accordance with other relevant standards.

In accordance with IFRS 16 *Leases*, the Group applies practical expedient for not recognising the lease for the lease contracts with lease term of less than 12 months at lease inception and without purchase option, for the leases with variable lease rates that do not depend on an index or rate and for the leases of low value assets.

The Group recognizes short-term leases and leases of low value assets as expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments are discounted by using the Group incremental borrowing rate, except when the rate is implicit in the lease and can be readily determined.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

At the commencement date, the Group measures the right-of-use asset at cost that includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured according to the accounting policy that is applied for own assets, including for depreciation and amortization and impairment measurement.

The recognised right-of-use asset is depreciated over the shorter period of expected useful life of the underlying asset or lease term.

The Group presents lease liabilities in the consolidated statement of financial position as a separate line *(Note 23)*, while right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned, i.e. within property, plant and equipment *(Note 8)*.

In accordance with the requirements of IFRS 16, the Group classifies repayment of principal in cash flows from financial activities. In accordance with the Group's accounting policy, interest paid is classified as part of the cash flows from operating activities. Payments on short-term leases, leases of low value assets and variable rental payments not included in the valuation of the lease liability are presented as part of operating activities.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its property, plant and equipment items.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provisions

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made.

The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding addition to the carrying amount of the related item of property, plant and equipment in the amount equivalent to the provision is also recognized. This amount is subsequently depreciated as part of the capital costs of the production and transportation facilities in accordance with respective depreciation method.

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

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

Other provisions

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

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

Employee benefits

Contributions to pension funds

The Group withholds 10% from the salary of its employees limited to certain annual amounts as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits payable by that pension funds and the Group has no present or future obligation to further compensate its employees upon their retirement in relation to these arrangements.

Social tax

The Group pays social tax on salaries payable to employees according to the current statutory requirements of the Republic of Kazakhstan. Social tax is expensed as incurred.

Defined benefit plan

In accordance with the Collective Agreements signed with trade unions and other benefit regulations, some subsidiaries of the Group provide certain benefits to its employees upon their retirement ("Defined Benefit Plan").

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits (continued)

Defined benefit plan (continued)

The Group recognises actuarial gains and losses arising from the reassessment of the employee benefit liability in the period they are identified in OCI and profits and losses, and recognises benefit costs and obligations based on estimates determined in accordance with IAS 19 *Employee Benefits*.

The obligation and cost of benefits under the defined benefit plan are determined using the projected unit credit method. This method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost of providing benefits is charged to profit and loss, so as to attribute the total benefit cost over the service lives of employees in accordance with the benefit formula of the defined benefit plan. This obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest on government bonds where the currency and terms of these bonds are consistent with the currency and estimated terms of the defined benefit plan obligation. The defined benefit plans of Group's subsidiaries are unfunded.

Equity

Share capital

Common shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess or deficiency of the fair value of consideration received over the par value of shares issued is recognized as an increase or decrease in the retained earnings.

Non-controlling interests

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity holders of the Parent. Losses of subsidiaries are attributed to the non-controlling interests even if this results in a deficit balance.

Dividends

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

Other distributions to the Shareholder

Other distributions to the Shareholder recognized as deductions from retained earnings are represented by expenses incurred or asset distribution made at the discretion of the Shareholder, including property, plant and equipment, interest in another entities, other disposal groups, cash and other assets in accordance with accounting policy of the Group.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Sale of goods

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Rendering of services

Revenue from rendering of services is recognized when the services have been performed.

In respect of services related to transportation, revenue is recognized with reference to the stage of completion of the transportation at the reporting date provided that the stage of completion of transportation and the amount of revenue can be measured reliably. Prepayments received from customers relating to transportation services that have not been started yet are recognized upon receipt as "advances received from customers". Deferred income is credited to current revenue, as the service is provided.

The Group's revenue in the energy, communications and transportation segments is primarily recognized over a period of time, while the rest of the Group's revenue is primarily recognized at a point in time.

Sale and lease back transactions

The Group accounts for a transfer of an asset in a sale and leaseback transaction as a sale only if the transfer meets the requirements of IFRS 15 *Revenue from Contracts with Customers*.

If, under IFRS 15, a sale is to be recognised by the seller-lessee, then the right-of-use asset leased back is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the seller-lessee continues to recognize the transferred asset and recognizes a financial liability equal to proceeds for the transfer by applying IFRS 9 *Financial Instruments*.

Interest and finance income and expenses

Interest income and expenses on financial instruments, issued and received in the framework of achieving the goal, fulfilling the tasks and carrying out the core activities of the Group is disclosed as interest income and expense. All other interest income and expense not related to the core activities of the Group are disclosed in finance income and expenses. Finance income includes interest on cash and cash equivalents, amounts due from credit institutions, loans issued, financial guarantees and other financial assets and liabilities. Finance expenses include amortization of discount on borrowings, costs associated with attracting and servicing borrowed funds internally and externally, including interest expenses and other similar expenses.

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments held at FVOCI, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Contract liabilities from contracts with customers

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Costs to obtain a contract

The Group pays commission to sales agents for new connected subscribers in the communication segment. The commission to sales agents is capitalized within other non-current assets in the consolidated statements of financial position. Costs to obtain a contract are amortized over the period the service is provided to the customer.

Establishment of tariffs

A number of subsidiaries of the Group are subject to regulation by the Committee for regulation of natural monopolies of the Republic of Kazakhstan ("CRNM"). This Committee is responsible for approval of the methodology for tariff calculation and tariff rates, under which the subsidiaries derive a significant portion of their revenues.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Government grants

Due to the fact that the Government of the Republic of Kazakhstan is the sole shareholder of the Fund, the Group analyses all transactions with the Government to assess its role: where the Government acts primarily in its capacity of the Shareholder or where it acts as a regulator.

If it is determined that in a specific transaction the Government acts in capacity of the Shareholder any gains or losses incurred by the Group as a result of such transaction are reflected directly in equity as either a contribution or withdrawal of equity by the Shareholder.

If it is determined that in a specific transaction the Government does not act in capacity of the Shareholder such transactions are accounted for using provisions of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. In such circumstances, government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments. Grants related to income are presented separately in the consolidated statement of comprehensive income within revenues from operating activities.

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognized in the profits and losses, except to the extent that it relates to items charged or credited to other comprehensive income or equity, in which case it is recognized in other comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Excess profit tax ("EPT") is treated as an income tax and forms part of income tax expense. In accordance with the subsurface use contracts, the Group accrues and pays EPT, at specified rates of after tax profit which has been adjusted for specific deductions in accordance with the applicable subsurface use contracts, when certain internal rates of return are exceeded.

Deferred tax is calculated with respect to both corporate income tax ("CIT") and EPT. Deferred EPT is calculated on temporary differences for assets allocated to subsurface use contracts at the expected rate of EPT to be paid under the contract.

Deferred tax is provided using the statement of financial position method, in relation to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences arising due to the following are not provided for:

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

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

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

Value added tax ("VAT")

Tax authorities permit the settlement of sales and purchases VAT on a net basis. VAT receivable represents VAT on domestic purchases net of VAT on domestic sales. Export sales are zero rated.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Related parties

Related parties include the Group's Shareholder, key management personnel, associates, joint ventures and entities in which a substantial interest in the voting power is owned, directly or indirectly, by the Group's shareholders or key management personnel.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date and reported amounts of assets, liabilities, revenues, expenses and contingent assets and liabilities during the reporting period. Actual outcomes could differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

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

Impairment testing assumptions

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

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

Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 11.60-16.60% depending on the functional currency, production period, size, equity risk premium, beta and gearing ratio of the relevant CGU.

The long-term price assumptions applied were derived from Bloomberg consensus; so did the near-term commodity price assumptions, a summary of which, in real 2023 terms, is provided below:

	2024	2025	2026	2027	2028
Brent oil (ICE Brent $/bbl)	84.60	83.00	78.00	73.00	74.47

In Oil-and-gas and petrochemical segment net impairment charges were 278,177 million tenge for 2023. Impairment charges mainly relate to the exploration and evaluation assets of Aktoty and Kairan project in the amount of 74,255 million tenge and Jenis project in the amount of 40,244 million tenge (December 31, 2022: 8,895 million tenge of Southern Urikhtau project and 3,172 million tenge of Isatay project), and the CGU KMGI in the amount of 97,636 million tenge (December 31, 2022: no impairment loss was recognized) (*Note 30*).

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

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

KMG International N.V. (hereinafter KMGI CGU), including goodwill

For the year ended December 31, 2023, the Group performed its impairment tests for goodwill and downstream, refining and other assets due to existence of impairment indicators at the CGUs of KMGI: CGU Refining, CGU Petrochemicals and CGU Downstream. As the result of the impairment test, recoverable amount of KMGI CGUs were lower than its carrying values. The total impairment loss for the analyzed KMGI's CGUs was 94,962 million tenge, of which CGU Refining was estimated at 80,761 million tenge, for CGU Petrochemicals at 340 million tenge and for CGU Downstream at 13,861 million tenge (*Note 30*).

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

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

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

Refining and Petrochemicals CGU of KMGI

The discount rate applied to cash flow projections for Refining and Petrochemicals CGU was 11.60% (2022: 12.10%) and cash flows beyond the 5-year period were extrapolated using negative 1.50% (2022: positive 2.10%) growth rate, for 2023 is the average annual growth rate during 2028-2051 for market refinery margins estimated by Platts-PIRA available as at valuation date. The capitalization rate used for residual values was 13.10% (2022:10.00%).

Downstream CGU of KMGI

The discount rate applied to cash flow projections for Downstream CGU was 11.60% (2022: 12.10%) and cash flows beyond the 5-year period were extrapolated using negative 0.40% (2022: positive 2.10%) perpetuity growth rate, taking into account expected market demand during 2029-2051 from the latest market studies available as at valuation date (Wood Mackenzie) and the long term inflation rate for USD as per PWC report Global Economy Watch Projections, issued in July 2023. The capitalization rate used for residual values was 11.20% (2022: 10.00%).

Sensitivity to changes in assumptions for CGU Refinery

The additional impairment charges of 25,595 million tenge will occur if the discount rate increases by more than 1% to 12.6%, should the volumes decrease by more than 2.0% an additional impairment charge will be 41,869 million tenge and contribution margin decrease by more than 2.0% an additional impairment charge will be 28,831 million tenge or perpetuity growth rate decrease by more than 1.50% an additional impairment charge will be 28,168 million tenge.

The additional impairment charges of 51,858 million tenge will occur if the additional tax burden is not recovered in the form of a turnover tax by increasing the price for the final users.

Sensitivity to changes in assumptions for CGU Downstream

The additional impairment charges of 18,705 million tenge will occur if the discount rate increases by more than 1.0%, should the volumes decrease by more than 2.0% an additional impairment charge will be 14,721 million tenge and gross margin decrease by more than 2.0% an additional impairment charge will be 20,318 million tenge or perpetuity growth rate decrease by more than 1.50% an additional impairment charge will be 20,076 million tenge.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

KMG International N.V. (hereinafter KMGI CGU), including goodwill (continued)

Sensitivity to changes in assumptions for CGU Petrochemicals

The additional impairment charges of 788 million tenge will occur if the discount rate increases by more than 1.0%, should the volumes decrease by more than 1.50% an additional impairment charge will be 1,422 million tenge and contribution margin decrease by more than 1.50% an additional impairment charge will be 1,320 million tenge or perpetuity growth rate decrease by more than 1.50% an additional impairment charge will be 638 million tenge.

In June 2023, an incident occurred at the Petromidia Refinery, a subsidiary of KMGI, which led to the temporary decommissioning of the Mild Hydrocracker installation. Petromidia Refinery conducted assessments to estimate the incident consequences and recognized impairment of property, plant and equipment for 2,674 million tenge (*Note 30*).

Pavlodar refinery, including goodwill

As of December 31, 2023, and 2022 the Group has goodwill of 88,553 million tenge related to acquisition of Pavlodar refinery (*Note 9*). In December 2023 and 2022 the Group performed annual impairment test for the Pavlodar refinery goodwill. In assessing the recoverable amount, the fair value less the cost of sale was calculated, determined using a marketing scheme. The Group considered the forecast for oil tolling volumes, oil tolling tariffs, capital expenditures, among other factors, when reviewing for indicators of impairment. The recoverable amount is calculated using a discounted cash flow model. In 2023, the discount rate of 16.02% (2022: 12.86%) was calculated based on the pre-tax weighted average cost of capital. The inherent risk was included by applying an individual beta factor. The beta factor was estimated based on the publicly available market data. Forecasted cash flows till to 2032 were based on five-years business plan of Pavlodar refinery 2024-2028 (2022: 2023-2027 years), which assumes current management estimates on potential changes in operating and capital costs. As at December 31, 2023 and 2022 the recoverable amount of goodwill, which was determined based on value-in-use, exceeded its book value, as such no impairment of Pavlodar refinery goodwill was recognized.

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of Pavlodar refinery goodwill are sensitive to changes in key assumptions, in particular, assumptions related to changes in discount rate and target EBITDA in terminal period. Increase in discount rates by 1.0% to 17.02% (2022: 13.86%) and decrease of target EBITDA in terminal period by 1% would not result decrease of the recoverable amount of CGU Pavlodar refinery to its carrying value.

Transportation and storage of gas by Intergas Central Asia JSC ("ICA")

The recoverable amount of the cash-generating unit is calculated using a discounted cash flow model. The discount rate was derived from the weighted average cost of capital before tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on ICA investments. The cost of debt capital is based on the interest-bearing loans that ICA is obligated to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data. The business plan, approved on an annual basis, is the main source of information for projected cash flows. It contains forecasts for gas transportation volumes, revenues, expenses and capital expenditures.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Transportation and storage of gas by Intergas Central Asia JSC ("ICA") (continued)

Various assumptions, such as transportation rates as well as inflation rates for expenses take into account existing prices, other macroeconomic factors and historical trends and fluctuations. Cash flow projections were based on the ICA's five-year business plan, considering a reverse transit agreement, transportation under which was commenced in the fourth quarter of 2023, and projections through 2055 calculated using management's current estimates of potential changes in operating cost and capital expenditures at the level of tariff growth. The main assumptions used in the calculation were projected as follows:

- Transportation volume – average annual growth rate over the five-year forecast period based on historical results and management's expectations regarding market developments;
- Transportation tariff – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRNM) for the domestic market and tariffs under contracts with international counterparties for transportation for export and transit, taking into account the average annual growth rate and long-term inflation forecasts after a five-year forecast period;
- Annual capital expenditures – based on management's historical experience and planned costs to maintain production assets and other property, plant and equipment directly involved in the production activities, as well as investments in new projects.

Cash flows beyond the five-year period are extrapolated using the assumed growth rates shown below. These growth rates are in line with forecasts for the gas industry.

The following are the assumptions used to determine the value in use and to which the recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	December 31, 2023	December 31, 2022
Growth rates over 5 years	4%	4%
Discount rate before tax	16.96%;	16.60%
Transportation volumes:		
- transportation within Kazakhstan	1,073 bln. m3	2,084 bln. m3
- transportation of gas for export	17 bln. m3	72 bln. m3
- international transit	1,245 bln. m3	1,308 bln. m3
Transportation tariffs:		
- transportation within Kazakhstan (thousand m3)	From 5,425.26 Tenge	From 5,285.66 Tenge
- transportation of gas for export (thousand m3/100 km)	2.42 US Dollars – 5 US Dollars	2.42 US Dollars – 5 US Dollars
- international transit (thousand m3/100 km)	2.42 US Dollars – 2.9 US Dollars	2.42 US Dollars – 2.9 US Dollars

As at December 31, 2023 the recoverable amount of non-current assets amounted to 1,249,898 million tenge, which exceeded their carrying amount by 61,870 million tenge (at December 31, 2022: 1,154,259 million tenge that exceeded their carrying amount by 232,051 million tenge).

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in discount rate. Increase in discount rates by 1.0% would result in impairment charge of 33,413 million tenge.

As at December 31, 2023, the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the applied discount rate increases from 16.96% to 17.6%.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Gas sales to local energy distributors, legal entities and individuals by KazTransGas Aimak JSC ("KTG Aimak")

The recoverable amount of the cash-generating unit was determined as value in use using a discounted cash flow model. Cash flow estimates include many subjective factors, including operational and financial, using the best available evidence.

The discount rate was derived from the weighted average cost of capital before tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on investments of KTG Aimak. The cost of borrowed capital is based on the interest-bearing loans that KTG Aimak is obliged to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data.

The main assumptions used in the calculation were predicted as follows:

- Volume of gas purchases and supplies – based on the Comprehensive Development Plan for the Gas Industry of the Republic of Kazakhstan for 2022–2026, approved by the Decree of the Government of the Republic of Kazakhstan, and the Gas Balance of the Republic of Kazakhstan for 2024-2030, approved by Order of the Minister of Energy of the Republic of Kazakhstan;
- Transportation tariffs – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRNM) for five years and taking into account the average annual growth rate and long-term inflation forecasts after the five-year forecast period;
- Annual capital expenditures – based on management's historical experience and planned costs to maintain production assets and other property, plant and equipment directly involved in the production process, as well as investments in new projects.

Cash flows beyond the five-year period are extrapolated using the assumed growth rates shown below. These growth rates are in line with forecasts for the gas industry.

The following are the assumptions used to determined the value in use was and to which recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	At December 31, 2023
Growth rates over 5 years	4.44%
Discount rate before tax	16.42%;
Gas sales volumes until 2030	142.8 bln. m3
Gas transportation volumes until 2030	108.3 bln. m3
Tariffs for:	
- gas sales (thousand m3)	from 22 thousand tenge
- gas transportation (thousand m3)	from 4.9 thousand tenge

As at December 31, 2023 the recoverable amount of non-current assets amounted to 282,730 million tenge, which exceeded their carrying amount by 32,923 million tenge (as of December 31, 2022: 262,674 million tenge, which exceeded their carrying amount by 17,616 million tenge).

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of CGU's assets are sensitive to changes in key assumptions, in particular, assumption related to changes in gas sales and transportation volumes. Decrease in gas sales and transportation volumes by 5.0% would result in impairment charge of 5,686 million tenge.

As at December 31, 2023 the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the applied gas sales and transportation volumes decrease from 142.8 billion m3 and 108.3 billion m3 to 136.7 billion m3 and 103.7 billion m3, respectively.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Production of natural gas and gas condensate by Exploration and Production QazaqGaz ("EP QazaqGaz")

Exploration and evaluation assets are assessed for impairment when facts and circumstances indicate that the carrying amount of these assets may exceed their recoverable amount, which is the case when the exploration license has expired and is not expected to be renewed; significant expenditures for further exploration are not planned; exploration did not lead to commercial discovery of reserves; there are indications that exploration and evaluation assets will not be fully recovered through successful development or sale.

Proved and probable gas reserves are used in the impairment test. There are many uncertainties associated with estimating gas reserves, in particular, assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast commodity prices, exchange rates, production costs, as well as expiration of exploration licenses and failure to commercially discover reserves could significantly affect recoverable amount.

The recoverable amount of the cash-generating unit was determined as value in use using a discounted cash flow model. The estimated cash flows were based on a five-year business plan with projections through 2054, calculated using management's current estimates of potential changes in operating cost and capital expenditures and projected field depletion rates. Various assumptions, such as gas and condensate prices and inflation rates for expenses, take into account existing prices, other macroeconomic factors and historical trends and fluctuations.

The discount rate was derived from the weighted average cost of capital before tax. The weighted average cost of capital takes into account equity. The cost of equity capital is derived from the expected return on investments of EP QazaqGaz. Inherent risk was included by applying an individual beta factor. Beta factor was estimated using publicly available market data.

The main assumptions used in the calculation were predicted as follows:

- Production volume – volumes from the approved five-year Business Plan with a further calculated forecast providing for a natural drop in reservoir pressure as a result of constant gas extraction;
- Selling price for commercial gas – based on a scenario, when a part of the gas can be sold for export at the corresponding market selling prices;
- Condensate sales price – average annual growth rate over the five-year forecast period; based on current industry trends and including long-term inflation forecasts;
- Annual capital expenditures —using historical inflation-adjusted depreciation and amortization, as well as management's historical experience and planned costs to maintain operating assets and other property, plant and equipment directly involved in the production process.

Assumptions regarding the recoverable amount of non-current assets:	At December 31, 2023
Discount rate	16.93%
Gas sales volumes	6,534 million m3
Condensate sales volumes	269 million m3
Tariffs for:	
- gas sales (thousand m3)	from 22 thousand tenge
- sales of condensate (thousand m3)	from 84 thousand tenge

As at December 31, 2023 the recoverable amount of non-current assets amounted to 44,298 million tenge, which exceeded their carrying amount by 1,176 million tenge (as of December 31, 2022: 37,528 million tenge, which exceeded their carrying amount by 3,994 million tenge).

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Production of natural gas and gas condensate by Exploration and Production QazaqGaz ("EP QazaqGaz") (continued)

Sensitivity to changes in assumptions

The impairment charges of 1,671 million tenge will occur if the discount rate increases by more than 1.0%, should the gas sales volumes decrease by more than 5.0% an impairment charge will be 4,600 million tenge and gas sales tariffs decrease by more than 1. 0% an impairment charge will be 1,735 million tenge.

As at December 31, 2023 the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the key assumptions had changed as follows:

Assumption	Assumption value used	Assumption value at which recoverable amount equals carrying amount
Discount rate	16,93%	17.33%
Gas sales volumes	6,534 million m3	6,473 million m3
Gas sales tariff	from 22 thousand tenge	from 17 thousand tenge

Other CGUs

Revision to the Group's commodity price and other assumptions have not resulted in impairment charges in any other CGUs of the Oil-and-gas and petrochemical segment.

Oil and gas reserves

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

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

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

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

Please refer *Note 30* for details on annual impairment test results.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Mining reserves

Mining reserves are a critical component of the projected cash flow estimates that are used to assess the recoverable values of assets and to determine depreciation and amortisation expense in mining segment.

Group entities usually estimate reserves based on results of detailed mine exploration, which is evaluated and approved by State Reserves Commission (SRC) of Kazakhstan Geology Committee. Normally upon stripping during production actual reserves of each area are greater or lesser than geological reserves approved by SRC.

Uranium reserves (estimate)

Uranium reserves are a critical component of the Group's projected cash flow estimates that are used to assess the recoverable values of relevant assets as well as depreciation and amortisation expense. Estimates of uranium reserves also determine the life of mines, which in turn affect asset retirement obligation calculations.

On an annual basis the Group engages an independent consultant to assess the Group's ore reserves and mineral resources in accordance with the Australasian Code for reporting on geological exploration works, mineral resources and ore reserves (hereinafter JORC Code). Independent assessment of reserves and resources was carried out as of December 31, 2023 and 2022. The consultant reviewed all key information upon which the reported mineral resource and ore reserve statements for the mining assets of the Group are based.

The consultant's reports contain an assessment of the tons of uranium contained in ore which has the potential to be extracted by the existing and planned mining operations (the mineral resource), and also the tons of uranium contained in ore currently planned to be extracted as envisaged by the respective life-of-mine plans (the ore reserve). The Group used the ore reserves data for calculation of impairment of long-term assets, unit of production depreciation for each of the Group's mines as well as asset retirement obligation calculations.

Railway assets

The management assesses the recoverability of property, plant and equipment annually as of December 31 or every time when impairment indicators of the single CGU appear.

The assessment of whether there is an indication of assets impairment is based on a number of factors, such as a change in market rates, in growth expectations in the railway industry, future cash flow estimates, changes in the future availability of financing, technological obsolescence, discontinuance of service provision, current replacement costs and other changes in circumstances.

As at December 31, 2023, the Group performed the analysis of the above external and internal impairment indicators of property, plant and equipment, in particular changes in interest rates, an analysis of the achievement of actual indicators versus budgeted indicators, as well as an analysis of the transit freight turnover and changes in the exchange rate of tenge to the Swiss Franc, as the transit tariff is set in Swiss Franc.

The measurement of whether each external and internal factor is an indication of impairment requires significant management judgement. Management's key judgement is based on the fact that amid the current geopolitical situation and disruption of traditional transportation and logistics chains, the country's transit potential is a key factor in the promotion of transcontinental trade. In December 2022, the Concept for the Development of the Transport and Logistics Potential of Kazakhstan until 2030 stipulating further development of the rail sector in Kazakhstan was approved in accordance with the instructions of the President of Kazakhstan. In 2023, transit freight transportation traffic and revenue exceeded targets.

The management of the Group did not identify any events that occurred in 2023 that could be considered as an indicator of the impairment of the single CGU as at December 31, 2023.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets related to uranium production

Assets related to uranium mines include property, plant and equipment, mine development assets, mineral rights, exploration and evaluation assets, investments in associates, investments in joint ventures, and other investments. For the purpose of impairment testing assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group has identified each mine (contract territory) as a separate cash-generating unit unless several mines are technologically connected with single processing plant in which case the Group considers such mines as one cash-generating unit.

MC Ortalyk LLP, JV Akbastau JSC and Karatau LLP

Goodwill relates to prior period business combinations of MC Ortalyk LLP in the amount of 5,166 million tenge, Karatau LLP of 24,808 million tenge and JV Akbastau JSC of 18,520 million tenge (*Note 9*). At least annually, goodwill is tested for impairment at the level of a corresponding cash generating unit.

The recoverable amount was determined on a value in use basis, cash flows forecasts were based on approved reserves, estimated production volumes, subsurface use contracts periods and a pre-tax discount rate of 18.59% for 2023 year (2022: 19.03%).

Production volumes are consistent with those agreed with the competent authority and independent consultant's report and are based on the production capacity of the cash-generating units. Key assumptions used in calculations include forecast sales prices, production volumes. Sales prices used in developing forecasted cash flows were based on annual spot and long-term base price projections (denominated in US Dollar per pound of uranium) published by UxC LLC in the fourth quarter of 2023.

Production costs and capital expenditures are based on approved business plans for 2024-2028 and growth of 6.39% which approximates long-term average inflation rates. The estimated values in use significantly exceed the carrying amounts of the non-current assets of the three cash-generating units, including goodwill, and therefore even reasonably possible changes in key assumptions would not lead to impairment losses being recognized.

Power generating assets

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity

The Group's management performed the analysis of the impairment indicators of property, plant and equipment of subsidiaries "Almaty Electric Stations" ("AlES") JSC, Ekibastuz GRES-1 named after Bulat Nurzhanov LLP ("EGRES-1"), Alatau Zharyk Company JSC ("AZhK") and "Station Ekibastuzskaya GRES-2" JSC ("EGRES-2") in accordance with IAS 36 "Impairment of Assets".

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity (continued)

The principal facts and assumptions used in the analysis of the impairment indicators are:

- Lack of negative changes in the economic efficiency of subsidiaries for the reporting period;
- Increase in marginal tariffs for electricity for energy producing organizations from June 1, 2023 in accordance with Order of the Minister of Energy of the RK dated May 26, 2023 No. 192, with the possibility of adjusting tariffs in accordance with clause 2 of Article 12-1 of the Law of the RK «On Electric Power Industry» and the Rules for approving the marginal tariff for electrical energy, approved by Order of the Minister of Energy of the RK dated February 27, 2015 No. 147;
- A change in interest rates on loans will not have a significant impact on the recoverable amount of assets, since an increase in the debt financing rate will be similarly reflected in the WACC rate when calculating the rate of return, in the next validity period of the cap tariffs, according to the methodology for determining the rate of return taken into account when approving the cap tariffs for electricity, as well as a fixed profit for balancing, taken into account when approving cap tariffs for balancing electricity approved by Order of the Minister of Energy of the RK dated May 22, 2020 No. 205, the cost part of the tariff also includes interest expenses for the previous period;
- A change in inflation rates will not have a significant impact, since the cost part of the tariff includes costs taking into account actual inflation for the previous year, as well as amendments to the Law "On Natural Monopolies" dated December 30, 2022 No. 177-VII ZRK stipulate additional conditions for adjusting tariffs approved for 5 years for the transmission of electricity before its expiration (change in the approved investment program in connection with the implementation of national projects, receipt on the balance sheet or in trust management of networks, change in the average monthly nominal wage);
- The introduction of a new target model of the electricity sales market from July 1, 2023 (Note 19) did not have a significant impact on the financial results of the Group's power plants. The volume of purchases and sales of imbalances on the balancing electricity market amounted to less than 5% of the total sales volume, which is a minor deviation. The price of purchase and sale of electricity at centralized trading in the event of imbalances also did not have a significant impact on the Group's results. The Group's stations primarily operate in accordance with the declared volumes and accordingly, the plan usually corresponds to the fact, which allows minimizing the volume of transactions on the balancing electricity market.
- Lack of significant changes having adverse consequences for subsidiaries, which occurred during the period or may presumably occur in the nearest future;
- Projected growth in the medium term in demand for electricity in the northern and southern zones of the RK;

Additional facts and assumptions used in the analysis of impairment indicators for AlES:

- Increase in the tariff for heat energy from August 1, 2023 with the possibility of adjusting tariffs when changing the type and cost of strategic goods, according to the Law of RK "On natural monopolies";
- It is planned to modernize the two main power plants of AlES (Almaty CHP-2 and CHP-3). The residual value of the existing assets of the coal-fired power units of these plants, subject to conservation or dismantling, by the time the new gas turbine/combined cycle power units are put into operation will be equal to zero;
- No significant changes that have occurred during the period, or are expected to occur in the near future and can have a material effect on the asset's recoverable amount.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity (continued)

Additional facts and assumptions used in the analysis of impairment indicators for AZhK:

- Overfulfillment of the plan in terms of key operational and financial performance indicators at December 31, 2023;
- Projected growth in the medium term in demand for electricity in the Almaty city and the Almaty region;
- Increase in the tariff for electricity transmission from July 1, 2023 per joint order of the DCRNM of the Ministry of National Economy of the RK for Almaty and Almaty Region No. 50-OD dated June 23, 2023;
- Costs of purchased electricity from the Settlement and Financial Center for Support of Renewable Energy Sources LLP and on the balancing electricity market are included in the tariff estimate;
- Law of the RK dated December 30, 2022 No. 177-VII amended Law of RK "On Natural Monopolies" dated December 27, 2018 No. 204-VI ZRK allowing to adjust the tariffs for electricity transmission approved for 5 years before expiration. By the Order of the RK of the Minister of National Economy of the RK dated December 8, 2023, changes were made to the Rules for the formation of tariffs of natural monopoly entities, approved by Order of the Minister of National Economy of the RK dated November 19, 2019 No. 90, which updated the incentive method for regulating the spheres of natural monopoly, allowing the use of 50% the permissible level of profit at the discretion of the natural monopoly entity, upon achieving the performance indicators determined by the specified Rules.

As a result of the analysis of external and internal impairment indicators, the Group's management concluded that there were no impairment indicators at the date of the analysis. Accordingly, the Group's management has elected not to test for impairment of property, plant and equipment and intangible assets of these subsidiaries at December 31, 2023.

Ereymentau Wind Power LLP

The Group has identified an individual impairment indicator of impairment for Ereymentau Wind Power LLP due to the delay in the implementation of the 50 MW wind power plant construction project in Ereymentau and the litigation of Ereymentau Wind Power LLP with the Settlement and Financial Center for Support of Renewable Energy Sources LLP in relation to prolongation of contract on provision of tariff for electricity sales.

The Group recognized a full impairment of construction in progress objects in the amount of 4,913 million tenge and prepayments on long-term assets in the amount of 9,156 million tenge (*Note 30*) (December 31, 2022: impairment of long-term assets of 6,220 million tenge).

Expansion and reconstruction of Ekibastuz GRES-2 with the installation of power unit No. 3

In 2008, EGRES-2 began preparations for the construction of power unit No. 3 with a capacity of 500 MW. Subsequently, the construction plan was revised and until 2016 the company was at the stage of implementing design estimates, preliminary construction and purchasing the necessary equipment for the new power unit No. 3 with a capacity of 630 MW. On August 29, 2016, EGRES-2 terminated the general contract for the construction of power unit No. 3, concluded between EGRES-2 and KVARTZ KZ LLP, due to the postponement of the construction of power unit No. 3.

EGRES-2 carried out a number of activities related to the construction of power unit No. 3, including:

- On March 14, 2022, the Market Council Commission for the consideration of investment programs made a unanimous decision to recommend for consideration by the authorized body the investment program of EGRES-2 JSC "Expansion and reconstruction of EGRES-2 with the installation of a power unit st. No.3";
- A significant part of the technological equipment for the power unit has been accepted. At the same time, in order to complete the construction of the power unit, it is necessary to make additional orders for the manufacture of the missing part of the equipment.

Due to the insufficiency of generating capacity, according to the forecast balances of electrical energy and capacity for 2024 - 2030, the Ministry of Energy of RK predicts a significant shortage of electrical energy by 2030. And also in connection with the introduction of a significant volume of renewable energy sources by 2030, the construction of additional flexible capacities for regulation is required. In the forecast balance, in order to reduce the shortage of electricity and maneuverable power, the construction of new stations was envisaged, including the expansion of EGRES-2 and the construction of a new station of GRES-3.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Power generating assets (continued)

Expansion and reconstruction of Ekibastuz GRES-2 with the installation of power unit No. 3 (continued)

The management of the Group, taking into account the above facts, is considering the possibility of using existing Chinese equipment a) for the further construction of a flexible power unit at EGRES-2, and also b) the possible sale of equipment at GRES-3 for the construction of a new station. The Group is currently developing a Preliminary Feasibility Study for the project "Construction of State District Power Plant-3. Stage I".

Management estimates the assets' recoverable amount, which is determined as the higher of its fair cost less costs to sell and its cost. The calculation of recoverable amount requires the use of estimates and professional judgment by management that are considered reasonable in the circumstances.

The fair value measurement methodology used was based on an estimate of depreciable replacement cost ("cost method"). The cost method is used if the property being valued is new or is under construction, or is a specialized property for which it is not possible to obtain information on possible sale prices in the absence of an active market.The equipment of power unit No. 3 is specialized and there are no transactions with assets similar to those being assessed. When using the cost method, certain key elements are taken into account, such as: a) understanding the specifics of the asset, b) the useful life of the asset and the date of manufacture of the equipment, c) assessing economic/external obsolescence and others.

As a result of the analysis of the asset's recoverable amount, an additional provision on equipment was recognized in the amount of 13,216 million tenge as of December 31, 2023 (*Note 30*).

Mobile Telecom Service LLP, Kcell JSC and IP TV

For impairment testing, goodwill related to *Communication* segment acquired through business combinations was allocated to three unites (further "CGUs"), Mobile Telecom Service LLP, Kcell JSC and IP TV (*Note 9*).

The carrying amount of goodwill allocated to each of CGUs was as follows:

In millions of tenge	**2023**	2022
Mobile Telecom-Service LLP	**96,206**	96,206
Kcell JSC	**53,490**	53,490
IP TV	**2,706**	2,706
	152,402	152,402

For the purposes of impairment testing, the Group assessed the recoverable amount of each cash-generating unit to which goodwill was allocated or for which impairment indicators were identified.

In 2023 the recoverable amount of all cash-generating units was determined as value in use using a discounted cash flow model. This valuation method uses cash flow forecasts based on actual operating results and business plans approved by management, as well as appropriate discount rates that reflect the time value of money and the risks associated with the underlying cash-generating units. For periods not covered by management's business plans, terminal value is used. Terminal value is calculated from cash flow forecasts by extrapolating the results of the relevant business plans using a zero real growth rate.

Assessment of future cash flows require assumptions regarding uncertain factors, including management's expectations regarding earnings before interest, taxes, depreciation and amortization (EBITDA) margins, the timing and volume of capital expenditures, terminal growth rates and appropriate discount rates to reflect associated risks. Accordingly, the EBITDA margin and capital expenditures used to calculate value in use are primarily derived from internal sources, based on past experience and expanded to reflect management's expectations. For impairment testing purposes, EBITDA is calculated as earnings before interest, taxes, depreciation and amortization, determined on the basis of IFRS consolidated financial statements.

The table below shows the EBITDA margin applied to calculate the value in use of the relevant CGUs:

	2023	2022
Mobile Telecom-Service LLP	**46.0% - 47.9%**	48.6% - 55.3%
Kcell JSC	**37.3% - 45.7%**	41.5% - 53.8%
IP TV	**2% - 7%**	(2%) - 24%
Kazakhtelecom JSC	**23.5% - 24.3%**	21.3% - 22.08%

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Mobile Telecom Service LLP, Kcell JSC and IP TV (continued)

The table below presents capital costs as a percentage of revenue used to calculate the value in use of the relevant CGU:

	2023	2022
Mobile Telecom-Service LLP	**26.3%**	21.4%
Kcell JSC	**18.0%**	15.7%
IP TV	**1.0%**	2.5%
Kazakhtelecom JSC	**10.9%**	11.93%

The table below shows the growth rates in the post-forecast period used to calculate the value in use of the corresponding CGU:

	2023	2022
Mobile Telecom-Service LLP	**4.31%**	1.50%
Kcell JSC	**3.20%**	1.50%
IP TV	**5.00%**	1.50%
Kazakhtelecom JSC	**5.00%**	1.50%

The table below presents pre-tax rates for discounting cash flows in the functional currencies of the relevant CGU:

	2023	2022
Mobile Telecom-Service LLP	**15.42%**	16.33%
Kcell JSC	**13.88%**	16.33%
IP TV	**15.41%**	14.97%
Kazakhtelecom JSC	**15.41%**	14.97%

Sensitivity to changes in assumptions – Mobile Telecom Service LLP, Kcell JSC and IP TV

Reasonably possible changes in the EBITDA margin, growth rates beyond the forecast period and discount rates do not lead to additional impairment of Mobile Telecom Service LLP, Kcell JSC and IP TV.

Sensitivity to changes in assumptions – Kazakhtelecom JSC (hereinafter- "KTC")

The calculation of value-in-use for KTC CGU is most sensitive to the following assumptions:

- EBITDA margin included in the financial plan;
- Growth rates beyond the forecast period;
- Discount rate.

Decrease in EBITDA margin by more than 1.5% from 23.5% to 22% in 2024 and gradually further in the forecast period would lead to an impairment loss of KTC CGU in the amount of 4,006 million tenge.

Decrease in growth rates of 2.5% from 5% to 2.5% would result in impairment loss of KTC CGU in the amount of 2,598 million tenge.

An increase in discount rate by 1% from 15.41% to 16.41% would do not lead to additional impairment of KTC CGU.

Gas turbine power plant and water treatment assets (Karabatan Utility Solutions LLP)

The Group analysed the availability of indicators of impairment of property, plant and equipment of the Group's subsidiary, Karabatan Utility Solutions LLP (further "KUS"), as at December 31, 2023. Approval of tariff and tariff estimates for regulated services on water supply through distribution networks and wastewater removal and treatment was determined as the main indicator of impairment of property, plant and equipment. Accordingly, the Group performed an impairment test of property, plant and equipment as at December 31, 2023. As a result of assessment, the recoverable amount of non-current assets exceeds their carrying value, thus, no impairment of non-current assets was recognized.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Gas turbine power plant and water treatment assets (Karabatan Utility Solutions LLP) (continued)

KUS calculates the recoverable amount using a discounted cash flow model. Discount rate of 16.77% was derived from the company's weighted average cost of capital. The business plan approved by the Group for the period 2024-2028 is the main source of information as it contains projections of production volumes, sales volumes, revenues, costs and capital expenditure.

Various assumptions such as electricity and water sales price forecasts, inflation rates take into account existing prices, foreign currency exchange rates and other macroeconomic factors, and historical trends and fluctuations. Estimated cash flows were limited to the end of the useful life date of property, plant and equipment in 2051. Costs up to 2028 were projected based on KUS budget and business plan, as well as current estimates by KUS management of potential changes in operating and capital expenditures.

Sensitivity of property, plant and equipment impairment test to significant assumptions

Key assumptions required for estimation of recoverable amount are inflation rate, discount rate and tariff with tariff estimates for regulated services of water supply through distribution network and wastewater removal and treatment. The sensitivity to changes in the key assumptions has been assessed. 1% increase in discount rate would result in an increase in impairment loss by 2,643 million tenge.

Decrease in tariff for regulated services of water supply through distribution network and wastewater removal and treatment by 10% from the forecast tariff of 2,180 tenge excluding VAT per 1 m^3 and 2,267 tenge excluding VAT per 1m3 respectively will lead to increase in impairment loss by 3,790 million tenge.

Assets retirement obligations

Under the terms of certain subsoil use contracts, legislation and regulations, including the Environmental Code of the Republic of Kazakhstan, the Group has legal obligations to remediate damage caused to the environment from its operations and to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group's obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal of pipes, buildings, decommissioning of mining assets and landfills, dismantling of equipment and recultivation of the contract territories.

The provision for asset retirement obligations is estimated based upon the Group's interpretation of current environmental legislation in the Republic of Kazakhstan and the Group's related programme for liquidation of subsurface use consequences on the contracted territory and other operations supported by the feasibility study and engineering research in accordance with the applicable restoration and retirement standards and techniques.

Provisions for asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation. Provisions for mining assets and landfills retirement obligations are recognised when there is a certainty of incurring of such liabilities and when it is possible to measure the amounts reliably.

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

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

Oil and gas production facilities

The Group calculates asset retirement obligations separately for each contract. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term risk-free interest rates for emerging market sovereign debt adjusted for risks specific to the Kazakhstan market. Since the subsoil use contract terms cannot be extended at the discretion of the Group, the settlement date of the final closure obligations has been assumed to be the end of each subsoil use contract period.

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Oil and gas production facilities (continued)

The long-term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at December 31, 2023 were in the range from 2.03% to 14.54% and from 6.20% to 11.37%, respectively (December 31, 2022: from 2.09% to 15.05% and from 6.42% to 12.38%, respectively). As at December 31, 2023 the carrying amounts of the Group's asset retirement obligations relating to decommissioning of oil and gas facilities were 124,246 million tenge (December 31, 2022: 91,150 million tenge) (*Note 22*).

Major oil and gas pipelines

Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. As at December 31, 2023, the carrying values of the Group's asset retirement obligations relating to decommissioning of pipelines, compressor stations and land were 123,277 million tenge (December 31, 2022: 102,501 million tenge) (*Note 22*).

Assets related to uranium production

Provision is made based upon the net present values of estimated site restoration and retirement costs as soon as the obligation arises from past mining activities. The scope of work stipulated by the legislation and included in the calculations of the asset retirement obligations contains the dismantling of facilities and infrastructure (pumping, injection and observation wells, technological units for acidification and distribution of solutions, pipelines, access roads, technological sites, landfills, buildings and other facilities) and subsequent restoration of land.

The calculation of the provision for production assets retirement as at December 31, 2023 was performed by the Group's internal specialists and reviewed by an independent consultant.

Principal assumptions used in the estimations include:

- A discount rate that reflects the current market estimates of the time value of money and those risks specific to the liability not reflected in the best estimate of the costs. The discount rate is based on a risk-free rate determined by reference to the interest rate on government bonds with maturity matching the period of the group's each subsoil use contract, range of 11.7% - 13.3% (2022: average 11.55%);
- Long-term inflation rate applied to the nominal costs calculated at current prices of 4.01% - 6.39% in 2023 (2022: average 5.99%);
- Discounting period in accordance with the estimated life of mines and reserves depletion period;
- Low radioactive waste management program assumes removal and disposal at special landfills owned by the group.

At December 31, 2023, site restoration provision for mining assets was 38,100 million tenge (2022: 38,116 million tenge) (*Note 22)*.

Decommissioning of the Ulba plant facility

Based on the analysis carried out by the Group's specialists, as well as based on the interpretation of current environmental legislation and IFRS requirements, in 2022 the Group recognised an obligation to decommission, dismantle and reclaim the Group's facilities.

The liability for decommissioning, dismantling and reclamation was assessed and recognised in relation to the following facilities: facilities classified as category I (facilities that have a significant negative impact on the environment): JSC Ulba Metallurgical Plant site in Ust-Kamenogorsk, as well as assets technologically related to them and located on the territory of the industrial site. The Group assessed liquidation obligations based on the methodology approved by the Environmental Code.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets related to uranium production (continued)

Decommissioning of the Ulba plant facility (continued)

Principal assumptions used in the estimations include:

- Current prices are inflated using the expected long-term inflation rate of 6.39% for assets with liquidation term until 2027, 4.49% for assets with liquidation term until 2042, 3.76% for assets with liquidation term after 2044 (2022: 7.7% for assets with liquidation term until 2027, 4.6% for assets with liquidation term until 2042, 3.93% for assets with liquidation term after 2044), and subsequently discounted;
- The discount rate for calculation of the provision as of December 31, 2023 is 13.3% for assets with liquidation term until 2027, 12.15% for assets with liquidation term until 2042, 10.36% for assets with liquidation term after 2044. (December 31, 2022: 14.4% for assets with liquidation term until 2027, 11.3% for assets with liquidation term until 2042, 10% for assets with liquidation term after 2044);
- The discounting period equates to the remaining useful life of buildings and constructions, of not less than 50 years.

All buildings and constructions are subject to annual technical reviews to determine required capital and operating expenditure requirements.

Total provision for the Ulba Metallurgical Plant JSC as of December 31, 2023 amounted to 8,382 million tenge (2022: 9,243 million tenge).

Based on the Group's analysis of current regulation, management concluded that certain other Ulba metallurgical plant's assets should be excluded from asset retirement obligations as at December 31, 2023 since there is no reasonable calculation method for these types of assets and/or the potential amount of such liabilities is not significant.

This judgement is based on the following:

- Such assets do not have a significant negative impact on the environment and ecological legislation does not require financial provision for the assets;
- Production processes involving these assets do not lead to consequences that would require dismantlement and recultivation works to mitigate the negative environmental impact.

As the requirements of the Environmental Code are relatively new, there is no practice of applying these requirements and there are ambiguities in the legislation, management has applied significant judgment in terms of assessing liabilities and their amounts. In case of changes in environmental legislation, its interpretation and practice of its application, as well as in the judgments and in the Group's estimates, such liabilities may be revised in the future.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets retirement obligations related to the power generating facilities

The following judgments were applied by the Group in determining the amount of the obligation to eliminate the consequences of the operation of the facilities as at December 31, 2023 and December 31, 2022:

- Calculation of obligations to eliminate the consequences of the operation of the facilities was performed by the Group based on the results of assessments carried out by independent and internal specialists. The scope of work provided for by law and included in the calculation included the dismantling and disposal of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures intended for removal of combustion products, as well as equipment of fuel oil facilities and chemical reagents warehouse, which have a negative impact on the environment and the safety of life and/or health of people;
- There are assets (administrative buildings and other structures) on the balance sheet of facility operators in the Group, which in the future are very likely to be converted, and also have a minimal adverse impact on the environment, for which there is no need to recognize obligations to eliminate the consequences of their operation;
- For thermal power plants, referred to the I category, the amount of reserves is determined based on the expected costs that will be incurred by the facilities during the liquidation of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures designed to remove combustion products, as well as equipment for fuel oil facilities and a chemical reagents warehouse, as well as facilities and equipment of the fuel oil economy, which really have an adverse impact on the environment;
- The Group's management applied the judgment that the deadline for the liquidation of category I facilities of EGRES-1 and EGRES-2, which have a negative impact on the environment, is in 2055 and 2053, respectively, based on the useful lives of the assets.

These useful lives are justified by the fact that the residual fleet life of the main and auxiliary equipment and engineering structures of the main equipment will be extended through major repairs or reconstruction until the end of filling the existing ash dumps:

- Deadlines for closing ash dumps are applied in accordance with the approved working projects for closing ash dumps per the "Rules for the formation of liquidation funds for waste disposal sites" approved by Decree of the Government of the RK dated July 10, 2007 No. 591. Coal reserves are sufficient to continue the work on these stations. These periods were determined based on the need to ensure the country's energy security in response to a predicted shortage of electricity in the RK;
- For ales, the deadlines for the liquidation of CHPP-2 and CHPP-3 facilities were applied taking into account the timing of implementation, commissioning and technical parameters of the projects "Modernization of Almaty CHPP-2 with minimization of environmental impact" and "Reconstruction of Almaty CHPP-3";
- Hydroelectric power plants of the Group belong to category II facilities.the Shardara hydroelectric power station, as a strategic complex structure, which is an integral part of the hydrotechnical complex of the Shardara hydroelectric complex on the Syrdarya River, which has a direct purpose for flood control and irrigation, due to the specifics of its activity, does not eliminate embankments / dams and adjacent hydraulic structures; at the same time, in the opinion of the station's management, the liquidation work of the company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision to cover them is not significant at the reporting date;
- For the Moinak hydroelectric power plant, , in accordance with the legislation, the Group's management applied the judgment that the useful lives of the main hydraulic structures, as structures of I and II classes, in the conditions of timely overhauls amount to 60 years. After the expiration of useful lives of the main building of the hydroelectric power plant, the diversion tunnel and the halfway, in accordance with the norms of the "Methodological recommendations on the procedure for extending the life of the safe operation of technical devices, equipment and structures at hazardous production facilities," further use of these structures as a hydrological post and mudflow holders during the flood period is expected on the Sharyn River.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Assets retirement obligations (continued)

Assets retirement obligations related to the power generating facilities (continued)

At the same time, in the opinion of the plant's management, the liquidation work of the Company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision for their coverage is not material at the reporting date;

- AZhK facilities in III and IV categories. Due to the fact that AZhK's production facilities have an insignificant minimum negative impact on the environment, the Group has not accrued obligations for liquidation of the consequences of activities in these consolidated financial statements, as there is currently no reasonable calculation method for these types of assets, and the Group has received confirmation from government authorities on the absence of obligations to eliminate the consequences for the environment;
- Wind and solar power plants recognize provisions for dismantling and removal of generating and technological equipment, further, the liquidation terms are determined by the technical specifications of equipment and structures.

Key assumptions in making such estimates include estimates of the discount rate, amount and timing of future cash flows. The discount rate is based on the risk-free rate defined as the yield on government bonds with maturities that coincide with the liquidation of the facilities.

As of December 31, 2023, provision on obligations for liquidation of the consequences of operating the facilities were recalculated taking into account the updating of the costs for the liquidation of facilities based on the revision of inflation rates and the discount rate as of the reporting date.

Sensitivity analysis:

In millions of tenge	(Decrease)/increase in material assumptions	(Decrease)/increase in obligation to eliminate the consequences of operation of facilities
Inflation rates	-1%	(2,866)
	+1%	3,605
Discount rates	-1%	3,148
	+1%	(2,398)
Liquidation period	-10%	3,327
	+10%	(3,101)

Since the actual costs of eliminating the consequences of operating the facilities may differ from their estimates due to changes in relevant legislation, interpretation of regulations, technologies, prices and other conditions, and these costs will be incurred in the distant future, the carrying amount of the provisions is subject to regular review and adjustment to take into account such changes.

As of December 31, 2023 provision for assets retirement obligations related to the power generating facilities amounted to 24,883 million tenge (as of December 31,2022: 23,365 million tenge) (*Note 22*).

Provision for environmental remediation

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

Liabilities are determined based on current information about costs and expected plans for remediation and are recorded on discounted basis. The Group's environmental remediation provision represents management best estimate based on an independent assessment of the anticipated expenditure necessary for the Group to remain in compliance with the current regulatory regime in Kazakhstan and Europe. The Group has classified this obligation as non-current except for the portion of costs, included in the annual budget for 2024. For environmental remediation provisions, actual costs can differ from estimates because of changes in laws and regulations, public expectations, discovery and analysis of site conditions and changes in clean-up technology. Movements in the provision for environmental remediation obligations are disclosed in *Note 22*.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Provision for taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of the Group's international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable profits and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

In assessing tax risks, management considers to be probable obligations the known areas of non-compliance with tax legislation, which the Group would not appeal or does not believe it could successfully appeal, if additional taxes are charged. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsurface use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for taxes disclosed in *Note 22* relates to the Group's other taxes. Provisions and contingent liabilities related to income tax are included or disclosed as income tax liabilities or contingencies (*Note 34*). Further uncertainties related to taxation are disclosed in *Note 38*.

Provision for construction of social objects

The Government assigns various sponsorship and financing obligations to the Group. Management of the Group believes that such Government's assignments represent constructive obligations of the Group and require recognition on the basis of respective resolution of the Government of the Republic of Kazakhstan. Furthermore, as the Government is the ultimate controlling party of the Group, the expenditures on these assignments are recognized as "other distributions to the Shareholder" directly in the equity.

Useful lives of items of property, plant and equipment

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

VAT recoverability

The Group conducts an assessment of the recoverability of VAT and, if required, makes provisions for doubtful VAT recoverable at each reporting date. The provision for doubtful VAT recoverable is determined based on the management's anticipated VATable turnovers and the likelihood of cash refunds for VAT. As at December 31, 2023, an amount of 386,977 million tenge related to VAT recoverable has been recognized as a current asset (as at December 31,2022: 203,658 million tenge). The Group anticipates that this amount will either be refunded by the tax authorities or utilized to offset future VAT liabilities in 2024.

Deferred tax assets

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognized deferred tax assets as at December 31, 2023 was equal to 108,379 million tenge (December 31, 2022: 89,252 million tenge). Further details are contained in *Note 34*.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Fair value of financial instruments (continued)

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the consolidated financial statements. Further details are disclosed in *Note 37*.

Employee benefit liability

The Group uses actuarial valuation method for measurement of the present value of defined employee benefit liability and related current service cost. This involves use of demographic assumptions about the future characteristics of current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, etc.) as well as financial assumptions (discount rate, future annual financial assistance, future annual minimum salary and future average railway ticket price).

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

Estimation of expected credit losses

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's credit grading model, which assigns PDs to the individual grades;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as oil price with one year lag, and the effect on PDs, EADs and LGDs.

Accounting treatment of financing arrangements with Industrial Development Fund JSC

The Group, represented by Passenger Transportation JSC and Tulpar Wagon Construction Plant LLP, entered into a number of trilateral purchase-sale and finance lease agreements with Industrial Development Fund JSC, which is under the common control of the Shareholder, to renew its passenger carriage fleet. Under the agreements, Industrial Development Fund JSC finances Tulpar Wagon Construction Plant LLP's construction of passenger carriages on a 100% prepayment basis for ownership with a further finance lease to Passenger Transportation JSC.

Management of the Group concluded that the transaction between Tulpar Wagon Construction Plant LLP and Industrial Development Fund JSC does not meet the requirements of IFRS 15 Revenue from Contracts with Customers to account for the asset sale at the Group level, as control over passenger carriages is not transferred to Industrial Development Fund JSC, but remains with the Group.

Industrial Development Fund JSC finances the construction of the carriages, but is limited in its ability to direct the subsequent use of and obtain all of the remaining benefits from the asset. Accordingly, the Group recognises the obligation to Industrial Development Fund JSC, before the loss of control over the Railway Passenger Coach Construction Plant LLP, separated from the Tulpar Wagon Construction Plant LLP (*Note 7*), as a financial liability (borrowing) according to IFRS 9 *Financial Instruments* and recognises passenger carriages and work-in-progress as property, plant and equipment items and construction in progress in accordance with IFRS 16.103 *Leases*.

Swap transactions

The Group sells part of its uranium products under swap transactions with separate agreements with the same counterparty, being for sales and purchase of the same volume of uranium for the same price at different delivery points or different timeframes. Effectively, this results in the exchange of own uranium (produced or purchased from the Group's entities) with purchased uranium.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Swap transactions (continued)

Normally, under a swap transaction, the Group delivers physical uranium to one destination point, and purchases the same volume of uranium at a third-party converter for sale to end customers. Swap transactions are entered into primarily to reduce transportation costs for uranium delivery from Kazakhstan to end customers.

Despite the fact that swap agreements are not formally related to each other, management concluded that these transactions are in substance linked and would not have occurred on an isolated basis, driven by the existing market demand and supply forces. In management's view, supply of the same volume of homogeneous product (uranium) for the same price represents an exchange of products, which should be presented on a net basis in the consolidated financial statements, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for swap transactions requires judgement.

In 2023, the Group did not recognise sales revenue from swap transactions of 139,322 million tenge (2022: 195,958 million tenge) and related cost of sales of 149,209 million tenge (2022: 207,789 million tenge). The Group has also increased other accounts receivable for 72,978 million tenge, accounts payable for 31,215 million tenge with net effect impacting inventories. Given that swap agreements require cash payments, accounts receivable represent cash receipts expected for purchased and paid uranium under swap agreement, accounts payable represent expected cash payments for sold uranium under swap agreement, where accounts receivable was repaid by the counterparty.

Enrichment of natural uranium

The Group purchases uranium enrichment services from Uranium Enrichment Center JSC (UEC) in Russia. The transaction is structured as two separate agreements. Group sells natural uranium and purchases enriched uranium from UEC. Despite agreements with UEC are not formally related, the management concluded that these transactions are in substance linked and would not have occurred on an isoldated basis. Effectively, this results in the sales of uranium with an obligation to repurchase it in the form of enriched uranium, in accordance with IFRS 15 requirements no revenue from sales of uranium to UEC should be recognised, reflecting the economic substance of the transaction.

Interpretation of terms and approach to the accounting for transactions with UEC requires judgement. The cost of enrichment services included in cost of sales in the amount of 40,643 million tenge (2022: 13,363 million tenge) in production services rendered line item (*Note 27*).

Purchase and sales agreements with UEC assumed cash transfers, starting from 2023 the Group changed the contract terms to settle cash transfers on a net basis.

Changes in legislation on the electricity market in the RK from July 1, 2023

In accordance with the Rules for the organization and functioning of the wholesale electricity market with amendments and additions, approved by order of the Minister of Energy of the RK dated June 30, 2023 No. 249, from July 1, 2023, a transition was made to a new model of the electricity sales market with the introduction of a unified purchaser of electrical energy, Settlement and Financial Center for Support of Renewable Energy Sources LLP (hereinafter referred to as "RFC"). In accordance with the new model, all energy-producing organizations are obliged to sell electrical energy to a single purchaser of electrical energy. The RFC then sells electrical energy in accordance with sales agreements by a single purchaser of electrical energy to energy transmission and energy supply organizations, consumers of electrical energy and digital miners on the wholesale electrical energy market.

The Group conducted an analysis to assess the impact of changes on the revenue recognition process in accordance with *IFRS 15 Revenue from Contracts with Customers*. As a result, the Group determined that for Group's consolidated financial statements, the electricity sales contracts of power plants and purchase contracts of distribution and trade entities of the Group are considered as repurchase agreements in accordance with IFRS 15. Accordingly, the Group eliminated the cost of purchasing electricity and revenue from sales of electricity by power plants at the consolidation level of the Group.

To calculate the amount of elimination, the Group used the actual electricity volume purchased by Group's subsidiaries from the RFC and weighted average selling price of electricity in accordance with the approved cap tariffs of the Group's power plants.

The elimination amount for 2023 amounted to 84,760 million tenge. This adjustment is reflected for the purpose of presenting the revenue and costs of sales of the Group from a single economic unit perspective and does not affect the financial results of the Group.

Apart from the above, the new model of power market, which came into force on July 1, 2023 did not have a significant impact on the revenue recognition.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Liabilities under inventory loan agreements (continued)

Uranium loans are part of the Group's normal inventory management policy, required to mitigate logistical risks that could affect the timely delivery of Kazakhstani uranium to Western conversion enterprises due to heightened geopolitical instability. The Group enters into inventory loan agreements, according to which one party (the lender) undertakes to provide the other party (the borrower) with products, and the borrower obliges to return to the lender an identical amount of uranium products. The Group obtains inventory loans to facilitate the performance of its uranium supply obligations. The Group classifies inventory loans received as a non-financial liability.

Upon receipt of the inventory loan, the Group accounts for the inventory at the contracted cost. Liability arising from inventory loan are recognised as part of other liabilities at the fair value of the uranium products at the reporting date. Subsequent revaluation of the inventory loan is carried out through profit or loss as part of other operating income/expenses in accordance with changes in the fair value of uranium products.

As at December 31, 2023 the fair value of liability under inventory loan agreement was 91,151 million tenge (December 31, 2022: 19,147 million tenge) (*Note 25*).

Accrued payable for gas purchase agreements

As at December 31, 2023 the Group has trade payables for the purchase of gas totaling 109,819 million tenge without price agreement (*Note 25*). Due to the fact that the previous contracts were terminated and the procedure for agreeing prices and concluding new contracts has not yet been completed, the Group recognised accounts payable on an accrual basis, based on the best estimate of the Group's management.

When estimating accounts payable, management took into account gas purchase prices based on the previous contracts, the geographic distribution of purchased gas and analysis of the cost of supplies by regions, correspondence with the supplier, the status of negotiations with the supplier at the level of the Ministry of Energy of the RK, as well as the mechanism for determining the gas purchase price provided for in the Memorandum of Understanding between the Government of the RK and the supplier.

Application of the maximum purchase price after the discount offered by the supplier during negotiations, would lead to an increase in accounts payable as at December 31, 2023 by 65,319 million tenge, an increase in the inventory balance as at December 31, 2023 by 8,674 million tenge and an increase in cost of sales for 2023 by 56,645 million tenge.

At the issue date of these consolidated financial statements, management is still negotiating and expects to agree on prices and sign contracts by the end of the 1st half of 2024.

5. BUSINESS COMBINATION

Acquisition of Dunga Operating GmbH

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

The Group assessed the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at provisional amounts being the fair value of the consideration given of 358.5 million US dollars (equivalent to 165,913 million tenge). The initial accounting for the business combination has not been completed. In accordance with *IFRS 3 Business Combinations* the valuation of property, plant and equipment will be completed and accounted for within 12 months from the date of acquisition.

5. BUSINESS COMBINATION (continued)

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

In millions of tenge	At the date of acquisition
Assets	
Non-current assets	
Property, plant and equipment	192,313
Intangible assets	7,005
Amounts due from credit institutions	5,413
Current assets	
Inventories	6,607
Income tax prepaid	2,316
Trade accounts receivable	9,426
Other current financial assets	58
Other current assets	7,792
Cash and cash equivalents	7,961
Total assets	**238,891**
Non-current liabilities	
Provisions	4,346
Deferred tax liabilities	55,196
Current liabilities	
Trade and other payables	11,881
Other current liabilities	1,555
Total liabilities	**72,978**
Total identifiable net assets at provisional fair values	**165,913**
Purchase consideration transferred, including withholding tax	165,913

The business of Dunga Operating GmbH is represented in the Group's *Oil-and-gas and petrochemical* segment in these consolidated financial statements.

The acquisition date fair value of the trade accounts receivable amounts to 9,426 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

6. ACQUISITION UNDER COMMON CONTROL

"AES Shulbinskaya GES" LLP, "AES Ust-Kamenogorskaya GES" LLP and National Geological Exploration Company "Kazgeology" (hereinafter Shulbinskaya GES, UK GES and Kazgeology)

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 1033 dated December 20, 2022, on April 19, 2023 state-owned shares of Shulbinskaya GES and UK GES were transferred to the Fund. Also, in accordance with the Resolution of the Government of the Republic of Kazakhstan No. 971 dated December 30, 2021, on September 12, 2023 state-owned shares of Kazgeology were transferred to the Fund.

These transactions represent business combination of entities under common control and are accounted for retrospectively under the pooling of interest method based on the carrying value of assets and liabilities of Shulbinskaya GES, UK GES and Kazgeology in predecessor's accounting books. Accordingly, these consolidated financial statements were presented as if the shares of Shulbinskaya GES, UK GES and Kazgeology were transferred at the beginning of the earliest presented period. As a result, relevant comparative information was restated.

Assets and liabilities of Shulbinskaya GES, UK GES and Kazgeology were recorded in these consolidated financial statements at carrying amounts recorded in its financial statements, together with corresponding credit to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. ACQUISITION UNDER COMMON CONTROL (continued)

Impact on comparative data due to acquisition of Shulbinskaya GES, UK GES and Kazgeology is presented below:

In millions of tenge	**As at December 31, 2022**
Impact on financial position:	
Increase in assets	
Increase in non-current assets	
Increase in property, plant and equipment	42,827
Increase in intangible assets	277
Increase in investments in joint ventures and associates	860
Increase in other non-current financial assets	3,602
Increase in deferred tax assets	284
	47,850
Increase in current assets	
Increase in inventories	806
Increase in income tax prepaid	280
Increase in trade accounts receivable	1,890
Increase in other current financial assets	50
Increase in other current assets	95
Increase in cash and cash equivalents	5,413
	8,534
Increase in total assets	**56,384**
Increase in non-current liabilities	
Increase in employee benefit liabilities	86
Increase in deferred tax liabilities	4,915
	5,001
Increase in current liabilities	
Increase in provisions	18
Increase in trade and other payables	872
Increase in employee benefit liabilities	16
Increase in other current financial liabilities	262
Increase in other current liabilities	454
	1,622
Increase in total liabilities	**6,623**
Increase in equity	
Increase in retained earnings	49,761
Increase in equity, attributable to equity holders of the Parent	**49,761**
Increase in total equity	**49,761**

6. ACQUISITION UNDER COMMON CONTROL (continued)

"AES Shulbinskaya GES" LLP, "AES Ust-Kamenogorskaya GES" LLP and National Geological Exploration Company "Kazgeology" (hereinafter Shulbinskaya GES, UK GES and Kazgeology) (continued)

In millions of tenge	**For the year ended December 31, 2022**
Impact on the results:	
Revenue	20,897
	20,897
Cost of sales	(13,620)
Gross profit	**7,277**
General and administrative expenses	(1,330)
Expected credit losses on financial assets	(198)
Operating profit	**5,749**
Finance income	883
Other non-operating loss	(316)
Other non-operating income	249
Share in profit of joint ventures and associates, net	129
Profit before income tax	**6,694**
Income tax expenses	(1,514)
Profit for the period	**5,180**
Other comprehensive income	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	
Actuarial gain on defined benefit plans	10
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	**10**
Other comprehensive income for the period, net of tax	**10**
Total comprehensive income for the period, net of tax	**5,190**
Net profit for the period attributable to:	
Equity holders of the Parent Company	5,180
	5,180
Total comprehensive income for the period attributable to:	
Equity holders of the Parent Company	5,190
	5,190

In 2022 Shulbinskaya GES, UK GES and Kazgeology declared and paid dividends to the Shareholder in the amount of 2,241 million tenge, 1,857 million tenge and 168 million tenge, respectively, based on financial results of 2021.

The net cash flows effect for the year ended December 31, 2022 were as follows:

In millions of tenge	**For the year ended December 31, 2022**
Operating	7,344
Investing	(4,211)
Financing	(4,266)
	(1,133)
Change in allowance for expected credit losses	4
Net decrease in cash and cash equivalents	**(1,129)**

6. ACQUISITION UNDER COMMON CONTROL (continued)

Acquisition of subsidiary under common control (continued)

"AES Shulbinskaya GES" LLP, "AES Ust-Kamenogorskaya GES" LLP and National Geological Exploration Company "Kazgeology" (hereinafter Shulbinskaya GES, UK GES and Kazgeology) (continued)

Increase in equity, attributable to equity holders of the Parent Company due to the acquisition of Shulbinskaya GES, UK GES and Kazgeology amounted to 48,837 million tenge as at December 31, 2021.

The business of Shulbinskaya GES and UK GES is included in the Group's Energy segment, and the business of Kazgeology is included in the Group's Mining segment in these consolidated financial statements.

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER

Disposals in 2023

Railway Passenger Coach Construction Plant LLP

On December 13, 2022 the Group entered into a sale agreement with a third party for a 100% interest in the charter capital of Railway Passenger Coach Construction Plant LLP. As at December 31, 2022 the Group classified the assets and liabilities of Railway Passenger Coach Construction Plant LLP as a disposal group held for sale at the lower of their carrying amount and fair value less costs to sell. Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. On January 27, 2023 the Group completed the transaction on the date of the state re-registration and lost control over the subsidiary.

At the date of loss of control net assets of Railway Passenger Coach Construction Plant LLP were as follows:

In millions of tenge	**Net assets at the date of disposal**
Property, plant and equipment	5,666
Inventories	40
VAT receivable	2
Other current financial assets	40,000
Other current assets	7
Cash and cash equivalents	52
Total assets	**45,767**
Trade and other payables	20
Other current liabilities	40,029
Total liabilities	**40,049**
Net assets	**5,718**

The result of the disposal of a subsidiary is presented as follows:

In millions of tenge	
Proceeds from disposal of subsidiary	12,000
Net assets disposed	(5,718)
Result of disposal of Railway Passenger Coach Construction Plant LLP	**6,282**

Kalamkas-Khazar Operating LLP (hereinafter – "KKO")

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

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2023 (continued)

Kalamkas-Khazar Operating LLP (hereinafter – "KKO") (continued)

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (the Additional consideration). The Group recognized this Additional consideration as a financial asset measured at fair value through profit or loss in the amount of 29 million US dollars (equivalent to 14,154 million tenge).

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

The investment retained in the former subsidiary is a joint venture accounted for using the equity method and its fair value is 93,258 million tenge (*Note 11*).

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

In millions of tenge	**Net assets at the date of disposal**
Property, plant and equipment	5,185
Exploration and evaluation assets	14,678
VAT receivable	626
Cash and cash equivalents	20
Total assets	**20,509**
Borrowings	2,511
Trade and other payables	3,548
Other current liabilities	5
Total liabilities	**6,064**
Net assets directly associated with the disposal group	**14,445**
Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary *(Note 14)*	14,154
Fair value of 50% retained interest in a joint venture *(Note 11)*	93,258
Gain from disposal of subsidiary	**186,225**

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

In millions of tenge	**January 1, 2023 – September 11, 2023**
General and administrative expenses	(108)
Finance income	7
Finance costs	(33)
Net foreign exchange loss	(98)
Income tax expenses	(1)
Net loss for the period	**(233)**

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

In millions of tenge	**January 1, 2023 – September 11, 2023**
Operating	(102)
Investing	(16,937)
Financing	17,059
Net decrease in cash and cash equivalents	**20**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals in 2022

PSA LLP (further PSA)

On December 20, 2022, the Group transferred to Corporate fund Samruk-Kazyna Trust 100% interest in PSA for 1 tenge. Samruk-Kazyna Trust is a non-commercial company, and the Group does not have control over it. As a result, the Group lost control over PSA.

The results of PSA for the period ended December 20, 2022 are presented below:

In millions of tenge	**January 1, 2022 – December 20, 2022**
General and administrative expenses	**(8,950)**
Finance costs	**(58)**
Net foreign exchange loss	**(39)**
Loss for the period	**(9,047)**

The net cash flows incurred by PSA period ended December 20, 2022 are as follows:

In millions of tenge	**January 1, 2022 – December 20, 2022**
Operating	**(7,702)**
Investing	**(28)**
Financing	**11,871**
Net increase in cash and cash equivalents	**4,141**

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

In millions of tenge	**Net assets at the date of loss of control**
Assets	
Property, plant and equipment	**36**
Intangible assets	**64**
Right-of-use assets	**255**
VAT receivable	**12**
Other current assets	**109**
Cash and cash equivalents	**4,137**
Total assets	**4,613**
Liabilities	
Lease liabilities	**286**
Trade accounts payable	**1,736**
Other current liabilities	**709**
Total liabilities	**2,731**
Net assets directly associated with disposal group	**1,882**

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

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

In millions of tenge	**Segment**	**December 31, 2023**	December 31, 2022
Assets classified as held for sale, including		**1,684,796**	1,139,967
Kazakhstan Petrochemical Industries Inc. LLP	*Oil-and-gas and petrochemical*	***1,064,032***	*1,092,783*
Air Astana JSC	*Air transportation*	***618,826***	*–*
Railway Passenger Coach Construction Plant LLP	*Transportation*	**–**	*45,825*
Other		**1,938**	*1,359*
Assets classified as held for distribution to Shareholder		**104**	104
		1,684,900	1,140,071

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

In millions of tenge	**Segment**	**December 31, 2023**	December 31, 2022
Liabilities associated with assets classified as held for sale		**(1,573,820)**	(1,045,093)
Kazakhstan Petrochemical Industries Inc. LLP	*Oil-and-gas and petrochemical*	***(1,052,257)***	*(1,045,062)*
Air Astana JSC	*Air transportation*	***(521,563)***	*–*
Railway Passenger Coach Construction Plant LLP	*Transportation*	**–**	*(31)*
		(1,573,820)	(1,045,093)

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI)

In its consolidated financial statements, the Group had 99% share in KPI during 2022 and as at December 31, 2022 (KPI was a joint venture between two subsidiaries of the Fund, each holding per 49.5% share). On November 7, 2022, the Group signed the contract on sales of 40% share in KPI with the third party for the consideration of 180,000 thousand US dollars (equivalent to 83,601 million tenge) to be paid in installments until November 30, 2026. The sales transaction has not been completed by end of 2022 as certain conditions precedent were not met, therefore the Group retained control over KPI as at December 31, 2022 and December 31, 2023.

On February 27, 2024 upon completion of the transaction the control over KPI was lost and the investment was recognized at fair value as an investment in joint venture, as decisions about the relevant activities of KPI require the unanimous consent of the parties sharing control (*Note 40*). The fair value assessment of investment in joint venture will be completed during 2024.

Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation. The management of the Group expects the transaction will be completed within 12 months after the reporting date, therefore the assets and respective liabilities were reclassified into assets held for sale as at December 31, 2023.

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Assets classified as held for sale or distribution to the Shareholder (continued)

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI) (continued)

The assets and liabilities of KPI are presented as follows:

In millions of tenge	**December 31, 2023***	December 31, 2022*
Assets		
Property, plant and equipment	**920,956**	896,180
Intangible assets	**35,777**	38,265
Other non-current financial assets	**1,562**	–
Other non-current assets	**49,886**	57,448
Inventories	**11,683**	12,590
Income tax prepaid	**410**	475
Other current financial assets	**174**	23
Other current assets	**1,305**	7,182
Cash and cash equivalents	**42,279**	80,620
Assets classified as held for sale	**1,064,032**	1,092,783
Liabilities		
Borrowings	**957,992**	941,587
Other non-current financial liabilities	**18**	35
Deferred tax liabilities	**8,575**	8,964
Trade and other payables	**67,958**	68,161
Other current financial liabilities	**1,977**	1,105
Other current liabilities	**15,737**	25,210
Liabilities associated with assets classified as held for sale	**1,052,257**	1,045,062
Net assets held for sale	**11,775**	47,721

* *Assets and liabilities are presented after eliminations of intergroup transactions.*

For the year ended December 31, 2023 as a result of its operating activities KPI incurred revenue of 63,427 million tenge and expenses of 42,879 million tenge (for the year ended December 31, 2022: revenue of 8,966 million tenge and expenses of 5,747 million tenge) (*Notes 26, 27*).

Air Astana JSC (hereinafter - Air Astana)

In December 2023, a decision was made by the General Shareholder Meeting of Air Astana to split the outstanding shares of company to 306 million common shares and to increase the number of authorized shares to 366 million common shares.

On February 8, 2023 the Board of Directors of the Fund approved the decision to dispose 60,410,524 common shares of Air Astana on organized markets at a price of 1,073.83 tenge per common share.

On February 14, 2024 the Fund disposed 9,884,209 (10%) of common shares at a price of 1,073.83 tenge per common share for a total amount of 10,614 million tenge through their sale on the Astana International Exchange (AIX) and Kazakhstan Stock Exchange JSC (KASE).

As a result of held IPO, the Fund's share in Air Astana decreased from 51% to 41% and the control over Air Astana was lost. Since, after disposal the Group retains significant influence, the investment will be recognized at fair value as an investment in associate. The fair value assessment of investment in associate will be completed during 2024.

As at December 31, 2023 the Group classified the assets and liabilities of Air Astana as a disposal group held for sale. Since this subsidiary does not represent a separate major line of business for the Group, the Group did not classify the financial performance of the subsidiary as a discontinued operation (*Note 40*).

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

The assets and liabilities of Air Astana are presented as follows:

In millions of tenge	December 31, 2023*
Assets	
Property, plant and equipment	**387,885**
Intangible assets	**1,289**
Other non-current financial assets	**15,748**
Other non-current assets	**8,387**
Deferred tax assets	**16,837**
Inventories	**30,705**
Income tax prepaid	**6,027**
Trade accounts receivable	**10,207**
VAT receivable	**4,419**
Other current financial assets	**1,246**
Other current assets	**11,524**
Cash and cash equivalents	**124,552**
Assets classified as held for sale	**618,826**
Liabilities	
Borrowings	**187**
Provisions	**115,362**
Lease liabilities	**326,780**
Other non-current financial liabilities	**283**
Trade and other payables	**27,885**
Other current financial liabilities	**7,615**
Other current liabilities	**43,451**
Liabilities associated with assets classified as held for sale	**521,563**
Net assets held for sale	**97,263**

* *Assets and liabilities are presented after eliminations of intergroup transactions.*

8. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	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) (restated)	4,497,010	1,969,154	1,139,648	1,209,907	3,550,625	174,914	194,536	1,569,298	14,305,092
Foreign currency translation	277,367	23,332	8,885	83	27,281	–	6,690	9,227	352,865
Changes in estimates	(106,566)	(51,243)	(3,476)	–	(2,311)	1,643	(393)	–	(162,346)
Additions	86,533	2,044	46,878	324	111,016	51,572	6,373	1,315,168	1,619,908
Additions through lease agreements	1,907	111,361	8,001	–	109,863	–	5,411	–	236,543
Capitalized repair works on right-of-use assets	–	–	–	–	2,688	–	–	–	2,688
Lease modifications	6,134	88	357	–	2,523	–	4,343	–	13,445
Disposals	(54,583)	(37,281)	(18,671)	(178)	(46,905)	(4,462)	(6,080)	(5,173)	(173,333)
Loss of control over subsidiaries	–	–	–	–	–	–	(291)	–	(291)
Depreciation charge	(269,733)	(162,932)	(67,398)	(39,499)	(376,413)	(42,045)	(21,971)	–	(979,991)
Depreciation and impairment on disposals	48,339	36,650	14,662	166	44,268	–	5,409	725	150,219
Impairment, net of reversal of impairment	909	(2,366)	(19,499)	(92)	(6,590)	(4,528)	3,363	(12,914)	(41,717)
Use of provision under an onerous contract	–	–	–	–	–	–	–	(1,125)	(1,125)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	–	–	(15,499)	–	(5,922)	–	(1,113)	(891,697)	(914,231)
Transfers from/(to) exploration and evaluation assets, investment property, net	3,253	–	(150)	–	–	–	–	–	3,103
Transfer from/(to) inventories, net	37	(55)	(12)	(3,601)	(124)	17,204	388	4,062	17,899
Other transfers and reclassifications	176,669	96,853	60,671	128,393	350,377	2,789	8,566	(824,318)	–
Other changes	(669)	–	–	–	9	–	–	703	43
Net book value at December 31, 2022 (audited) (restated)	4,666,607	1,985,605	1,154,397	1,295,503	3,760,385	197,087	205,231	1,163,956	14,428,771
Historical cost	7,013,924	4,006,573	1,897,164	1,633,474	6,904,896	450,309	413,990	1,266,880	23,587,210
Accumulated depreciation and impairment	(2,347,317)	(2,020,968)	(742,767)	(337,971)	(3,144,511)	(253,222)	(208,759)	(102,924)	(9,158,439)
Net book value at December 31, 2022 (audited) (restated)	4,666,607	1,985,605	1,154,397	1,295,503	3,760,385	197,087	205,231	1,163,956	14,428,771

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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) (restated)	27,595	6,175	33,895	–	421,437	–	26,543	–	515,645
Foreign currency translation	1,963	410	1,748	–	20,836	–	1,133	–	26,090
Additions through lease agreements	1,907	111,361	8,001	–	109,863	–	5,411	–	236,543
Capitalized repair works	–	–	–	–	2,688	–	–	–	2,688
Lease modifications	6,134	88	357	–	2,523	–	4,343	–	13,445
Termination of lease agreements	(7,994)	(31,884)	(12,587)	–	(5,030)	–	(399)	–	(57,894)
Loss of control over subsidiaries	–	–	–	–	–	–	(255)	–	(255)
Depreciation charge	(5,825)	(22,637)	(8,782)	–	(87,542)	–	(5,197)	–	(129,983)
Depreciation and impairment on disposals	3,863	31,884	8,552	–	4,949	–	356	–	49,604
Impairment, net of reversal of impairment	–	–	–	–	–	–	(834)		(834)
Transfer from/(to) property, plant and equipment, net	–	–	2,346	–	–	–	(9)	–	2,337
Other transfers and reclassifications	–	–	(945)	–	945	–	–	–	–
Net book value at December 31, 2022 (audited) (restated)	27,643	95,397	32,585	–	470,669	–	31,092	–	657,386
Historical cost of right-of-use assets under lease agreements	41,945	119,188	64,981	–	825,585	–	46,546	–	1,098,245
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(14,302)	(23,791)	(32,396)	–	(354,916)	–	(15,454)	–	(440,859)
Net book value at December 31, 2022 (audited) (restated)	27,643	95,397	32,585	–	470,669	–	31,092	–	657,386

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2023 (audited) (restated)	4,666,607	1,985,605	1,154,397	1,295,503	3,760,385	197,087	205,231	1,163,956	14,428,771
Foreign currency translation	**(72,102)**	**(6,502)**	**(2,831)**	**(172)**	**(8,439)**	**–**	**(2,036)**	**(4,015)**	**(96,097)**
Changes in estimates	**5,903**	**5,385**	**(2,927)**	**–**	**414**	**(2,132)**	**(4)**	**(1,572)**	**5,067**
Additions	**55,727**	**71,912**	**25,898**	**591**	**150,656**	**51,242**	**16,281**	**1,869,340**	**2,241,647**
Acquisition through business combinations (*Note 5*)	**170,276**	**–**	**4,520**	**–**	**771**	**–**	**461**	**16,339**	**192,367**
Additions through lease agreements	**1,447**	**–**	**13,746**	**–**	**134,196**	**–**	**40,914**	**–**	**190,303**
Capitalized repair works on right-of-use assets	**–**	**–**	**–**	**–**	**4,782**	**–**	**–**	**–**	**4,782**
Lease modifications	**2,057**	**19**	**(781)**	**–**	**65,830**	**–**	**959**	**–**	**68,084**
Disposals	**(39,022)**	**(8,819)**	**(10,570)**	**(73)**	**(67,495)**	**(52)**	**(7,729)**	**(5,737)**	**(139,497)**
Loss of control over subsidiaries (*Note 7*)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,185)**	**(5,185)**
Depreciation charge	**(363,287)**	**(155,784)**	**(69,224)**	**(42,070)**	**(405,780)**	**(55,998)**	**(21,999)**	**–**	**(1,114,142)**
Depreciation and impairment on disposals	**23,353**	**8,438**	**6,348**	**58**	**65,220**	**9**	**7,317**	**3,128**	**113,871**
Impairment, net of reversal of impairment *(Note 30)*	–	**(83,215)**	**(12,154)**	**(922)**	**(1,517)**	**(324)**	**(4,528)**	**(26,577)**	**(129,237)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (*Note 7*)	–	**–**	**(14,529)**	**–**	**(365,214)**	**(5)**	**(6,963)**	**(1,478)**	**(388,189)**
Transfers from/(to) exploration and evaluation assets, investment property, net	**12,107**	**(702)**	**(305)**	**–**	**–**	**2,360**	**(32)**	**19**	**13,447**
Transfer from/(to) inventories, net	**58**	**600**	**137**	**(5,108)**	**1,651**	**37,351**	**897**	**9,798**	**45,384**
Other transfers and reclassifications	**263,459**	**342,743**	**77,885**	**170,921**	**706,533**	**(48)**	**12,922**	**(1,574,415)**	**–**
Other changes	**(62)**	**–**	**–**	**–**	**73**	**–**	**–**	**(1,860)**	**(1,849)**
Net book value at December 31, 2023	**4,726,521**	**2,159,680**	**1,169,610**	**1,418,728**	**4,042,066**	**229,490**	**241,691**	**1,441,741**	**15,429,527**
Historical cost	**7,624,251**	**4,390,002**	**1,990,160**	**1,785,016**	**7,184,529**	**538,700**	**463,433**	**1,581,239**	**25,557,330**
0Accumulated depreciation and impairment	**(2,897,730)**	**(2,230,322)**	**(820,550)**	**(366,288)**	**(3,142,463)**	**(309,210)**	**(221,742)**	**(139,498)**	**(10,127,803)**
Net book value at December 31, 2023	**4,726,521**	**2,159,680**	**1,169,610**	**1,418,728**	**4,042,066**	**229,490**	**241,691**	**1,441,741**	**15,429,527**

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	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, 2023 (audited) (restated)	27,643	95,397	32,585	−	470,669	−	31,092	−	657,386
Foreign currency translation	**(518)**	**(103)**	**(427)**	**−**	**(6,659)**	**−**	**(551)**	**−**	**(8,258)**
Changes in estimates	**−**	**−**	**−**	**−**	**−**	**−**	**(4)**	**−**	**(4)**
Additions through lease agreements	**1,447**	**−**	**13,746**	**−**	**134,196**	**−**	**40,914**	**−**	**190,303**
Capitalized repair works	**−**	**−**	**−**	**−**	**4,782**	**−**	**−**	**−**	**4,782**
Lease modifications	**2,057**	**19**	**(781)**	**−**	**65,830**	**−**	**959**	**−**	**68,084**
Termination of lease agreements	**(20,711)**	**−**	**(6,347)**	**−**	**(21,673)**	**−**	**(31)**	**−**	**(48,762)**
Depreciation charge	**(5,319)**	**(22,628)**	**(8,482)**	**−**	**(93,676)**	**−**	**(5,128)**	**−**	**(135,233)**
Depreciation and impairment on disposals	**6,195**	**−**	**4,047**	**−**	**21,438**	**−**	**22**	**−**	**31,702**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net (*Note 7*)	**−**	**−**	**(4,564)**	**−**	**(337,927)**	**−**	**−**	**−**	**(342,491)**
Transfer from/(to) property, plant and equipment, net	**−**	**−**	**820**	**−**	**(36,660)**	**−**	**(590)**	**−**	**(36,430)**
Other transfers and reclassifications	**−**	**−**	**−**	**−**	**−**	**−**	**−**	**−**	**−**
Net book value at December 31, 2023	**10,794**	**72,685**	**30,597**	**−**	**200,320**	**−**	**66,683**	**−**	**381,079**
Historical cost of right−of−use assets under lease agreements	**23,936**	**119,081**	**60,212**	**−**	**298,333**	**−**	**85,794**	**−**	**587,356**
Accumulated depreciation and impairment of right−of−use assets under lease agreements	**(13,142)**	**(46,396)**	**(29,615)**	**−**	**(98,013)**	**−**	**(19,111)**	**−**	**(206,277)**
Net book value at December 31, 2023	**10,794**	**72,685**	**30,597**	**−**	**200,320**	**−**	**66,683**	**−**	**381,079**

8. PROPERTY, PLANT AND EQUIPMENT (continued)

In 2023, additions to construction in progress were mainly attributable to the following:

- Acquisition of electric and diesel locomotives, construction of the Dostyk-Moiynty railway transport corridor and other railway infrastructure modernization and reconstruction works of 603,471 million tenge;
- Development drilling at Ozenmunaigas JSC and Embamunaigas JSC, subsidiaries of the Group, for the total amount of 289,128 million tenge;
- Replacement of the section of the pipelines "Uzen-Atyrau-Samara" and "Astrakhan-Mangyshlak" for a total of 174,799 million tenge in kaztransoil JSC;
- Construction of the second line of the Beineu-Zhanaozen main gas pipeline in the Mangystau region in the amount of 160,160 million tenge;
- Construction of an automated gas distribution station with gas branch pipelines in the amount of 29,319 million tenge;
- Construction of a reserve gas pipeline to the existing main gas pipeline "Makat-North Caucasus" in the amount 28,881 million tenge;
- A set of works on the main gas pipelines "SATS-5", "SATS-4" and "Looping SAC- 4" of 24,469 million tenge;
- Construction of the Kairat jumper between the Kazakhstan-China and Almaty-Baiserke-Talgar main gas pipelines in the amount of 23,451 million tenge.

As at December 31, 2023 property, plant and equipment with net book value of 200,191 million tenge was pledged as collateral for some of the Group's borrowings (December 31, 2022: 822,711 million tenge).

As at December 31, 2023 the cost of fully amortised property, plant and equipment of the Group was equal to 1,404,115 million tenge (December 31, 2022: 1,372,489 million tenge).

In 2023 the Group capitalized borrowing costs at an average interest rate of 13.56% in the amount of 84,178 million tenge *(Notes 20, 21)* less investment income of 1,665 million tenge (2022: at an average interest rate of 6.89% in the amount of 74,087 million tenge).

9. INTANGIBLE ASSETS

In millions of tenge	Licenses	Subsur-face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2022 (audited) (restated)	692,169	815,857	316,265	25,467	74,630	79,888	2,004,276
Foreign currency translation	36,279	14,390	807	1,819	398	1,896	55,589
Additions	9,405	1,077	–	–	6,163	16,853	33,498
Disposals	(2,805)	–	–	–	(4,139)	(910)	(7,854)
Loss of control over subsidiaries	–	–	–	–	–	(64)	(64)
Amortization charge	(43,757)	(36,227)	–	–	(20,726)	(8,099)	(108,809)
Accumulated amortization and impairment on disposals	2,775	–	–	–	4,165	404	7,344
(Impairment)/reversal of impairment, net	93	–	–	–	35	(139)	(11)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	(336)	–	–	–	(6,156)	(31,773)	(38,265)
Transfers from/(to) other non-current assets, net	–	–	–	–	(22)	–	(22)
Other transfers and reclassifications	1,025	–	–	–	11,083	(12,108)	–
Other changes	132	669	–	–	1,355	(2,199)	(43)
Net book value at December 31, 2022 (audited) (restated)	694,980	795,766	317,072	27,286	66,786	43,749	1,945,639
Foreign currency translation	**(9,039)**	**(3,659)**	**(211)**	**(477)**	**(170)**	**(253)**	**(13,809)**
Changes in estimates	**–**	**(279)**	**–**	**–**	**–**	**–**	**(279)**
Additions	**156,723**	**68**	**–**	**–**	**26,220**	**30,604**	**213,615**
Acquisition through business combinations (*Note 5*)	**–**	**–**	**–**	**–**	**5,289**	**1,716**	**7,005**
Disposals	**(821)**	**–**	**–**	**–**	**(6,483)**	**(509)**	**(7,813)**
Amortization charge	**(53,046)**	**(39,616)**	**–**	**–**	**(35,503)**	**(4,018)**	**(132,183)**
Accumulated amortization and impairment on disposals	**817**	**–**	**–**	**–**	**6,319**	**455**	**7,591**
(Impairment)/reversal of impairment, net *(Note 30)*	**36**	**–**	**–**	**–**	**25**	**(1,807)**	**(1,746)**
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	**–**	**–**	**–**	**–**	**(1,289)**	**–**	**(1,289)**
Other transfers and reclassifications	**(2,243)**	**–**	**–**	**–**	**6,955**	**(4,712)**	**–**
Other changes	**1**	**62**	**–**	**–**	**495**	**459**	**1,017**
Net book value at December 31, 2023	**787,408**	**752,342**	**316,861**	**26,809**	**68,644**	**65,684**	**2,017,748**
Historical cost	**1,088,296**	**972,365**	**432,066**	**68,816**	**307,497**	**149,037**	**3,018,077**
Accumulated amortization and impairment	**(300,888)**	**(220,023)**	**(115,205)**	**(42,007)**	**(238,853)**	**(83,353)**	**(1,000,329)**
Net book value at December 31, 2023	**787,408**	**752,342**	**316,861**	**26,809**	**68,644**	**65,684**	**2,017,748**
Historical cost	946,833	977,169	432,277	70,041	233,393	122,594	2,782,307
Accumulated amortization and impairment	(251,853)	(181,403)	(115,205)	(42,755)	(166,607)	(78,845)	(836,668)
Net book value at December 31, 2022 (audited) (restated)	694,980	795,766	317,072	27,286	66,786	43,749	1,945,639

10. EXPLORATION AND EVALUATION ASSETS

In millions of tenge	**Tangible**	**Intangible**	**Total**
Net book value at January 1, 2022	262,773	16,176	278,949
Foreign currency translation	13,683	–	13,683
Change in estimate	(195)	–	(195)
Additions	22,606	510	23,116
Disposals	(120)	(173)	(293)
Impairment/write-off, net of reversal of impairment	(16,312)	(1,694)	(18,006)
Depreciation and impairment on disposals	120	173	293
Transfers from/(to) property, plant and equipment, net	(3,253)	–	(3,253)
Transfer from/(to) inventories, net	6	–	6
Net book value at December 31, 2022	279,308	14,992	294,300
Foreign currency translation	**(3,376)**	**–**	**(3,376)**
Change in estimate	**(374)**	**–**	**(374)**
Additions	**45,013**	**30,038**	**75,051**
Disposals	**(19,921)**	**(824)**	**(20,745)**
Loss of control over subsidiaries (*Note 7*)	**–**	**(14,678)**	**(14,678)**
Impairment/write-off, net of reversal of impairment *(Note 30)*	**(121,319)**	**(9,865)**	**(131,184)**
Depreciation and impairment on disposals	**19,918**	**648**	**20,566**
Transfers from/(to) property, plant and equipment, net	**(14,841)**	**355**	**(14,486)**
Net book value at December 31, 2023	**184,408**	**20,666**	**205,074**
Historical cost	**316,150**	**34,783**	**350,933**
Accumulated impairment	**(131,742)**	**(14,117)**	**(145,859)**
Net book value at December 31, 2023	**184,408**	**20,666**	**205,074**
Historical cost	309,934	19,891	329,825
Accumulated impairment	(30,626)	(4,899)	(35,525)
Net book value at December 31, 2022	279,308	14,992	294,300

As at December 31, 2023 and 2022 the exploration and evaluation assets are represented by the following projects:

In millions of tenge	**2023**	2022
North Caspian project	**140,098**	206,007
NAC KAP projects	**26,019**	26,543
KMG Barlau	**14,346**	–
JSC "NC "QazaqGaz" projects	**4,510**	16,475
Embamunaigas JSC	**1,509**	14,084
Zhenis	**–**	18,310
Urikhtau	**–**	4,889
Other	**18,592**	7,992
	205,074	294,300

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

As at December 31 investments in joint ventures and associates comprised the following:

			2023		2022 (restated)	
In millions of tenge	**Main activity**	**Place of business**	**Carrying amount**	**Percentage ownership**	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	**3,598,510**	**20.00%**	3,825,053	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**978,536**	**50.00%**	710,273	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	**280,300**	**50.00%**	238,236	50.00%
Mangistau Investments B.V.	Oil and gas development and production	Kazakhstan	**203,614**	**50.00%**	164,716	50.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	**93,258**	**50.00%**	–	
Forum Muider B.V.	Production of coal	Kazakhstan	**79,941**	**50.00%**	68,159	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	**69,479**	**50.00%**	58,812	50.00%
Kazakhstan − China Pipeline LLP	Oil transportation	Kazakhstan	**53,358**	**50.00%**	37,138	50.00%
Valsera Holdings B.V. Group	Oil refining	Kazakhstan	**41,515**	**50.00%**	26,351	50.00%
JV Kazgermunai LLP	Oil and gas exploration and production	Kazakhstan	**36,506**	**50.00%**	32,070	50.00%
Other			**221,804**		208,831	
Total joint ventures			**5,656,821**		5,369,639	
Associates						
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	**451,913**	**20.75%**	521,882	20.75%
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	**432,557**	**29.82%**	491,846	29.82%
JV KATCO LLP	Exploration, production, processing and export of uranium	Kazakhstan	**97,501**	**49.00%**	113,920	49.00%
PetRepublic of Kazakhstanazakhstan Inc. ("PKI")	Exploration, production and processing of oil and gas	Kazakhstan	**94,887**	**33.00%**	94,635	33.00%
Other			**166,328**		143,519	
Total associates			**1,243,186**		1,365,802	
			6,900,007		6,735,441	

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of significant joint ventures, based on IFRS financial statements of these entities for 2023, reflecting equity method accounting adjustments:

In millions of tenge	Tengizchevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	TOO "Kalamkas-Khazar Operating"	Forum Muider B.V.	KazRosGas LLP	Kazakhstan − China Pipeline LLP	Valsera Holdings B.V. Group	JV Kazgermunai LLP
Joint ventures										
Non-current assets	**24,831,196**	**1,086,415**	**599,565**	**462,565**	**9,192**	**191,625**	**33,032**	**127,038**	**431,261**	**64,031**
Current assets, including	**1,863,832**	**1,055,299**	**150,686**	**199,708**	**1,232**	**87,470**	**148,932**	**49,554**	**114,561**	**52,764**
Cash and cash equivalents	**696,871**	**881,038**	**8,226**	**89,410**	**112**	**5,196**	**65,122**	**23,837**	**66,459**	**44,840**
Non-current liabilities, including	**7,434,076**	**161,112**	**130,617**	**132,981**	**10,376**	**11,220**	**238**	**23,107**	**304,590**	**14,966**
Non-current financial liabilities	**4,091,040**	**–**	**117,703**	**–**	**–**	**8,959**	**–**	**–**	**258,338**	**–**
Current liabilities, including	**1,268,404**	**23,530**	**95,311**	**119,109**	**324**	**107,993**	**42,769**	**46,768**	**106,740**	**28,817**
Current financial liabilities	**–**	**–**	**45,825**	**–**	**–**	**93,781**	**–**	**32,843**	**80,398**	**–**
Equity	**17,992,548**	**1,957,072**	**524,323**	**410,183**	**(276)**	**159,882**	**138,957**	**106,717**	**134,492**	**73,012**
Share of ownership	**20.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**	**50.00%**
Recognition of investment (*Note 7*)	**–**	**–**	**–**	**–**	**93,258**	**–**	**–**	**–**	**–**	**–**
Consolidation adjustments	**–**	**–**	**18,138**	**(1,477)**	**138**	**–**	**–**	**–**	**(25,731)**	**–**
Carrying amount of investment as at December 31, 2023	**3,598,510**	**978,536**	**280,300**	**203,614**	**93,258**	**79,941**	**69,479**	**53,358**	**41,515**	**36,506**
Revenue	**8,796,634**	**856,980**	**178,259**	**878,362**	**–**	**131,225**	**260,125**	**86,843**	**250,435**	**145,728**
Depreciation, depletion and amortization	**(2,426,361)**	**(76,035)**	**(28,452)**	**(107,455)**	**–**	**(9,395)**	**(295)**	**(10,170)**	**(41,216)**	**(20,007)**
Finance income	**86,023**	**20,964**	**5,788**	**784**	**2**	**9,331**	**2,243**	**585**	**6,013**	**1,292**
Finance costs	**(283,225)**	**(3,808)**	**(16,971)**	**(14,411)**	**(118)**	**(1,083)**	**–**	**(3,628)**	**(36,390)**	**(1,667)**
Income tax expenses	**(730,465)**	**(127,111)**	**–**	**(47,354)**	**–**	**(7,139)**	**(13,996)**	**(9,341)**	**(12,954)**	**(27,450)**
Profit/(loss) for the year	**1,704,419**	**537,264**	**105,855**	**76,510**	**(44)**	**23,760**	**64,648**	**37,440**	**34,592**	**41,965**
Other comprehensive (loss)/income	**(325,499)**	**(738)**	**–**	**1,285**	**–**	**(195)**	**(305)**	**1**	**16**	**(1,729)**
Total comprehensive income/(loss)	**1,378,920**	**536,526**	**105,855**	**77,795**	**(44)**	**23,565**	**64,343**	**37,441**	**34,608**	**40,236**
Dividends received	**502,227**	**–**	**10,864**	**–**	**–**	**–**	**553**	**2,500**	**–**	**15,793**

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of significant joint ventures, based on IFRS financial statements of these entities for 2022, reflecting equity method accounting adjustments:

In millions of tenge	Tengizchevroil LLP	Asia Gas Pipeline LLP	Beineu-Shymkent Pipeline LLP	Mangistau Investments B.V.	Forum Muider B.V.	KazRosGas LLP	Kazakhstan – China Pipeline LLP	Valsera Holdings B.V. Group	JV Kazgermunai LLP
Joint ventures									
Non-current assets	25,713,747	1,165,474	623,036	464,868	175,947	40,100	137,004	454,653	71,787
Current assets, including	3,046,293	707,366	183,695	111,126	75,715	99,637	42,103	120,412	53,303
Cash and cash equivalents	1,905,924	466,658	60,340	28,622	7,687	59,000	17,871	79,079	46,729
Non-current liabilities, including	7,808,607	241,387	273,406	144,698	74,123	269	58,417	377,788	21,559
Non-current financial liabilities	4,163,850	59,026	261,063	–	72,071	–	32,197	340,106	–
Current liabilities, including	1,826,167	210,907	93,130	99,344	41,221	21,844	46,415	97,393	39,392
Current financial liabilities	–	185,590	46,858	–	8,772	–	33,900	82,347	–
Equity	19,125,266	1,420,546	440,195	331,952	136,318	117,624	74,275	99,884	64,139
Share of ownership	20.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Consolidation adjustments	–	–	18,139	(1,260)	–	–	–	(23,591)	–
Carrying amount of investment as at December 31, 2022	3,825,053	710,273	238,236	164,716	68,159	58,812	37,138	26,351	32,070
Revenue	10,949,194	912,711	188,975	910,069	113,612	192,427	86,319	219,429	150,039
Depreciation, depletion and amortization	(1,129,895)	(77,695)	(26,893)	(26,647)	(9,018)	(323)	(10,269)	(38,552)	(22,550)
Finance income	36,076	5,108	2,901	594	7,417	2,765	357	244	791
Finance costs	(99,857)	(24,809)	(16,207)	(9,404)	(1,052)	–	(4,593)	(31,616)	(994)
Income tax expenses	(1,591,414)	(140,490)	–	(38,267)	(8,180)	(4,040)	(8,703)	(10,260)	(39,783)
Profit for the year	3,713,299	553,306	101,674	96,971	29,231	1,107	33,566	42,018	41,061
Other comprehensive income/(loss)	1,114,004	(477)	–	1,784	(408)	7,884	–	(228)	4,115
Total comprehensive income	4,827,303	552,829	101,674	98,755	28,823	8,991	33,566	41,790	45,176
Dividends received	244,579	70,949	11,765	92,071	–	–	5,000	2,189	22,826

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of significant associates, based on IFRS financial statements of these entities for 2023 and 2022, reflecting equity method accounting adjustments:

	2023				2022			
In millions of tenge	**Caspian Pipeline Consortium JSC**	**Kazzinc LLP**	**JV KATCO LLP**	**Petro-Kazakhstan Inc. ("PKI")**	Caspian Pipeline Consortium JSC	Kazzinc LLP	JV KATCO LLP	Petro-Kazakhstan Inc. ("PKI")
Associates								
Non-current assets	**1,969,703**	**1,057,553**	**166,440**	**206,008**	2,240,723	1,383,099	132,022	224,559
Current assets	**295,663**	**834,858**	**88,943**	**138,626**	292,198	797,108	132,298	116,827
Non-current liabilities	**18,722**	**74,966**	**22,037**	**20,063**	35,730	218,044	20,139	18,489
Current liabilities	**279,064**	**366,986**	**14,872**	**16,497**	196,152	312,897	8,822	15,586
Equity	**1,967,580**	**1,450,459**	**218,474**	**308,074**	2,301,039	1,649,266	235,359	307,311
Share of ownership	**20.75%**	**29.82%**	**49.00%**	**33.00%**	20.75%	29.82%	49.00%	33.00%
Goodwill	**43,640**	**–**	**68**	**–**	44,416	–	68	–
Unrecognized gain on transactions with associates	**–**	**–**	**(16,881)**	**–**	–	–	(10,592)	–
Additional allocation of profits	**–**	**–**	**7,261**	**–**	–	–	9,118	–
Impairment of the investment	**–**	**–**	**–**	**(6,778)**	–	–	–	(6,778)
Carrying amount of investment	**451,913**	**432,557**	**97,501**	**94,887**	521,882	491,846	113,920	94,635
Revenue	**1,039,509**	**(1,668,169)**	**147,448**	**128,343**	976,076	1,632,251	146,304	140,901
Profit/(loss) for the year	**310,160**	**(170,572)**	**66,006**	**14,814**	567,533	(21,889)	82,891	19,702
Other comprehensive income	**(42,915)**	**–**	**–**	**(4,927)**	185,893	–	–	9,782
Total comprehensive income/(loss)	**267,245**	**(170,572)**	**66,006**	**9,887**	753,426	(21,889)	82,891	29,484
Other	**–**	**–**	**(6,288)**	**–**	–	–	(2,141)	–
Dividends received	**124,585**	**–**	**49,689**	**2,864**	108,975	88,819	18,796	2,890

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

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate aggregate financial information of individually insignificant joint ventures (the Group's proportional interest):

In millions of tenge	**2023**	2022
Carrying amount of investments as at December 31	**221,804**	208,831
Net profit for the year	**25,685**	35,908
Other comprehensive (loss)/income	**(2,466)**	225
Total comprehensive income	**23,219**	36,133

The following tables illustrate aggregate financial information of individually insignificant associates (the Group's proportional interest):

In millions of tenge	**2023**	2022
Carrying amount of investments as at December 31	**166,328**	143,519
Net profit for the year	**65,799**	56,099
Other comprehensive (loss)/income	**(7,503)**	5,075
Total comprehensive income	**58,296**	61,174

In 2023 dividends received from individually insignificant joint ventures and associates were equal to 99,050 million tenge (2022: 65,659 million tenge).

The following table summarizes the movements in equity investments in joint ventures and associates in 2023 and 2022:

In millions of tenge	**2023**	2022 (restated)
Balance as at January 1	**6,735,441**	5,681,969
Share in profit of joint ventures and associates, net *(Note 33)*	**945,079**	1,449,389
Dividends received	**(808,125)**	(734,518)
Change in dividends receivable	**(21,796)**	4,838
Additional contributions without change in ownership	**21,229**	15,418
Acquisitions	**100,820**	11,445
Adjustment of unrealized income*	**(2,140)**	(3,305)
Disposals	**(1)**	–
Transfers to assets classified as held for sale or distribution to the Shareholder	**–**	(1,460)
Foreign currency translation	**(100,768)**	309,586
Other comprehensive income, other than foreign currency translation	**5,916**	5,170
Discount on loans issued	**29,425**	(2,431)
Impairment, net *(Note 30)*	**(5,073)**	(660)
Balance as at December 31	**6,900,007**	6,735,441

* *Adjustment of unrealized income includes unrealized income from sale of other non-current assets from joint ventures to Group and capitalized borrowings costs on the loans provided by the Group to joint ventures.*

As at December 31, 2023, the Group's share in unrecognized losses of joint ventures and associates was equal to 8,516 million tenge (December 31, 2022 (restated): 5,984 million tenge).

12. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE

As at December 31, loans issued and net investment in finance lease comprised the following:

In millions of tenge	**2023**	**Weighted average effective interest rate**	2022	Weighted average effective interest rate
Loans issued at amortized cost	**130,979**	**11.33%**	64,371	15.98%
Loans issued at fair value through profit or loss	**86,173**	**12.95%**	117,511	12.20%
Net investment in finance lease	**45,614**	**10.21%**	54,017	10.02%
Total loans and net investment in finance lease	**262,766**		235,899	
Less: allowance for expected credit losses	**(28,756)**		(17,284)	
Loans issued and net investment in finance lease, net	**234,010**		218,615	
Less: current portion	**(131,472)**		(66,889)	
Non-current portion	**102,538**		151,726	

Movements in the loan allowance for expected credit losses for the years ended December 31 were as follows:

In millions of tenge	**2023**	2022
Allowance at January 1	**17,284**	19,234
Charged, net	**11,372**	(1,373)
Change in accounting estimates	**100**	(577)
Allowance at December 31	**28,756**	17,284

As at December 31, 2023 there has not been a significant increase in credit risk for loans issued since their initial recognition.

As at December 31 the components of net investment in finance lease are as follows:

In millions of tenge	**2023**	2022
Within one year	**12,674**	15,215
Later than one year, but not later than five years	**28,862**	31,436
After five years	**21,232**	30,787
Lease payments	**62,768**	77,438
Less: unearned finance income	**(17,154)**	(23,421)
Net investment in finance lease	**45,614**	54,017

In millions of tenge	**2023**	2022
Loans issued and net investment in finance lease in tenge	**145,335**	95,172
Loans issued in US dollars	**88,675**	123,443
	234,010	218,615

13. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at December 31 amounts due from credit institutions comprised the following:

In millions of tenge	**2023**	2022
Bank deposits	**1,258,181**	1,638,585
Loans to credit institutions	**41,119**	67,614
Less: allowance for expected credit losses	**(420)**	(2,326)
Amounts due from credit institutions, net	**1,298,880**	1,703,873
Less: current portion	**(1,243,196)**	(1,433,305)
Non-current portion	**55,684**	270,568

In millions of tenge	**2023**	2022
Rating from A+(A1) to A-(A3)	**1,217,905**	966,071
Rating from BBB+(Baa1) to BBB(Baa2)	**–**	213,729
Rating from BBB-(Baa3) to BB-(Ba3)	**80,531**	482,486
Rating from B+(B1) to B-(B3)	**444**	41,587
	1,298,880	1,703,873

In millions of tenge	**2023**	**Weighted average effective interest rate**	2022	Weighted average effective interest rate
Amounts due from credit institutions, denominated in US dollars	**1,227,916**	**5.68%**	1,197,610	2.61%
Amounts due from credit institutions, denominated in tenge	**70,671**	**6.28%**	506,263	6.63%
Amounts due from credit institutions, denominated in other currencies	**293**	**6.62%**	–	–
	1,298,880		1,703,873	

As at December 31, 2023 there has not been a significant increase in credit risk for amounts due from credit institutions since their initial recognition.

14. OTHER FINANCIAL ASSETS

As at December 31 other financial assets comprised the following:

In millions of tenge	**2023**	2022 (restated)
Financial assets at fair value through other comprehensive income, including:	**46,696**	28,322
Treasury notes of foreign governments	**23,844**	839
Corporate bonds	**15,910**	17,931
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	**6,869**	7,428
Equity securities	**73**	73
Bonds of Kazakhstani financial institutions	**–**	2,051
Financial assets at amortized cost, including:	**1,513,528**	918,735
Bonds of Kazakhstani financial institutions	**791,958**	355,976
Corporate bonds	**123,472**	115,125
Notes of the National Bank of the Republic of Kazakhstan	**122,178**	176,715
Treasury notes of foreign governments	**99,079**	–
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	**18,462**	12,966
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan	**1,936**	1,988
Other financial assets at amortized cost, including:		
Restricted cash	***186,347***	*227,759*
Other accounts receivable	***233,692***	*146,445*
Dividends receivable	***21,262***	*630*
Amounts due from employees	***13,530***	*9,948*
Reservation of cash for repayment of borrowings	***2,530***	*152*
Other	***13,670***	*12,364*
Less: allowance for expected credit losses	**(114,588)**	(141,333)
Financial assets at fair value through profit or loss, including:	**168,287**	143,906
Equity securities	**136,850**	124,960
Additional consideration for sale of a subsidiary (*Note 7*)	**13,862**	–
Guaranteed returns from a shareholder of a joint venture	**13,728**	13,178
Options	**2,085**	1,868
Corporate bonds	**1,762**	3,192
Forward and futures contracts	**–**	681
Currency swaps	**–**	27
Total financial assets	**1,728,511**	1,090,963
Less: current portion	**(1,134,317)**	(347,750)
Non-current portion	**594,194**	743,213

Debt securities

During the year ended December 31, 2023 as part of its free cash flow management strategy the Group was investing into notes of the National Bank of the Republic of Kazakhstan with maturities of less than twelve months, that are usually held to maturity. As of December 31, 2023 the investment amounted to 122,178 million tenge (December 31, 2022: 176,715 million tenge).

During the year ended December 31, 2023 the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury). As of December 31, 2023 the investment amounted to 122,923 million tenge (December 31, 2022: null).

14. OTHER FINANCIAL ASSETS (continued)

As at December 31 other financial assets by currency, except for derivatives, comprised:

In millions of tenge	**2023**	2022 (restated)
Financial assets, denominated in tenge	**1,265,181**	768,712
Financial assets, denominated in US dollars	**437,477**	286,794
Financial assets, denominated in euro	**15,059**	15,772
Financial assets, denominated in rubles	**1**	301
Financial assets, denominated in other currency	**8,708**	16,808
	1,726,426	1,088,387

15. OTHER NON-CURRENT ASSETS

As at December 31 other non-current assets comprised the following:

In millions of tenge	**2023**	2022
Advances paid for non-current assets	**899,680**	259,196
Long-term VAT receivable	**332,795**	225,712
Long-term inventories	**18,788**	12,676
Prepaid expenses	**16,335**	16,882
Other	**30,164**	20,726
Less: impairment allowance	**(117,369)**	(61,467)
	1,180,393	473,725

During the year ended December 31, 2023 the Group paid advances in the amount of 296,957 million tenge for supply of passenger carriages and construction of the railway, 159,433 million tenge for supply of power plant equipment based on a combined cycle plant, 38,545 million tenge for modernisation of Almaty CHPP-2 with the minimization of the environmental impact and 32,491 million tenge for reconstruction of Almaty CHPP-3.

The change in impairment allowance is mainly represented by the impairment of long-term VAT receivable in the amount of 27,898 million tenge, advances paid for non-current assets of 17,564 million tenge and prepayments on long-term assets of Ereymentau Wind Power LLP in the amount of 9,156 million tenge (*Note 30*) recognized during the year ended December 31, 2023.

16. INVENTORIES

As at December 31 inventories comprised the following:

In millions of tenge	**2023**	2022
Uranium products (at lower of cost and net realizable value)	**328,015**	308,114
Production materials and supplies (at lower of cost and net realizable value)	**129,158**	78,280
Work in progress (at lower of cost and net realizable value)	**104,378**	68,803
Crude oil (at cost)	**82,354**	69,332
Gas processed products (at cost)	**64,123**	33,518
Oil refined products for sale (at lower of cost and net realizable value)	**61,621**	60,670
Goods for resale (at lower of cost and net realizable value)	**58,455**	41,139
Oil and gas industry materials and supplies (at cost)	**53,786**	44,767
Fuel (at lower of cost and net realizable value)	**40,305**	22,940
Railway industry materials and supplies (at cost)	**25,547**	21,738
Electric transmission equipment spare parts (at cost)	**7,400**	5,855
Uranium industry materials and supplies (at lower of cost and net realizable value)	**3,374**	16,150
Telecommunication equipment spare parts (at cost)	**2,526**	2,248
Aircraft spare parts (at cost)	**1,560**	15,647
Other materials and supplies (at lower of cost and net realizable value)	**46,044**	77,089
	1,008,646	866,290

As at December 31, 2023 carrying value of inventories under pledge as collateral amounted to 186,378 million tenge (December 31, 2022: 126,345 million tenge).

17. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at December 31 trade accounts receivable comprised the following:

In millions of tenge	**2023**	2022 (restated)
Trade accounts receivable	**1,366,846**	1,145,439
Less: allowance for expected credit losses	**(73,988)**	(62,147)
	1,292,858	1,083,292

As at December 31 other current assets comprised the following:

In millions of tenge	**2023**	2022 (restated)
Advances paid and deferred expenses	**167,068**	141,412
Other non-financial current assets	**212,266**	19,987
Other prepaid taxes	**118,229**	97,048
Less: impairment allowance	**(11,588)**	(8,330)
	485,975	250,117

At December 31, 2023 the Group's receivables of 197,651 million tenge were pledged under certain Group borrowings (December 31, 2022: 176,000 million tenge).

Movements in the allowance for expected credit losses for trade accounts receivable for the years ended December 31 were as follows:

In millions of tenge	**2023**	2022 (restated)
Allowance at January 1	**62,147**	49,777
Charged, net	**31,303**	14,469
Foreign exchange difference, net	**(320)**	1,006
Transfers from/(to) assets classified as held for sale or distribution to the Shareholder	**(266)**	–
Write-off	**(18,855)**	(3,105)
Other changes	**(21)**	–
Allowance at December 31	**73,988**	62,147

Movements in the impairment allowance for other current assets for the years ended December 31 were as follows:

In millions of tenge	**2023**	2022
Allowance at January 1	**8,330**	12,847
Charged, net	**3,468**	(2,065)
Foreign exchange difference, net	**(3)**	44
Change in estimate	**–**	268
Transfers from/(to) assets classified as held for sale or distribution to the Shareholder	**(84)**	–
Write-off	**(123)**	(2,764)
Allowance at December 31	**11,588**	8,330

Other non-financial current assets mainly represent the amount of 190,178 million tenge transferred to the construction companies as part of the execution of contracts on comprehensive works and services for the construction of facilities within the framework of the pilot National project "Comfort School", where the Group acts as an agent under IFRS 15 (*Note 25*).

18. CASH AND CASH EQUIVALENTS

As at December 31 cash and cash equivalents comprised the following:

In millions of tenge	**2023**	2022 (restated)
Bank deposits − US dollars	**816,838**	690,834
Bank deposits − tenge	**441,364**	607,290
Bank deposits − other currency	**79,121**	17,550
Current accounts with banks − US dollars	**467,059**	1,004,182
Current accounts with banks − tenge	**122,711**	364,135
Current accounts with banks − other currency	**16,271**	34,730
Reverse repurchase agreements with contractual maturity of three months or less	**465,653**	164,541
Cash in accounts for servicing budget programs in accordance with the legislation of the RK	**306,153**	–
Balances on brokerage accounts payable on demand	**10,119**	35,494
Cash on hand	**8,997**	9,186
Cash in transit	**6,461**	18,258
Less: allowance for expected credit losses	**(411)**	(584)
	2,740,336	2,945,616

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 and other securities with maturities of up to 3 months.

At December 31, 2023, the Group had cash in the amount of 306,153 million tenge, which is represented by a cash control account in the regional treasury department of the Ministry of Finance of the Republic of Kazakhstan opened with a special purpose of the implementation of the pilot national project "Comfortable School".

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 December 31, 2023 the weighted average interest rates for short-term bank deposits were 15.23% in tenge, 5.22% in US dollars, 5.97% in other currency; and current accounts were 3.74% in tenge, 4.24% in USD dollars, 0.74% in other currency, respectively (December 31, 2022: the weighted average interest rates for short-term bank deposits were 14.17% in tenge, 1.63% in US dollars, 5.12% in other currency; and current accounts were 1.33% in tenge, 1.17% in USD dollars, 0.77% in other currency, respectively).

19. EQUITY

19.1 Share capital

During 2023 and 2022 the Fund issued common shares, which were paid as follows:

Payment for shares	**Number of shares authorized and issued**	**Par value per share, in tenge**	**Share capital in millions of tenge**
As of December 31, 2021	3,481,961,408		5,268,580
Property contributions	1	239,265,541	239
As of December 31, 2022	3,481,961,409		5,268,819
Shares issued during the year:			
Shares issued and paid by contributions of state-owned interests in subsidiaries	**1**	**89,206,406,162**	**89,206**
	50	**723,663,220**	**36,183**
	40	**586,110,925**	**23,445**
	100	**64,469,200**	**6,447**
Shares issued and paid by contribution of property	**1,000**	**16,915,397**	**16,915**
	20	**114,504,250**	**2,290**
Shares issued and paid by cash	**6,000**	**8,246,277**	**49,478**
As of December 31, 2023	**3,481,968,620**		**5,492,783**

As at December 31, 2023: 3,481,968,620 shares of the Fund were fully paid (December 31, 2022: 3,481,961,409 shares).

19. EQUITY (continued)

19.1 Share capital (continued)

Contribution of state-owned interests in subsidiaries

On April 19, 2023 the Fund issued 50 shares at par value of 723,663,220 tenge and 40 shares at par value of 586,110,925 tenge for the total amount of 59,628 million tenge representing their fair values, which were paid off by the Shareholder by means of 100% of interest in Shulbinskaya GES and UK GES in accordance with the Resolution of the Government of the Republic of Kazakhstan. Also, on September 12, 2023, the Fund issued 100 shares at par value of 64,469,200 tenge for the amount of 6,447 million tenge representing their fair values, which were paid off by the Shareholder by shares of Kazgeology in accordance with the Resolution of the Government of the Republic of Kazakhstan (*Note 6*). Shares of Kazgeology were transferred to the share capital of subsidiary National Mining Company "Tau-Ken Samruk".

These transactions represent business combination of entities under common control and are accounted for retrospectively under the pooling of interest method based on the predecessor's values. Accordingly, these consolidated financial statements were presented as if the interests of entities were transferred at the beginning of the earliest presented period and, as a result, relevant comparative information was restated. As a result of these transactions the share capital of the Fund was increased by 66,075 million tenge with respective decrease in the retained earnings in these consolidated financial statements.

On September 12, 2023 in accordance with the Resolution of the Government of the Republic of Kazakhstan the Shareholder transferred the 28.8% non-controlling interest in Kazakhtelecom JSC to the Fund as a payment for the share issued at par value of 89,206,406,162 tenge, as a result of which the Group's share in Kazakhtelecom JSC increased to 80.85%. The fair value of the exchanged shares comprised 89,206 million tenge. As a result of this transaction the difference between the carrying value of non-controlling interest acquired in the amount of 235,168 million tenge and fair value of exchanged shares of 89,206 million tenge was recognized as an increase of retained earnings of 145,962 million tenge in the consolidated statement of changes in equity.

Property contributions

On April 14 and August 9, 2023 the Fund issued 1,000 shares at par value of 16,915,397 tenge and 20 shares at par value of 114,504,250 tenge, which were paid off by the Shareholder by an immovable properties with a fair value of 19,205 million tenge. These properties was transferred to the share capital of subsidiaries "National Company "Qazaq Gas" JSC and "Samruk-Energy" JSC (hereinafter – "Samruk-Energy").

On June 28, 2022, the Shareholder contributed property to the Fund's share capital in form of the movable property with a fair value of 239 million tenge. This property was transferred to the share capital of subsidiary National Company "Kazakhstan Temir Zholy" JSC (hereinafter – "NC KTZh").

Cash contributions

In November 2023, the Shareholder made cash contributions to the Fund's share capital of 49,478 million tenge. These amounts were aimed to finance the project " Construction of Infrastructure facilities on the territory of SEZ "National Industrial Petrochemical Technopark".

19.2 Dividends

Dividends attributable to equity holder of the Parent

On December 26, 2023 according to the Resolution of the Government dated December 19, 2023 the Fund declared and paid dividends to the Shareholder of 238,027 million tenge on financial results for 2022.

During the period of October and November, according to the Resolution of the Government dated October 20, 2023 the Fund paid dividends to the Shareholder of 1,026,726 million tenge from the retained earnings of 2021.

On April 4, 2023 Shulbinskaya GES and UK GES paid dividends to the Shareholder in the amount of 2,227 million tenge and 1,872 million tenge, respectively, based on financial results of 2022 (during the year ended December 31, 2022: 2,241 million tenge and 1,857 million tenge, respectively, based on financial results of 2021).

In September and October 2022 the Fund declared and paid dividends to the Shareholder of 170,024 million tenge based on financial results for 2021 according to the Resolution of the Government dated September 22, 2022.

In July 2022 Kazgeology declared and paid dividends in the amount of 168 million tenge based on financial results of 2021. Since the transfer of these entities represent business combination of entities under common control (*Note 6*), dividends paid by these entities to the Shareholder were reflected as dividends attributable to the equity holder of the Parent in the consolidated statement of changes in equity.

19. EQUITY (continued)

19.2 Dividends (continued)

Dividends attributable to non-controlling interests

During 2023 the Group declared dividends of 172,201 million tenge to the holders of non-controlling interests in National Atomic Company "Kazatomprom" JSC ("NAC KAP") group, KMG group, Kazakhtelecom JSC ("KTC"), Air Astana, Kazakhstan Electricity Grid Operating Company JSC ("KEGOC"), NC KTZh, "Samruk-Kazyna Business Service" LLP and "Samruk-Kazyna Ondeu" LLP ("SKO"). Total amount of dividends paid to the holders of non-controlling interests during 2023 equaled 173,976 million tenge.

During 2022 the Group declared dividends of 186,073 million tenge to the holders of non-controlling interests in KMG group, KTC, NAC KAP, KEGOC and SKO. Total amount of dividends paid to the holders of non-controlling interests during 2022 equaled 184,145 million tenge.

19.3 Distributions to the Public Foundation "Qazaqstan halqyna"

In accordance with Article 20 of the Law of the Republic of Kazakhstan "On the National Welfare Fund", the Fund annually allocates funds to a non-profit organization represented by the public foundation "Qazaqstan halqyna" (hereinafter - "Public Foundation") in the amount of not less than 7% of the Fund's net income according to separate financial statements. According to the Shareholder's resolution, the Fund has recognized an obligation to allocate funds to the Public Foundation in the amount of 66,614 million tenge. During 2023, the Fund transferred the funds to the Public Foundation in the amount of 20,650 million tenge.

19.4 Other distributions to the Shareholder

Social projects financing

During 2023 in accordance with the Shareholder's resolutions, the Fund recognised liabilities for financing of various social projects for the amount 32,730 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As at December 31, 2023, the Fund fully repaid these liabilities.

During 2022 in accordance with the Shareholder's resolutions, the Fund recognised liabilities for financing of various social projects for the amount 23,978 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As at December 31, 2022, the Fund fully repaid these liabilities.

Financing construction of social facilities

During 2023, in accordance with the Shareholder's resolution on the construction of a Perinatal center in Astana, the Group recognised liabilities of 65,000 million tenge as other distributions to the Shareholder in the consolidated statement of changes in equity. As of December 31, 2023 the Group made repayment of liabilities in the amount of 19,149 million tenge.

During 2022, in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of the construction of National coordination center for emergency medicine in Astana city with 200 beds and National Scientific Center of infectious diseases in Almaty city with 350 beds in the amount of 166,867 million tenge. During 2023 the Group made repayment of liabilities in the amount of 44,792 million tenge (during 2022: 104,028 million tenge).

In addition, during 2022, in accordance with the Shareholder's resolutions, the Fund recognized liabilities for financing of the construction of residential buildings for socially vulnerable segments of the population in Zhetysu region in the amount of 11,600 million tenge.

Also, during 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 and paid for 10,199 million tenge and 2,398 million tenge, respectively.

19. EQUITY (continued)

19.5 Other transactions with the Shareholder

During the year ended December 31, 2023, in accordance with the Order of the President of the Republic of Kazakhstan on the construction of the multifunctional sport and recreation complex in Uralsk (hereinafter - "the Sport Complex") as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Group recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge in the consolidated statement of changes in equity. The Group made an advance payment in the amount of 8,962 million tenge.

During the year ended December 31, 2022 the Group recognized the impairment of gas turbine power plant and water treatment assets of Karabatan Utility Solutions LLP in the amount of 14,077 million tenge, part of which in the amount of 9,877 million tenge was recognised in the consolidated statement of comprehensive loss and the balance of 4,201 million tenge was recognised in equity as Other transactions with the Shareholder, as part of assets related to assets of General Plant Infrastructure ("GPI"), which are subject to impairment.

19.6 Transfer of assets to the Shareholder

In accordance with the Shareholder's Order, the Group transferred an immovable property with the carrying amount of 3,796 million tenge to the President's Affairs Administration of the Republic of Kazakhstan. This transaction was reflected as a transfer of assets to the Shareholder in the consolidated statement of changes in equity.

19.7 Discount on loans from the Government

During the year ended December 31, 2023, the Fund placed bonds in the amount of 173,709 million tenge (*Note 21*). The difference between nominal and fair value in the amount of 38,435 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 21*).

During the year ended December 31, 2023, the Fund received loan in the amount of 162,600 million tenge (*Note 21*). The difference between nominal and fair value in the amount of 139,497 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity (*Note 21*).

In 2022, the Fund made partial early repayment of bond obligations to the National Bank in the amount of 137 million tenge, and therefore recognized the amortization of the discount on loans from the Government in the amount of 78 million tenge as a decrease in equity in the consolidated statement of changes in equity.

In December 2022, the Fund placed bonds in the amount of 162,859 million tenge. The difference between nominal and fair value in the amount of 68,762 million tenge was recognized as a discount on loans from the Government in the consolidated statement of changes in equity *(Note 21)*.

19.8 Change in ownership interests of subsidiaries − disposal of interest that does not result in the loss of control

KMG

In 2023 the Fund sold 20% shares of KMG to the "National Bank of the Republic of Kazakhstan" in the amount of 1,300,000 million tenge. As a result of the deal the Fund received proceeds of 1,300,000 million tenge, non-controlling interests increased by 2,096,861 million tenge, and the difference of 842,858 million tenge and 45,821 million tenge was recognized as decrease of currency translation reserve and increase of retained earnings attributable to the equity holder of the Parent, respectively.

On December 6, 2022, the Fund placed 3% shares of KMG on Kazakhstan Stock Exchange (KASE) and international Stock Exchange of Astana (AIX). The price per share is 8,406 tenge.

As a result of share issue, the Group received proceeds of 151,074 million tenge, net of transaction costs of 2,786 million tenge, non-controlling interests increased by 288,571 million tenge, and the difference of 128,297 million tenge and 9,470 million tenge was recognized as decrease of currency translation reserve and retained earnings attributable to the equity holder of the Parent, respectively.

19. EQUITY (continued)

19.8 Change in ownership interests of subsidiaries − disposal of interest that does not result in the loss of control (continued)

KEGOC

In November 2023 as part of the SPO (secondary public offering) program, KEGOC conducted a secondary placement of ordinary shares totaling 15,294,118 shares at a price of 1,482 tenge on organized securities markets (KASE and AIX).

As a result of the secondary placement of shares, the Group received an amount of 22,123 million tenge, after deducting transaction expenses totaling 543 million tenge. The non-controlling interest increased by 16,916 million tenge, and the difference was recognized as an increase in retained earnings in the amount of 5,207 million tenge.

19.9 Non-controlling interests

The following tables illustrate information of subsidiaries in which there is significant non-controlling interests as at December 31:

	Non-controlling interests			
	2023		2022	
	Share	**Carrying amount**	Share	Carrying amount
NC KazMunayGas JSC	**32.58%**	**3,319,477**	12.58%	1,198,454
NAC Kazatomprom JSC	**25.00%**	**862,335**	25.00%	713,970
Kazakhtelecom JSC	**19.15%**	**229,731**	47.97%	393,372
KEGOC JSC	**15%**	**55,160**	10.00% − 1	30,741
Air Astana JSC	**49.00%**	**47,522**	49.00%	34,519
Other		**94,304**		132,960
		4,608,529		2,504,016

All significant subsidiaries with non-controlling interests are registered in Kazakhstan.

19. EQUITY (continued)

19.9 Non-controlling interests (continued)

The following tables illustrate summarized financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2023 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC	Kazakhtelecom JSC	KEGOC JSC	Air Astana JSC
Summarized statement of financial position					
Non-current assets	**13,505,675**	**1,308,584**	**1,265,576**	**483,938**	**430,146**
Current assets	**3,437,037**	**1,290,708**	**217,424**	**120,371**	**189,166**
Non-current liabilities	**5,014,097**	**160,213**	**390,631**	**198,049**	**315,072**
Current liabilities	**1,534,218**	**430,812**	**288,706**	**38,527**	**207,256**
Total equity	**10,394,397**	**2,008,267**	**803,663**	**367,733**	**96,984**
Attributable to:					
Equity holder of the Parent	**7,074,920**	**1,145,932**	**573,932**	**312,573**	**49,462**
Non-controlling interests	**3,319,477**	**862,335**	**229,731**	**55,160**	**47,522**
Summarized statement of comprehensive income					
Revenue	**8,319,543**	**1,434,635**	**669,468**	**252,136**	**533,071**
Profit for the year	**924,461**	**580,335**	**104,403**	**71,563**	**30,739**
Other comprehensive (loss)/income	**(117,847)**	**(357)**	**1,998**	**–**	**3,315**
Total comprehensive income for the year, net of tax	**806,614**	**579,978**	**106,401**	**71,563**	**34,054**
Attributable to:					
Equity holder of the Parent	**842,977**	**418,835**	**95,065**	**71,563**	**34,054**
Non-controlling interests	**(36,363)**	**161,143**	**11,336**	**–**	**–**
Dividends declared to non-controlling interests	**39,226**	**117,174**	**7,048**	**3,336**	**3,683**
Summarised cash flow information					
Operating activity	**966,144**	**432,225**	**240,883**	**67,265**	**122,738**
Investing activity	**(53,771)**	**(61,200)**	**(403,934)**	**(28,064)**	**(20,994)**
Financing activity	**(608,388)**	**(319,425)**	**(3,019)**	**(21,385)**	**(91,459)**
Net increase/(decrease) in cash and cash equivalents	**303,985**	**51,600**	**(166,070)**	**17,816**	**10,285**

19. EQUITY (continued)

19.9 Non-controlling interests (continued)

The following tables illustrate summarized financial information of subsidiaries, in which there are significant non-controlling interests as at December 31, 2022 and for the year then ended:

In millions of tenge	NC KazMunay-Gas JSC	Kazatomprom NAC JSC	Kazakhtelecom JSC	KEGOC JSC	Air Astana JSC
Summarized statement of financial position					
Non-current assets	13,515,455	1,274,813	939,567	441,251	408,965
Current assets	3,135,308	947,720	347,166	112,679	169,752
Non-current liabilities	5,174,219	254,627	335,083	187,040	323,207
Current liabilities	1,603,094	271,403	221,043	59,477	185,064
Total equity	9,873,450	1,696,503	730,607	307,413	70,446
Attributable to:					
Equity holder of the Parent	8,674,996	982,533	337,235	276,672	35,927
Non-controlling interests	1,198,454	713,970	393,372	30,741	34,519
Summarized statement of comprehensive income					
Revenue	8,686,384	1,001,171	621,838	217,256	474,182
Profit for the year	1,317,319	472,963	128,753	65,140	37,583
Other comprehensive income/(loss)	468,745	(510)	(2,916)	–	5,240
Total comprehensive income for the year, net of tax	1,786,064	472,453	125,837	65,140	42,823
Attributable to:					
Equity holder of the Parent	1,756,410	347,590	111,202	65,140	42,823
Non-controlling interests	29,654	124,863	14,635	–	–
Dividends declared to non-controlling interests	(21,445)	(142,145)	(19,421)	(3,023)	–
Summarised cash flow information					
Operating activity	1,058,204	283,859	242,989	80,679	145,845
Investing activity	(1,624,864)	(10,893)	(105,733)	(31,209)	(27,797)
Financing activity	287,753	(268,877)	(119,945)	(33,058)	(101,769)
Net (decrease)/increase in cash and cash equivalents	(278,907)	4,089	17,311	16,412	16,279

19. EQUITY (continued)

19.10 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. In 2023 foreign translation difference amounted to 204,939 million tenge before tax of 11,101 million tenge (2022: 747,358 million tenge before tax of 36,525 million tenge).

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As at December 31, 2023 unrealized foreign currency gain of 46,478 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income (2022: loss of 224,708 million tenge).

19.11 Hedge reserve

Air Astana JSC

In 2015 Air Astana JSC 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 December 31, 2022 shall remain in equity until the forecasted revenue cash flows are received.

During 2023 amount reclassified from the hedging reserve to foreign exchange loss from inception of the hedge was 5,191 million tenge before tax of 1,038 million tenge (2022: 5,687 million tenge before tax of 1,137 million tenge). Hedge income attributable to non-controlling interests comprised 2,544 million tenge before tax of 509 million tenge (2022: 2,787 million tenge before tax of 557 million tenge).

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.

For the year ended December 31, 2023, the effective part of 849 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value gain on cash flow hedging instruments (for the year ended December 31, 2022: 11,872 million tenge as net fair value loss on cash flow hedging instruments). Hedge income attributable to non-controlling interests comprised 101 million tenge (2022: hedge loss attributable to non-controlling interests of 920 million tenge).

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 December 31, 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.

For the year ended December 31, 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.

19. EQUITY (continued)

19.12 Other capital reserves

Other capital reserves include mainly remuneration of employees for the services rendered in the form of share-based payments with equity instruments of a subsidiary in which they are employed. The cost of equity-settled remunerations is recognized, together with a corresponding increase in other capital reserves, over the period in which performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

19.13 Book value and earnings per share

In accordance with the decision of the Exchange Board of Kazakhstan Stock Exchange JSC ("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.

In millions of tenge	**2023**	2022 (restated)
Total assets	**36,926,344**	33,631,379
Less: intangible assets	**(2,017,748)**	(1,945,639)
Less: total liabilities	**(15,189,029)**	(13,837,957)
Net assets for common shares	**19,719,567**	17,847,783
Number of common shares as at December 31	**3,481,968,620**	3,481,961,409
Book value per common share, tenge	**5,663**	5,126
Earnings per share		
Net profit for the year attributable to Equity holder of the Parent	**1,698,074**	1,926,689
Weighted average number of common shares for basic and diluted earnings per share	**3,481,963,068**	3,481,961,408
Basic and diluted share in net profit for the period attributable to Equity holder of the Parent	**487.68**	553.33

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

Basic earnings per share is calculated by dividing the profit or loss attributable to Equity holder of the Parent by the weighted average number of common shares during the year. The Group has no dilutive potential common shares, therefore, the diluted earnings per share equals the basic earnings per share.

20. BORROWINGS

As at December 31 borrowings, including interest payable, comprised the following:

In millions of tenge	**2023**	**Weighted average effective rate**	2022	Weighted average effective rate
Fixed interest rate borrowings	***4,997,501***		*5,517,313*	
Loans received	**1,059,372**	**12.71%**	1,041,195	11.12%
Debt securities issued	**3,938,129**	**6.11%**	4,476,118	6.70%
Floating interest rate borrowings	***1,366,401***		*1,150,362*	
Loans received	**1,095,542**	**8.15%**	900,560	9.85%
Debt securities issued	**270,859**	**18.82%**	249,802	15.63%
	6,363,902		6,667,675	
Less: amounts due for settlement within 12 months	**(980,684)**		(1,267,512)	
Amounts due for settlement after 12 months	**5,383,218**		5,400,163	

In millions of tenge	**2023**	2022
US dollar-denominated borrowings	**3,682,629**	3,859,503
Tenge-denominated borrowings	**2,137,211**	2,162,421
Swiss francs-denominated borrowings	**256,070**	125,349
Euro-denominated borrowings	**223,659**	96,589
Rubles-denominated borrowings	**51,207**	405,818
Other currency-denominated borrowings	**13,126**	17,995
	6,363,902	6,667,675

20. BORROWINGS (continued)

As at December 31, the bonds comprised:

In millions of tenge	Issuance amount	Redemption date	Effective interest rate	December 31, 2023	December 31, 2022
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	**669,582**	681,014
Bonds LSE 2018	1.25 billion USD	2030	5.375%	**562,142**	571,508
Bonds LSE 2017	1.25 billion USD	2047	5.75%	**552,309**	561,160
Bonds LSE 2017	1 billion USD	2027	4.75%	**454,060**	460,655
Bonds LSE 2020	750 million USD	2033	3.50%	**336,780**	340,415
Bonds ISE 2017	750 million USD	2027	4.448%	**323,208**	328,757
Bonds KASE 2019	0.3 billion KZT	2034	11.50%	**308,433**	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	**225,947**	229,241
Bonds KASE 2022	118.9 billion KZT	2024	TONIA Compounded 6M + 3% margin	**129,491**	128,216
Bonds KASE 2019	70 billion KZT	2024	4%	**82,746**	84,161
Bonds KASE 2019	80 billion KZT	2026	11.50%	**80,262**	80,244
Bonds KASE 2018	75 billion KZT	2024	9.25%	**76,831**	76,831
Bonds KASE 2016	50 billion KZT	2026	Inflation rate + 2.52%	**56,302**	53,750
Bonds KASE 2016	47.5 billion KZT	2031	17.28%	**52,769**	51,630
Bonds LSE 2018	500 million USD	2025	4.75%	**–**	232,586
Bonds KASE 2020	129 billion tenge	2023	10.90%	**–**	100,041
Bonds SIX Swiss Exchange 2018	170 million Swiss Francs	2023	3.25%	**–**	84,925
Other	–	–	–	**298,126**	352,353
Total				**4,208,988**	4,725,920

Loans received

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

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

In 2023, the Group made full repayment of the loan from VTB Bank (PJSC) in the amount of 58,010 million Russian Roubles (equivalent to 294,841 million tenge), including accrued interest.

In 2023, the Group under the Master Framework Agreement with Societe Generale and Natixis under the guarantee of export credit agency BPIfrance dated February 23, 2023 to finance the acquisition of freight and passenger locomotives for a total amount of 627 million euro, borrowed 329 million euro (equivalent to 162,473 million tenge) (including the BPIfrance premium). Loan interest is paid semi-annually at Euribor 6m + 1.15% margin. Principal is repaid semi-annually until full repayment in 2034.

In November 2023, the Group under the credit agreement with Citibank and Santander and the guarantee of MIGA, dated September19, 2023 to finance the acquisition of electric locomotives, passenger carriages, capital and current repairs of railway tracks, borrowed 513 million Swiss francs (equivalent to 264,633 million tenge) (including the MIGA premium). Loan interest is paid semi-annually at SARON 6m + 0.95%. Principal is repaid semi-annually until full repayment in 2033. The grace period for repayment of principal debt is 1 year.

In 2023, a subsidiary of the Group, Atyrau Refinery LLP (further Atyrau refinery), partially repaid loans from Halyk Bank of Kazakhstan JSC for a total amount of 102,674 million tenge, respectively, including interest.

In 2023, the Group under the loan agreement with EDB dated May 11, 2023 to finance the acquisition of freight diesel locomotives for a total amount of 17,685 million Russian Roubles borrowed 10,045 million Russian Roubles (equivalent to 50,345 million tenge). Loan interest is paid semi-annually at 7.8%. Principal is repaid semi-annually until full repayment in 2034.

20. BORROWINGS (continued)

On April 24, 2023, the Group received a loan in the amount of 138,172 million tenge from Halyk Bank of Kazakhstan JSC to finance the construction of a power plant based on a combined cycle gas plant in the Turkestan region with a credit limit of 188,427 million tenge. Interest at a rate of 18.5% per annum is payable quarterly until December 29, 2032, starting from the second quarter of 2025.

In 2023, based on the notification of the Ministry of Energy of RK on the termination of the subsoil use contract, the Group derecognized the loan of Eni Isatai B.V. for the Isatai project in the amount of 4,377 million tenge (*Note 32*).

Debt securities issued

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

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.

Loan received from Halyk Bank of Kazakhstan JSC

In March 2022, the Group represented by its subsidiary JV Alaigyr LLP entered into a credit line agreement with Halyk Bank of Kazakhstan JSC for a total amount of 56,000 thousand US dollars. Repayment of interest and principal on the credit line is made monthly, while the principal debt is paid starting from 2024. The loan was classified as a short-term due to early repayment clause.

JV Alaigyr LLP has certain financial and non-financial covenants in accordance with the terms of the credit line. In accordance with the terms of the covenants, among other conditions, the lender has the right to demand repayment of loans in advance. As of December 31, 2023, the JV Alaigyr LLP did not comply with the covenants on maintaining the debt-equity ratio in the project financed under the contract and confirming the attraction of funds to the Group in the amount necessary to complete the project financed under the contract.

On December 29, 2023, the JV Alaigyr LLP received a confirmation letter from Halyk Bank of Kazakhstan JSC that there was no breach of the above covenants. In addition, on January 26, 2024, the Group received a letter from Halyk Bank of Kazakhstan JSC to postpone the covenants until July 1, 2024.

As of December 31, 2023 and as of December 31, 2022 the Group complied with all financial and non-financial covenants under loan agreements, except those mentioned above.

In millions of tenge	**2023**	2022
NC KMG and its subsidiaries	**3,281,937**	3,708,949
NC KTZh and its subsidiaries	**1,348,931**	1,098,347
Qazaq Gaz and its subsidiaries	**375,947**	492,188
The Fund	**346,741**	519,370
Kazakhtelecom and its subsidiaries	**248,820**	205,305
Samruk-Energy and its subsidiaries	**190,448**	190,790
KEGOC and its subsidiaries	**163,535**	156,352
CCGT Turkistan LLP	**156,521**	–
EGRES-2	**97,017**	97,834
NAC KAP and its subsidiaries	**86,252**	138,270
NMC TKS and subsidiaries	**66,772**	52,319
Other subsidiaries of the Fund	**981**	7,951
Total borrowings	**6,363,902**	6,667,675

20. BORROWINGS (continued)

Changes in borrowings are as follows:

In millions of tenge	**2023**	2022
Balance as at January 1	**6,667,675**	7,862,692
Received by cash*	**1,218,171**	1,178,196
Interest accrued	**465,318**	487,882
Discount	**(1,090)**	(332)
Interest capitalized *(Note 8)*	**64,557**	74,087
Interest paid	**(503,416)**	(540,453)
Repayment of principal*	**(1,535,865)**	(1,618,601)
Purchase of property plant and equipment financed by borrowings	**114,106**	5,706
Transfer to assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**(187)**	(941,587)
Amortization of discount	**19,948**	17,347
Foreign currency translation	**(132,183)**	406,629
Derecognition of loan (*Note 32*)	**(4,377)**	–
Return of insurance premium in cash	**–**	7,370
Commission for the early redemption of the loan	**–**	4,498
Repayment of principal and interest by reserved cash	**–**	(259,459)
Other	**(8,755)**	(16,300)
Balance as at December 31	**6,363,902**	6,667,675

* *The amounts are not reconciled to cash flows shown within financing activies of the consolidated statement of cash flows, as do not contain the changes with respect to liabilities associated with assets classified as held for sale.*

21. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

As at December 31 loans from the Government of the Republic of Kazakhstan comprised the following:

In millions of tenge	**Redemption date**	**Effective interest rate**	**2023**	2022
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2035-2063	5.56-13.99%	**836,941**	672,208
Loans from the Government of the Republic of Kazakhstan	2029-2046	5.15-11.59%	**35,905**	11,396
			872,846	683,604
Less: amounts due for settlement within 12 months			**(11,028)**	(3,760)
Amounts due for settlement after 12 months			**861,818**	679,844

The change in loans from the Government of the Republic of Kazakhstan are represented as follows:

In millions of tenge	**2023**	2022
Balance as at 1 January	**683,604**	579,369
Received by cash	**336,309**	162,859
Interest accrued	**13,758**	17,364
Interest capitalized (*Note 8*)	**19,621**	–
Discount (*Note 19.7*)	**(177,932)**	(68,684)
Interest paid*	**(26,696)**	(17,448)
Repayment of principal	**(891)**	(10,776)
Amortisation of discount	**25,073**	20,920
Balance as at 31 December	**872,846**	683,604

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

21. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN (continued)

Bonds acquired by the National Bank of the Republic of Kazakhstan

During the year ended December 31, 2023 the Fund placed bonds in the amount of 173,709 million tenge for financing the construction of the second tracks of the Dostyk-Moiynty railway section, aimed at increasing the transit and export potential of the country. The bonds were purchased by the National Bank of the Republic of Kazakhstan funded by the National Fund. The fair value of consideration received was 135,274 million tenge. The difference between nominal and fair value of the bond in the amount of 38,435 million tenge was recognized as a discount on loan from the Government in the consolidated statement of changes in equity (*Note 19.7*).

In February 2022, in accordance with the corporate decisions made by the Fund and with the edition of the Rules on proceeds to the National Fund of the Republic of Kazakhstan from transfer of assets of national managing holdings, national holdings, national companies and their subsidiaries, affiliates and other legal entities affiliated with them to the competitive environment approved by the Resolution of the Government of the Republic of Kazakhstan No. 323 dated 4 June 2018, effective on the redemption date, the Fund made a partial early redemption of bonds at par value in the amount of 137 million tenge which was carried out within the eleventh bond issue of the Fund purchased by the National Bank of the Republic of Kazakhstan. In this regard, the Fund recognized amortization of discount on loans from the Government in the amount of 78 million tenge in the consolidated statement of changes in equity *(Note 19.7)*.

In December 2022, Fund's bonds issue in the amount of 542,863 million tenge with an annual coupon of 7.37% per annum was registered. On December 30, 2022, the Fund's bonds were placed in the amount of 162,859 million tenge. The bonds were purchased by the National Bank of the Republic of Kazakhstan at the expense of the National Fund. The funds received from the sale of these bonds were used to provide a loan to NC KTZh in order to finance the construction of the second tracks of the Dostyk-Moiynty railway section with a total length of 836 km, aimed at increasing the transit and export potential of the country. The fair value of consideration received was 94,097 million tenge. The difference between nominal and fair value of the bond in the amount of 68,762 million tenge was recognized as a discount on loan from the government in a consolidated statement of changes in equity (*Note 19.7*).

Other loans from the Government

During the year ended December 31, 2023, in accordance with the Law of the Republic of Kazakhstan "On Republican budget for 2023-2025" dated December 1, 2022, the Fund received loan from the Ministry of Finance of the Republic of Kazakhstan in the total amount of 162,600 million tenge with an interest rate of 0.05% and maturity of 30 years. The fair value of consideration received was 23,103 million tenge. The difference between nominal and fair value of the bond in the amount of 139,497 million tenge was recognized as a discount on loan from the Government in the consolidated statement of changes in equity (*Note 19.7)*.

22. PROVISIONS

As at December 31 provisions comprised the following:

In millions of tenge	Asset retirement obligations	Provision for environ-mental remediation	Provision for taxes	Provision for aircraft maintenance	Other	Total
Provision at January 1, 2022	346,420	68,194	17,727	54,910	55,491	542,742
Foreign currency translation	9,164	3,286	238	4,030	2,928	19,646
Change in estimate	(162,695)	4,514	(3,169)	(947)	2,644	(159,653)
Unwinding of discount	21,440	5,892	–	–	224	27,556
Provision for the year	60,973	12,084	3,740	38,146	48,846	163,789
Use of provision (restated)	(161)	(5,594)	(2,937)	(8,402)	(12,021)	(29,115)
Reversal of unused amounts	(61)	(392)	(1,327)	–	(855)	(2,635)
Provision at December 31, 2022	275,080	87,984	14,272	87,737	97,257	562,330
Foreign currency translation	**(1,506)**	**(1,062)**	**(44)**	**(1,507)**	**(1,109)**	**(5,228)**
Change in estimate	**6,162**	**(1,350)**	**(548)**	**–**	**(155)**	**4,109**
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**–**	**–**	**–**	**(115,362)**	**–**	**(115,362)**
Additions through business combinations (*Note 5*)	**4,346**	**–**	**–**	**–**	**–**	**4,346**
Unwinding of discount	**26,137**	**2,926**		**1,536**	**162**	**30,761**
Provision for the year	**67,092**	**3,796**	**787**	**40,476**	**58,561**	**170,712**
Use of provision	**(1,616)**	**(5,168)**	**(366)**	**(11,532)**	**(26,257)**	**(44,939)**
Reversal of unused amounts	**(367)**	**(4,619)**	**(5,651)**	**(1,348)**	**(29,609)**	**(41,594)**
Other changes	**–**	**–**	**–**	**–**	**2,380**	**2,380**
Provision at December 31, 2023	**375,328**	**82,507**	**8,450**	**–**	**101,230**	**567,515**

22. PROVISIONS (continued)

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

In millions of tenge	Asset retirement obligations	Provision for environ-mental remediation	Provision for taxes	Provision for aircraft maintenance	Other	Total
Current portion (restated)	8,795	10,829	14,272	33,165	88,058	155,119
Non-current portion	266,285	77,155	–	54,572	9,199	407,211
Provision at December 31, 2022	275,080	87,984	14,272	87,737	97,257	562,330
Current portion	**9,081**	**7,056**	**8,450**	**–**	**71,866**	**96,453**
Non-current portion	**366,247**	**75,451**	**–**	**–**	**29,364**	**471,062**
Provision at December 31, 2023	**375,328**	**82,507**	**8,450**	**–**	**101,230**	**567,515**

Other provisions

During the year ended December 31, 2023 the Group recognized the provision for payment of compensation for the unauthorised volume of uranium, which relates to MC Ortalyk LLP. In October 2017, MC Ortalyk LLP obtained a contract for uranium exploration at Zhalpak field for a period up to May 31, 2018. In May 2018, the Ministry of Energy of the RK (hereinafter ME of RK) agreed to extend the exploration period under the contract until December 31, 2022 for performing evaluation works. However, the approval process of evaluation works by the ME of RK was delayed. Test production was stopped in April 2020. The volume of unauthorised uranium at the Zhalpak field for the period from June 2018 to April 2020 amounted to 162,454 tons. In early 2023 the issue of paying compensation for the unauthorised volume of uranium began to be actively discussed with the government authorities. As a result, on August 15, 2023 MC Ortalyk LLP paid a compensation of 11,404 million tenge to the government for unauthorized volume of uranium.

During the year ended December 31, 2023 the Group recognized an obligation for construction of the Sport Complex for the total amount of 17,925 million tenge (*Note 19.5*).

As at December 31, 2023 other provisions included provision for gas transportation of 33,226 million tenge (as at December 31, 2022: 33,817 million tenge), and the obligation for construction of the Sport Complex of 17,925 million tenge.

23. LEASE LIABILITIES

The Group has leases for various items of property, plant and equipment, mainly aircraft.

During the years from 2012 to 2014, Air Astana JSC (further - Air Astana), a subsidiary of the Group, acquired 10 (ten) aircraft under fixed-interest lease agreements with transfer of title. The lease term for each aircraft is 12 (twelve) years. Air Astana has the option to purchase each aircraft for a nominal amount at the end of the lease. For other aircraft lease contracts are concluded for eight years without repurchase options at the end of the lease terms.

As at December 31, 2023 Air Astana has 5 (five) Airbus and 3 (three) Boeing 767 aircraft under fixed interest lease agreements with transfer of title (2022: 5 (five) Airbus and 3 (three) Boeing 767 aircraft).

Loans provided by financial institutions to the lessors in respect of five new Airbus aircraft which were delivered during 2012 and 2013 were guaranteed by European Export Credit Agencies while three Boeing 767 aircraft which were delivered in 2013 and 2014 were guaranteed by the US Export Import Bank.

The Group's leases with transfer of title are subject to certain covenants. These covenants impose restrictions in respect of certain transactions, including, but not limited to restrictions in respect of indebtedness. Certain lease agreements with transfer of title include covenants as regards to change of ownership of the Group. These requirements have been met as at December 31, 2023 and 2022.

All other aircraft leases other than described above are contracted without the right for purchase at the end of the lease term.

Air Astana's obligations under leases are secured by the lessors' title to the leased assets. These assets have a carrying value of 333,934 million tenge (December 31, 2022: 330,418 million tenge).

As at December 31, 2023 interest calculation was based on effective interest rates ranging from 6.72% to 18.87% (December 31, 2022: from 8% to 17.3%).

23. LEASE LIABILITIES (continued)

As at December 31 future minimum lease payments under leases together with the present value of the net minimum lease payments comprised the following:

	Minimum lease payments		Present value of minimum lease payments	
In millions of tenge	**2023**	2022	**2023**	2022
Within one year	**94,648**	176,622	**70,906**	138,192
Two to five years inclusive	**247,169**	474,013	**160,297**	361,654
After five years	**259,758**	197,364	**121,874**	121,314
	601,575	847,999	**353,077**	621,160
Less: amounts representing finance costs	**(248,498)**	(226,839)	**–**	–
Present value of minimum lease payments	**353,077**	621,160	**353,077**	621,160
Less: amounts due for settlement within 12 months			**(70,906)**	(138,192)
Amounts due for settlement after 12 months			**282,171**	482,968

The Air Astana lease obligations are denominated in US dollars.

Changes in lease liabilities are as follows:

In millions of tenge	**2023**	2022
Balance as at January 1	**621,160**	509,661
Interest paid	**(48,016)**	(48,040)
Repayment of principal	**(161,898)**	(153,822)
Interest accrued (*Note 31*)	**58,190**	53,565
Foreign currency translation	**(6,876)**	23,279
Additions of leases	**168,259**	230,622
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**(326,780)**	–
Lease agreement termination	**(17,012)**	(7,856)
Lease agreement modification	**68,074**	11,113
Other	**(2,024)**	2,638
Balance as at December 31	**353,077**	621,160

24. OTHER NON-CURRENT FINANCIAL AND OTHER LIABILITIES

As at December 31 other current liabilities comprised the following:

In millions of tenge	**2023**	2022
Other financial liabilities		
Derivative financial instruments	**35,719**	565
Obligations under guarantee agreements	**30,171**	33,924
Accounts payable	**13,997**	10,440
Historical costs associated with obtaining subsoil use rights	**7,054**	7,741
Other	**14,773**	13,948
Other non-financial liabilities		
Government grant liability	**73,272**	45,693
Contract liabilities to customers	**52,516**	56,578
Advances received and deferred income	**4,788**	5,287
Other	**1,758**	4,504
	234,048	178,680

24. OTHER NON-CURRENT FINANCIAL AND OTHER LIABILITIES (continued)

Derivative financial instruments

In October-November 2022, the Group's subsidiary, NC KTZh, entered into agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) cross-currency swap transactions to manage the exposure to foreign exchange risk of borrowings denominated in US Dollars.

NC KTZh pays a fixed amount of Swiss Francs in exchange for a fixed amount of US Dollars. The payment of these fixed amounts in Swiss Francs is a manage of the foreign exchange risk of borrowings, as NC KTZh has a share of revenue denominated in Swiss Francs. These derivative financial instruments are not designated into hedging relationships.

During 2023, as part of the cross-currency swap transactions, the Group received cash from J.P. Morgan Securities plc. (UK), Societe Generale SA (France) and Citibank London in the amount of 17,478,556 US Dollars (8,146 million tenge) and 4,485,525 Swiss Francs (2,345 million tenge).

As at December 31, 2023, the fair value of derivative financial instruments, accounted at fair value through profit or loss, under agreements with Societe Generale SA (France), Citibank London and J.P. Morgan Securities plc. (UK) in the amount of 78,578,766 US Dollars (35,719 million tenge) was recognised within non-current financial liabilities (December 31, 2022: within other non- current financial assets of 58,693 US Dollars (27 million tenge) and within non-current financial liabilities of 1,220,034 US Dollars (564 million tenge)). The change in fair value of derivative financial instruments for the year ended December 31, 2023 was recognised in finance costs of 35,182 million tenge.

Government grant liability

In 2021 the Government of the Republic of Kazakhstan approved the changes to the Rules for the assignment of frequency bands, radio frequencies, operation of radio-electronic means and high-frequency devices ("the Rules"), based on which the Group is eligible for government grants in form of 90% reduction in the annual fee for use of radio frequencies from January 1, 2020 till January 1, 2025. The government grants are subject to conditions, namely financing of the projects related to broadband internet in rural and urban areas. If the financing of the projects related to broadband internet is lower than the amount of the tax incentive received, the Group should pay the annual fee equal for use of radio frequencies to the amount of unfulfilled obligations to the authorities. These government grant liabilities are included in *Communication segment* in these consolidated financial statements.

The funds released as a result of reduction in the annual fee for use of radio frequencies for 2023 in the amount of 22,778 million tenge were used by the Group for the purchase and construction of broadband internet access networks. Government grants related to assets are recognized as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. As of December 31, 2023 the balance of government grants related to *Communication segment* was equal to 40,176 million tenge (as of December 31, 2022: 26,858 million tenge), and part of these government grants released to the profit and loss over the period necessary to match the related depreciation charges equal to 9,460 million tenge.

25. TRADE AND OTHER PAYABLES, AND OTHER CURRENT FINANCIAL AND OTHER LIABILITIES

As at December 31 trade accounts payable comprised the following:

In millions of tenge	**2023**	2022 (restated)
Trade accounts payable	**1,210,558**	893,392
Accounts payable for the supply of property, plant and equipment	**341,397**	198,991
Other accounts payable	**45,660**	34,467
	1,597,615	1,126,850

As at December 31, trade accounts payable were expressed in the following currencies:

In millions of tenge	**2023**	2022 (restated)
Tenge-denominated trade accounts payable	**649,265**	407,055
US dollar-denominated trade accounts payable	**470,228**	350,261
Other currency-denominated trade accounts payable	**91,065**	136,076
	1,210,558	893,392

25. TRADE AND OTHER PAYABLES, AND OTHER CURRENT FINANCIAL AND OTHER LIABILITIES (continued)

As at December 31 other current liabilities comprised the following:

In millions of tenge	**2023**	2022 (restated)
Other financial liabilities		
Obligations to the Shareholder on the financing of social projects	**172,982**	127,276
Vacation and other employee benefits allowance	**154,041**	132,305
Amounts due to customers	**80,054**	46,208
Due to employees	**52,572**	49,759
Payable under repo transactions	**9,595**	20,469
Obligations under guarantee agreements	**4,445**	1,608
Historical costs associated with obtaining subsoil use rights	**2,676**	3,453
Dividends payable	**1,043**	2,797
Other	**55,634**	51,996
Other non-financial liabilities		
Liabilities under agency agreements	**496,331**	–
Contract liabilities to customers	**287,048**	313,338
Other taxes payable	**194,576**	213,128
Liabilities under inventory loan agreements	**91,151**	19,147
Pension and social contributions liabilities	**31,742**	27,578
Advances received and deferred income	**16,382**	27,169
Government grant liability	**11,708**	8,967
Amounts due under uranium swap contracts	**–**	4,709
Joint operations liabilities	**–**	4,569
Other	**21,380**	19,798
	1,683,360	1,074,274

Liabilities on financing of other social projects

In 2023, based on the resolutions of the Shareholder, the Fund recognized liability due to Public Foundation and obligations on financing of various social projects in the total amount of 154,927 million tenge (2022: 202,445 million tenge) *(Notes 19.3, 19.4*).

Actual amount of cash paid during 2023 totaled to 117,321 million tenge (2022: 130,404 million tenge).

Liabilities under agency agreements

During 2023 the Group entered into agency agreements with local authorities for the implementation of the pilot national project "Comfortable School" ("national project") on construction of secondary education facilities. The Group acts as an agent under IFRS 15.

The liabilities under the agency agreements represent the amounts received from local authorities, which are to be further transferred by the Group to the construction companies (*Note 17*), that are responsible for construction of secondary education facilitites under the national project.

Liabilities under inventory loan agreements

In 2020 the Group obtained uranium under commodity loans totalling 21.9 million US Dollars. A liability was initially recognised to return inventory at a cost of 8,597 million tenge. This liability is subsequently remeasured in accordance with changes in uranium spot prices and exchange rates. In 2023 the Group returned uranium under inventory loan agreements by purchasing it from third party.

The Group borrowed 886 tones of natural uranium from ANU Energy OEIC Ltd. due for return at December 31, 2023. In December 2023 the Group has returned 38 tones and extended the due date of agreement until the end of March 2024. As at December 31, 2023 the fair value of liability under inventory loan agreement was 91,151 million tenge, revaluation loss for the year recorded in other operating loss amounted to 37,977 million tenge (2022: revaluation loss of 1,906 million tenge).

26. REVENUE

Revenue comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Revenue from contracts with customers:		
Sales of crude oil	**4,614,945**	4,585,784
Sales of oil refined products	**2,679,801**	3,251,802
Railway cargo transportation	**1,677,659**	1,286,854
Sales of uranium products	**1,391,438**	964,390
Sales of gas products	**987,297**	895,318
Sales of refined gold	**812,527**	943,458
Telecommunication services	**668,530**	619,869
Air transportation	**548,804**	492,231
Electricity complex	**448,999**	428,191
Oil and gas transportation fee	**319,978**	296,445
Oil processing fees	**248,058**	204,390
Electricity transmission services	**197,436**	183,646
Railway passenger transportation	**105,570**	91,365
Sales of test products (*Note 7*)	**63,427**	8,966
Postal services	**50,405**	45,920
Other revenue	**482,169**	429,148
	15,297,043	14,727,777
Rental income	**88,283**	39,525
Interest revenue	**48,679**	47,845
	15,434,005	14,815,147

In millions of tenge	**2023**	2022
Geographical markets		
Kazakhstan	**5,981,665**	5,416,365
Other countries	**9,315,378**	9,311,412
	15,297,043	14,727,777

27. COST OF SALES

Cost of sales comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Materials and supplies	**6,455,824**	6,614,061
Personnel costs, including social taxes and withdrawals	**1,679,910**	1,362,694
Depreciation, depletion and amortization	**1,166,315**	1,017,700
Fuel and energy	**550,822**	562,856
Production services rendered	**417,286**	340,933
Repair and maintenance	**389,665**	345,906
Taxes other than social taxes and withdrawals	**202,551**	176,766
Mineral extraction tax	**195,212**	192,590
Transportation expenses	**138,573**	44,732
Short-term rent	**118,566**	93,068
Interest expense	**58,777**	58,710
Communication services	**49,145**	48,633
Security services	**38,638**	31,786
Other	**312,166**	410,457
	11,773,450	11,300,892

28. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Personnel costs, including social taxes and withdrawals	**269,343**	247,597
Audit and consulting services	**33,038**	31,469
Depreciation and amortization	**32,905**	36,695
Taxes other than social taxes and withdrawals	**28,834**	30,569
Other services by third parties	**26,139**	20,898
Compensation payment for uranium mined without license (*Note 22*)	**16,084**	7,310
Repair and maintenance	**11,469**	8,496
Business trips	**8,519**	6,492
Sponsorship and charitable donations	**6,800**	213
Short-term rent	**5,251**	5,344
Insurance	**4,658**	4,541
Utilities expenses and maintenance of buildings	**4,536**	4,406
Professional education and advanced trainings	**3,905**	3,629
Transportation services	**3,020**	2,797
Communication services	**2,452**	3,426
Bank services	**2,113**	2,445
Fines and penalties	**755**	7,022
Other	**66,560**	60,463
	526,381	483,812

29. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022
Transportation	**488,491**	448,378
Rent tax	**138,986**	215,765
Custom duties	**115,965**	134,249
Commission fees to agents and advertising	**31,560**	23,063
Personnel costs, including social taxes and withdrawals	**28,601**	23,918
Depreciation and amortization	**19,085**	20,330
Rent expenses	**9,265**	7,112
Other	**38,545**	34,054
	870,498	906,869

30. IMPAIRMENT LOSS

Impairment loss comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets *(Notes 8, 9, 10)*	**262,167**	55,533
Impairment/(reversal) of VAT receivable, net	**27,606**	(476)
Impairment of investments in joint ventures and associates *(Note 11)*	**5,073**	660
Impairment of assets held for sale	**23**	14,401
Other	**30,938**	1,564
	325,807	71,682

30. IMPAIRMENT LOSS (continued)

For the following non-current assets impairment losses were recognised for years ended:

In millions of tenge	**2023**	2022
Impairment and write-off expenses		
CGUs of KMGI (*Note 4*)	**97,636**	–
Kairan and Aktoty project	**74,255**	–
Jenis project	**40,244**	–
Objects of the unfinished construction of power unit No. 3. (*Note 4*)	**13,216**	–
Liman project	**8,847**	–
Ereymentau Wind Power assets (*Note 4*)	**4,913**	–
Southern Urikhtay project	**4,876**	8,895
Polymer Production LLP	**2,955**	7,096
Sultankuduk, Moldybay, Kaskynbay, Koskuduk fields	**2,868**	5,893
Isatay project	**93**	3,172
JV Alaigyr LLP	**–**	13,296
Gas turbine power plant and water treatment assets	**–**	9,876
Barys, Berkut, Beket Ata and Turkistan sea vessels	**–**	1,801
Other	**12,264**	5,504
	262,167	55,533

Kairan and Aktoty project

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

Jenis project

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

Southern Urikhtay project

For the year ended December 31, 2023, the Group has recognized impairment of exploration and evaluation assets in the amount of 4,876 million tenge of the Urikhtay, due to the expiration of the subsoil use contract.

Polymer Production assets

For the year ended December 31, 2023, the Group has recognized impairment of property, plant and equipment of Polymer Production in the amount of 2,955 million tenge in accordance with the recoverability analysis.

31. FINANCE COSTS

Finance costs comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022
Interest on loans and debt securities issued	**520,793**	497,666
Interest on lease liabilities (*Note 23*)	**58,190**	53,565
Revaluation loss on financial assets at fair value through profit/loss	**45,374**	39,796
Discount on provisions and other payables	**43,101**	31,999
Discount on assets at rates below market	**12,520**	5,471
Financial guarantees	**1,695**	1,512
Other	**28,274**	23,980
	709,947	653,989

32. FINANCE INCOME

Finance income comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Interest income on amounts due from credit institutions and cash and cash equivalents	**309,175**	176,212
Interest income from loans and financial assets	**108,890**	43,634
Revaluation gain on financial assets at fair value through profit/loss	**47,041**	38,400
Derecognition of loan (*Note 20*)	**4,377**	–
Income from financial guarantees	**2,513**	8,096
Income from subsidized interest rates on financial liabilities	**2,220**	31,398
Discount on liabilities at rates below market	**1,090**	805
Other	**11,058**	22,438
	486,364	320,983

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

Share in profit/(loss) of joint ventures and associates comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Joint ventures		
Tengizchevroil LLP	**340,884**	742,660
Asia Gas Pipeline LLP	**268,632**	276,653
Beineu Shymkent Gas Pipeline LLP	**52,927**	50,837
Petrosun LLP	**46,567**	23,184
Mangistau Investments B.V.	**38,255**	48,486
KazRosGas LLP	**32,324**	554
KazGerMunay LLP	**20,983**	20,530
Kazakhstan − China Pipeline LLP	**18,720**	16,783
Valsera Holdings B.V. Group	**17,296**	21,009
Ural Group Limited BVI	**(47,006)**	(11,470)
Other	**38,004**	38,733
Associates		
Caspian Pipeline Consortium JSC	**64,358**	117,763
JV South Mining Chemical Company LLP	**34,171**	18,528
JV KATCO LLP	**33,315**	47,593
Kazzinc LLP	**(50,868)**	(6,528)
Other	**36,517**	44,074
	945,079	1,449,389

34. INCOME TAX EXPENSES

Income tax expenses comprised the following for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Current income tax expenses		
Corporate income tax ("CIT")	**610,694**	455,708
Withholding tax on dividends and interest income	**92,630**	55,314
Excess profit tax	**838**	2,573
Deferred income tax expense/(benefit)		
Corporate income tax ("CIT")	**71,215**	145,467
Withholding tax on dividends and interest income	**(33,376)**	113,331
Excess profit tax	**(10,392)**	239
Income tax expenses	**731,609**	772,632

The Romanian government introduced a solidarity contribution on profits in the fossil fuel sector by Emergency Ordinance No. 186 issued on December 28, 2022. The solidarity contribution is payable by companies operating in the crude oil, natural gas, coal, and refinery sectors on taxable profits of 2022 and 2023 exceeding 120% of the average taxable profit of the preceding four years, 2018 to 2021, at a rate of 60%. If the average taxable profit related to the period 2018-2021 is negative, for the purpose of calculating the solidarity contribution, it is considered that the average taxable profit is equal to zero. As of December 31, 2023, KMGI recognized income tax in the amount of 31.1 million US dollars (equivalent to 14,141 million tenge) (2022: 124.9 million US dollars, equivalent to 57,584 million tenge).

34. INCOME TAX EXPENSES (continued)

A reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2023 and 2022) to income tax expenses was as follows for the years ended December 31:

In millions of tenge	**2023**	2022 (restated)
Accounting profit before income tax	**2,859,692**	3,146,696
Income tax expenses on accounting profit	**571,938**	629,339
Tax effect of other items, which are not deductible	**87,355**	101,881
Change in unrecognized deferred tax assets	**(28,117)**	(43,142)
Effect of different corporate income tax rates	**74,413**	89,756
Excess profit tax	**(9,554)**	2,812
Share in non-taxable profit of joint ventures and associates	**(133,736)**	(176,192)
Other differences	**169,310**	168,178
Total corporate income tax expenses	**731,609**	772,632

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. INCOME TAX EXPENSES (continued)

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

	2023				2022 (restated)			
In millions of tenge	**Corporate income tax**	**Excess profit tax**	**Withholding tax**	**Total**	Corporate income tax	Excess profit tax	Withholding tax	Total
Deferred tax assets								
Property, plant and equipment	**28,225**	**–**	**–**	**28,225**	33,252	–	–	33,252
Tax loss carryforward	**839,623**	**–**	**–**	**839,623**	826,477	–	–	826,477
Employee related accruals	**27,136**	**–**	**–**	**27,136**	25,710	–	–	25,710
Allowance for expected credit losses of financial assets	**61,364**	**–**	**–**	**61,364**	38,118	–	–	38,118
Provisions	**81,887**	**–**	**–**	**81,887**	82,764	–	–	82,764
Other accruals	**68,527**	**–**	**–**	**68,527**	126,355	–	–	126,355
Other	**79,430**	**10,334**	**–**	**89,764**	68,926	–	–	68,926
Less: unrecognized deferred tax assets	**(569,200)**	**–**	**–**	**(569,200)**	(597,317)	–	–	(597,317)
Less: deferred tax assets offset with deferred tax liabilities	**(518,947)**	**–**	**–**	**(518,947)**	(515,033)	–	–	(515,033)
Deferred tax assets	**98,045**	**10,334**	**–**	**108,379**	89,252			89,252
Deferred tax liabilities								
Property, plant and equipment	**1,612,640**	**539**	**–**	**1,613,179**	1,460,789	597	–	1,461,386
Undistributed earnings of joint ventures and associates	**–**	**–**	**571,270**	**571,270**	–	–	615,747	615,747
Other	**94,830**	**–**	**–**	**94,830**	97,031	–	–	97,031
Less: deferred tax assets offset with deferred tax liabilities	**(518,947)**	**–**	**–**	**(518,947)**	(515,033)	–	–	(515,033)
Deferred tax liabilities	**1,188,523**	**539**	**571,270**	**1,760,332**	1,042,787	597	615,747	1,659,131
Net deferred tax liabilities	**(1,090,478)**	**9,795**	**(571,270)**	**(1,651,953)**	(953,535)	(597)	(615,747)	(1,569,879)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. INCOME TAX EXPENSES (continued)

The movements in the net deferred tax liabilities were as follows for the years ended December 31:

	2023				2022 (restated)			
In millions of tenge	**Corporate income tax**	**Excess profit tax**	**Withholding tax**	**Total**	Corporate income tax	Excess profit tax	Withholding tax	Total
Balance at January 1	**953,535**	**597**	**615,747**	**1,569,879**	802,608	358	465,891	1,268,857
Foreign currency translation	**(7,763)**	**–**	**(11,101)**	**(18,864)**	14,128	–	36,525	50,653
Recognised to other comprehensive income	**1,456**	**–**	**–**	**1,456**	296	–	–	296
Business combination (*Note 5*)	**55,198**	**–**	**–**	**55,198**	–	–	–	–
Transfer to assets classified as held for sale or distribution to the Shareholder (*Note 7*)	**16,837**	**–**	**–**	**16,837**	(8,964)	–	–	(8,964)
Recognised to profit and loss	**71,215**	**(10,392)**	**(33,376)**	**27,447**	145,467	239	113,331	259,037
Balance at December 31	**1,090,478**	**(9,795)**	**571,270**	**1,651,953**	953,535	597	615,747	1,569,879

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax asset arising mainly from tax losses carry forward were equal to 569,200 million tenge as at December 31, 2023 (December 31, 2022: 597,317 million tenge).

Tax losses carryforwards as at December 31, 2023 in the Republic of Kazakhstan expire for tax purposes 10 (ten) years from the date they are incurred.

35. CONSOLIDATION

Subsidiaries included in the consolidated financial statements are presented as follows:

		Main activity	Country of incorporation	Ownership percentage 2023	Ownership percentage 2022 (restated)
1	National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	**67.42%**	87.42%
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	National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	Passenger and cargo transportation	Kazakhstan	**100.00%**	100.00%
4	National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries	Production and mining of uranium, rare metals	Kazakhstan	**75.00%**	75.00%
5	Samruk-Energy JSC ("Samruk-Energy") and subsidiaries	Electricity and heat production	Kazakhstan	**100.00%**	100.00%
6	Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	Electricity transmission services	Kazakhstan	**85.00%**	90.00% + 1
7	Kazpost JSC and subsidiaries	Postal and financial activities	Kazakhstan	**100.00%**	100.00%
8	Kazakhtelecom JSC ("KTC") and subsidiaries	Telecommunication services	Kazakhstan	**80.85%**	52.03%
9	Air Astana JSC ("Air Astana") and subsidiaries	Air transportation	Kazakhstan	**51.00%**	51.00%
10	Samruk-Kazyna Construction JSC and subsidiaries	Construction and real estate management	Kazakhstan	**100.00%**	100.00%
11	National Mining Company "Tau-Ken Samruk" ("NMC TKS") and subsidiaries	Exploration, mining and processing of solid minerals	Kazakhstan	**100.00%**	100.00%
12	Samruk-Kazyna Ondeu LLP and subsidiaries	Development and implementation of projects in the chemical industry	Kazakhstan	**100.00%**	100.00%
13	Samruk-Kazyna Invest LLP and subsidiaries	Investments	Kazakhstan	**100.00%**	100.00%
14	Samruk-Kazyna Contract LLP	Procurement activities	Kazakhstan	**100.00%**	100.00%
15	Stantsiya Ekibastuzskaya GRES-2 JSC ("EGRES-2")	Power generation	Kazakhstan	**100.00%**	100.00%
16	SK Business Service LLP and subsidiaries	Transformation services, information and IT services	Kazakhstan	**100.00%**	100.00%
17	Qazaq Air JSC	Air transportation	Kazakhstan	**100.00%**	100.00%
18	Kazakhstan nuclear electric plants LLP	Servicing companies in the electricity sector	Kazakhstan	**100.00%**	100.00%
19	Kazakhstan Petrochemical Industries Inc. JSC	Production of oil-and-gas and petrochemical products	Kazakhstan	**99%**	99%
20	CCGT Turkistan LLP	Transmission, distribution and sale of electricity	Kazakhstan	**100.00%**	100.00%
21	Center for Scientific and Technological Initiatives "Samgau" Foundation	Institutional service for innovative technologies, other research and experimental developments in the natural and technical sciences	Kazakhstan	**100.00%**	100.00%
22	AES Shulbinskaya GES LLP and subsidiary	Production and wholesale realization of electric power	Kazakhstan	**100.00%**	100.00%
23	AES Ust-Kamenogorskaya GES LLP	Production and wholesale realization of electric power	Kazakhstan	**100.00%**	100.00%

36. 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. The Group recognizes allowances for ECL on amounts owed by related parties.

The following table provides the total amount of transactions, which have been entered into with related parties as at December 31:

In millions of tenge		Associates	Joint ventures	Other state-controlled entities
Trade and other accounts receivable	**2023**	**25,045**	**120,512**	**87,153**
	2022 (restated)	6,546	63,217	49,668
Trade and other payables	**2023**	**69,428**	**440,772**	**20,746**
	2022 (restated)	60,274	213,335	10,450
Sale of goods and services	**2023**	**132,423**	**642,987**	**1,305,296**
	2022 (restated)	156,034	492,406	1,171,162
Purchase of goods and services	**2023**	**294,267**	**2,517,627**	**218,691**
	2022 (restated)	266,535	2,669,338	115,032
Other income/(loss), net	**2023**	**2,578**	**530**	**(25,079)**
	2022 (restated)	6,995	24,651	2,530
Cash and cash equivalents, and amounts due from credit institutions (assets)	**2023**	**–**	**331**	**308,390**
	2022	–	242	278,176
Loans issued	**2023**	**7,124**	**90,978**	**39,978**
	2022	10,947	117,605	7,952
Borrowings	**2023**	**3,506**	**15,492**	**1,192,634**
	2022 (restated)	7,002	13,262	1,026,451
Other assets	**2023**	**14,368**	**43,823**	**304,772**
	2022 (restated)	19,023	19,218	328,927
Lease and other liabilities	**2023**	**19,675**	**143,454**	**96,259**
	2022 (restated)	26,483	189,399	73,151
Interest accrued due from related parties	**2023**	**1,379**	**14,845**	**56,991**
	2022	1,549	20,234	15,508
Interest accrued due to related parties	**2023**	**2,527**	**17,198**	**97,109**
	2022	2,752	18,636	78,658

As at December 31, 2023 some of the Group's borrowings of 6,758 million tenge were guaranteed by the Government of the Republic of Kazakhstan (December 31, 2022: 16,026 million tenge).

Total compensation to key management personnel (members of the Boards of Directors and Management boards of the Fund and its subsidiaries) included in general and administrative expenses in the consolidated statement of comprehensive income was equal to 7,649 million tenge for the year ended December 31, 2023 (December 31, 2022: 6,637 million tenge). Compensation to key management personnel mainly consists of contractual salary and other payments based on achievement of operating results.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans issued, amounts due from credit institutions, other financials assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

The Group's exposure to interest risk relates primarily to the Group's long-term and short-term borrowings with variable interest rates *(Note 20)*.

The following table demonstrates the sensitivity of the Group's profit before income tax (through the impact on variable rate borrowings) to a reasonably possible change in variable interest rates, with all other variables held constant.

In millions of tenge		Increase/ (decrease) in basis points*	Effect on profit before income tax
SOFR	**2023**	**382/(382)**	**(11,593)/11,593**
	2022	223/(223)	3,790/(3,790)
SARON	**2023**	**176/(176)**	**4,507/(4,507)**
	2022	–	–
Key Rate of National Bank of RK	**2023**	**100/(100)**	**1,703/(1,703)**
	2022	100/(100)	1,726/(1,726)
EURIBOR	**2023**	**334/(334)**	**5,447/(5,447)**
	2022	136/(136)	350/(350)
COF**	**2023**	**143/(143)**	**2,023/(2,023)**
	2022	143/(143)	1,407/(1,407)
TONIA	**2023**	**297/(297)**	**4,805/(4,805)**
	2022	825/(825)	11,915/(11,915)
Inflation rate of RK	**2023**	**400/(400)**	**4,363/(4,363**)
	2022	400/(400)	4,215/(4,215)
Key Rate of Central Bank of Russia Federation	**2023**	**–**	**–**
	2022	619/(619)	20,895/(20,895)

* *1 basis point = 0.01%;*

** *Cost of funding.*

Currency risk

As a result of significant borrowings, lease liabilities, and trade accounts payable, cash and cash equivalents, amounts due from credit institutions and accounts receivable denominated in the US dollars, the Group's consolidated financial position can be affected significantly by movement in the US dollar / tenge exchange rates.

The following table demonstrates the sensitivity of the Group's profit before income tax to a reasonably possible change in the US dollar and euro, with all the variables held constant.

In millions of tenge	Increase/(decrease) in exchange rate	Effect on profit before income tax
2023		
US dollar	**14.15%/(14.15%)**	**(255,765)/246,390**
Euro	**12.95%/(12.95%)**	**(22,419)/22,416**
RUB	**28.54%/(28.54%)**	**(13,429)/13,429**
2022		
US dollar	21.00%/(21.00%)	(584,346)/584,346
Euro	17.99%/(17.99%)	(11,277)/11,277
RUB	22.05%/(22.05%)	(86,858)/86,858

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk arising from the inability of a party to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group to that party. It is the Group's policy to enter into financial instruments with a diversity of creditworthy parties. The maximum exposure to credit risk is represented by carrying amount of each financial asset.

The Group considers that its maximum exposure is reflected by the amount of loans issued *(Note 12)*, amount due from credit institutions *(Note 13)*, trade accounts receivable and other current assets *(Note 17)*, other financial assets *(Note 14)*, and cash and cash equivalents *(Note 18)*, net of allowances for expected credit losses recognized at the reporting date.

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

The Group has a policy that ensures enforcement of constant control procedures for sales to only be made to buyers with an appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimised by the fact that the Group operates on a prepayment basis with the majority of its buyers.

Liquidity risk

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

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

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

In millions of tenge	On demand	Due later than 1 month but not later than 3 months	Due later than 3 months but not later than 1 year	Due later than 1 year but not later than 5 years	Due after 5 years	Total
At December 31, 2023						
Loans from the Government of the Republic of Kazakhstan	**13**	**24**	**45,501**	**279,850**	**2,702,651**	**3,028,039**
Borrowings	**38,310**	**101,197**	**1,245,750**	**3,939,878**	**6,185,751**	**11,510,886**
Lease liabilities	**5,437**	**34,970**	**151,783**	**480,124**	**314,966**	**987,280**
Due to customers	**37,679**	**–**	**42,375**	**16**	**–**	**80,070**
Financial guarantees*	**39,750**	**3,084**	**12,441**	**52,631**	**88,153**	**196,059**
Trade and other payables	**463,535**	**960,182**	**269,793**	**14,503**	**–**	**1,708,013**
Other financial liabilities	**123,482**	**33,422**	**5,836**	**49,442**	**–**	**212,182**
	708,206	**1,132,879**	**1,773,479**	**4,816,444**	**9,291,521**	**17,722,529**
At December 31, 2022						
Loans from the Government of the Republic of Kazakhstan	–	24	40,738	252,450	2,371,786	2,664,998
Borrowings	71,945	147,115	1,321,139	4,284,743	6,342,580	12,167,522
Lease liabilities	6,498	35,426	136,844	487,375	162,639	828,782
Due to customers	12,427	–	33,781	12	–	46,220
Financial guarantees*	27,785	2,109	12,652	78,467	117,092	238,105
Trade and other payables	332,850	612,897	252,995	10,509	–	1,209,251
Other financial liabilities	1,249	13,710	115,382	8,280	–	138,621
	452,754	811,281	1,913,531	5,121,836	8,994,097	17,293,499

* *The Group includes financial guarantees to the maturity profile table, however, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2023 and 2022 there was no significant instances of financial guarantees execution.*

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The Group manages its capital primarily through capital management of its subsidiaries while conducting its oversight function. Major objective of the capital management is to ensure that subsidiaries of the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary.

The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary. Key performance indicators ("KPI") used by the Group to manage capital of its subsidiaries are ratios of: Debt to Earnings before Interest, Taxes, Depreciation and Amortization, and Interest ("D/EBITDA") from continuing and discontinued operations; and Debt to Equity ("D/E").

Debt is considered to be equal to all borrowings, debt securities, guarantee and finance lease liabilities of relevant subsidiaries reduced by value of cash and cash equivalents. Equity is considered to be equal to the entire equity of the subsidiary attributable to majority shareholders.

Allowed maximum for the indicator is approved for each subsidiary based on the needs and specifics of its business and varies within following ranges (consolidated KPI's for the Group have been presented for reference purposes as the Group does not monitor KPI's on the consolidated level):

Key Performance Indicators	**2023**	2022
D/EBITDA	**1.75**	1.73
D/E	**0.36**	0.41

In billions of tenge	**2023**	2022
Borrowings *(Note 20)*	**6,364**	6,668
Loans from the Government of the Republic of Kazakhstan *(Note 21)*	**873**	684
Lease liabilities *(Note 23)*	**353**	621
Derivative instruments	**36**	2
Guaranteed principal amount of liabilities of entities outside the Group	**246**	154
Total debt	**7,872**	8,129
Less: cash and cash equivalents	**(2,740)**	(2,946)
Net debt	**5,132**	5,183
EBITDA	**4,488**	4,701
Total equity	**21,737**	19,793

Fair values 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.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

As at December 31, 2023 and 2022 the carrying amount of the following Group's financial instruments is a reasonable estimate of their fair value:

In millions of tenge	Level 1	Level 2	Level 3	December 31, 2023
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	**–**	**–**	**86,173**	**86,173**
Financial assets measured at fair value through OCI	**24,986**	**21,636**	**74**	**46,696**
Financial assets at fair value through profit and loss	**50,576**	**75,824**	**39,802**	**166,202**
Derivative financial assets	**–**	**347**	**2,085**	**2,432**

In millions of tenge	Level 1	Level 2	Level 3	December 31, 2022
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	117,511	117,511
Financial assets measured at fair value through OCI	1,121	27,127	74	28,322
Financial assets at fair value through profit and loss	81,709	32,342	27,279	141,330
Derivative financial assets	–	1,477	1,099	2,576

	December 31, 2023				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	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 net investment in finance lease	**147,837**	**148,057**	**–**	**6,285**	**141,772**
Amounts due from credit institutions	**1,298,880**	**1,294,716**	**1,021,437**	**273,279**	**–**
Financial liabilities					
Borrowings	**7,322,081**	**7,068,783**	**2,951,315**	**2,913,962**	**1,203,506**
Loans from the Government of the Republic of Kazakhstan	**872,846**	**631,071**	**–**	**631,071**	**–**
Guarantee obligations	**34,616**	**35,054**	**–**	**32,268**	**2,786**

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

	December 31, 2022				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	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 net investment in finance lease	101,104	83,451	–	10,392	73,059
Amounts due from credit institutions	1,703,873	1,694,238	1,206,833	487,386	19
Financial liabilities					
Borrowings	7,609,261	6,917,679	3,546,266	2,192,828	1,178,585
Loans from the Government of the Republic of Kazakhstan	683,604	500,904	–	500,904	–
Guarantee obligations	35,532	38,873	–	37,565	1,308

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

Except for the financial instruments stated above as at December 31, 2023 and December 31, 2022 the management assessed that the fair value of financial instruments of the Group, such as trade and other accounts receivable and payable, cash and cash equivalents, short-term bank deposits and other current liabilities approximates their carrying amounts largely due to the short-term maturites of these instruments.

Reconciliation of fair value measurements:

In millions of tenge	Loans issued at fair value through profit and loss	Financial assets measured at fair value through profit and loss
As at January 1, 2022	123,161	32,913
Interest income	16,254	–
Gain/(loss) on change in fair value	5,215	(6,567)
Additions	3,850	–
Redemption	(30,969)	–
Other	–	933
As at December 31, 2022	117,511	27,279
Interest income	**13,000**	**871**
Loss on change in fair value	**(25,196)**	**–**
Additions	**12,846**	**11,233**
Redemption	**(31,988)**	**–**
Other	**–**	**419**
As at December 31, 2023	**86,173**	**39,802**

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

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

	Valuation technique	Significant unobservable inputs	Range as of December 31, 2023	Range as of December 31, 2022
Loans issued at amortized cost and net investment in finance lease	Discounted cash flow method	Interest/ discount rate	**8.5%-30%**	8.05%-32%
Financial assets at fair value through profit and loss	WACC	Interest/ discount rate	**9.2%-18.46%**	16.21%
Loans issued at fair value through profit and loss	Discounted cash flow method	Interest/ discount rate indexed to changes in the US dollar exchange rate	**SOFR+2.8% - 15%**	3.5%+12M LIBOR+forex adjustment
Amounts due from credit institutions	Discounted cash flow method	Interest/ discount rate	**–**	14.1%
Borrowings	Discounted cash flow method	Interest/ discount rate	**SOFR+3.0% - 17%**	5.7%-17%
Financial guarantee issued	Discounted cash flow method	Interest/ discount rate	**8.4%-14.56%**	12.31%-16.68%

The quantitative sensitivity analysis of the fair value measurements categorised within Level 3 of the fair value hierarchy, as at 31 December 2023 and 2022 are shown below:

	Valuation technique	Fair value	Sensitivity of the input to fair value
Financial assets at fair value through profit and loss	WACC	**2023: 39,802** 2022: 27,279	1% (2022: 1%) increase/(decrease) in the discount rate would result in an increase/ (decrease) in fair value by (1,063)/1,158 (2022: (280)/565)
Loans issued at fair value through profit and loss	Discounted cash flow method	**2023: 86,173** 2022: 117,511	1% (2022: 1%) increase/(decrease) in the discount rate would result in an increase/(decrease) in fair value by (391)/395 (2022: (2,474)/2,614)

38. COMMITMENTS AND CONTINGENCIES

Operating environment

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

Commodity price risk

The Group generates most of its revenue from the sale of commodities, primarily crude oil and oil products. Historically, the prices of these products have been volatile and have fluctuated widely in response to changes in supply and demand, market uncertainty, the performance of the global or regional economies and cyclicality in industries.

Prices may also be affected by government actions, including the imposition of tariffs and import duties, speculative trades, an increase in capacity or an oversupply of the Group's products in its main markets. These external factors and the volatility of the commodity markets make it difficult to estimate future prices.

A substantial or extended decline in commodity prices would materially and adversely affect the Group's business and the consolidated financial results and cash flows of operations. The Group does not hedge significantly its exposure to the risk of fluctuations in the price of its products.

38. COMMITMENTS AND CONTINGENCIES (continued)

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The new law on transfer pricing came into effect in Kazakhstan from January 1, 2009. The new law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance, which is still under development. As a result, application of transfer pricing control to various types of transactions is not clearly regulated.

Because of the uncertainties associated with the Kazakhstan transfer pricing legislation, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest at December 31, 2023.

As at December 31, 2023 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Environmental, Social and Governance (ESG) matters - Consideration of climate change and resulting climate related risks

The Group shares the concerns of the world community climate change and supports global efforts to reducing greenhouse gas emissions, increasing energy efficiency, transition to renewable sources energy and phasing out carbon fuels. The Group has the strategic goal to reduce the carbon footprint of the Group by 10% by 2032 compared to 2021 and aims to achieve carbon neutrality by 2060. In general, carbon neutrality does not mean complete exclusion of greenhouse gas emissions - the volume of emissions that not possible to reduce, must be compensated.

The Group is continuously assessing climate related and environmental risks and their impact on the Group's operation. For the identified risks, the Group has assessed their impact on the recognition/derecognition of assets and liabilities and measurement of such assets and liabilities as well as the disclosure provided in its consolidated financial statements. The areas listed below are predominantly impacted by the climate related and environmental risks:

- The Group has initiated projects on constructions of new combined cycle gas plant at the Almaty CHP-2 and CHP-3. The purpose is the replacement of the existing coal-fired equipment with modern environmentally friendly combined cycle power units; and
- The Group has assessed and recognized provisions for decommissioning of power plants and rehabilitating environmental damage due to recently introduced regulatory requirements in accordance with Environmental Code *(Note 22)*.

In relation to the identified risks associated with climate change, the Group assessed their impact on the recognition/derecognition of assets and liabilities, the measurement of such assets and liabilities, and the disclosures in the consolidated financial statements. The following areas are primarily exposed to risks associated with climate change:

Modernisation of Almaty CHP-2

In 2023 EPC contract was signed and loan agreements were signed with a number of financial institutions as part of the project of Modernisation of Almaty CHP-2 with the minimization of the environmental impact. On July 5, 2023, an advance payment was made under the EPC Contract. The Group's management plans to complete the project to convert CHP-2 to gas by December 31, 2026.

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 by the end of 2024. The project for the modernization of CHP-2 provides for the conservation of the existing capacities of CHP-2 after the commissioning of a new gas-fired plant. In 2021, the Group recognized a provision for impairment in the amount of 20,737 million tenge of the core assets of CHP-2, including coal-fired power units subject to conservation or dismantling after commissioning of the combined-cycle gas plant. Accordingly, the residual value of these assets will be zero by the time the new combined-cycle power units are put into operation.

38. COMMITMENTS AND CONTINGENCIES (continued)

Environmental, Social and Governance (ESG) matters - Consideration of climate change and resulting climate related risks (continued)

Reconstruction of Almaty CHP-3

AlES is implementing the project "Reconstruction of the Almaty CHP-3 (with construction of a CCGT unit with a capacity of at least 450 MW)" (the "Project"). The project implementation period is 2022-2026. The purpose of the Project is reconstruction of the Almaty CHP-3, which provides for the replacement of the existing pulverized coal-fired equipment with modern environmentally friendly combined cycle power units, the construction of a new CHP plant of greater capacity with a cycling service on the existing site, to partially cover the shortage of maneuverable capacities in the southern zone of Kazakhstan.

The Agreement on the purchase of a service to maintain the readiness of electric power during the construction of newly commissioned generating plants with a cycle generation mode with RFC was signed. The EPC contract has been signed and work is underway to organize financing. An Agreement for the supply of gas turbine units was signed between Ansaldo Energia and the EPC contractor. Engineering-geological and engineering-geodetic work is being carried out.

The Almaty CHP-3 reconstruction project provides for the replacement of the existing equipment, the fleet life of which will be exhausted by the time the new plant is commissioned, with modern environmentally friendly combined cycle power units, as well as fully depreciated, so the Group's management did not identify any significant changes having negative consequences for the Group, which are expected in the near future.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest. As at December 31, 2023 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

Management believes that as at December 31, 2023 its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

Comprehensive tax audit at oil refineries of the Group

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

38. COMMITMENTS AND CONTINGENCIES (continued)

Taxation (continued)

Comprehensive tax audit at oil refineries of the Group (continued)

Atyrau refinery, Pavlodar refinery and Shymkent refinery did not agree with the assessment and appealed to the Ministry of Finance of RK. Shymkent refinery partially appealed one of the notifications regarding the amount of additional taxes and penalties for 3,694 million tenge. However, on February 15, 2024, the Civil Chamber of the Supreme Court canceled the decision in favor of Shymkent refinery made on November 15, 2021 by the Civil Chamber of the Shymkent City Court. Shymkent refinery continues to work to appeal the decision.

At all three refineries there are additional accruals on similar issues for VAT in the total amount of 33,709 million tenge, for corporate income tax 12,146 million tenge, including penalties on all additional accruals and a reduction in carry-forward losses for 15,040 million tenge.

Tax audit of Samruk-Energy JSC and its subsidiary EGRES-1

From July 2020, the State Revenue Committee of the Ministry of Finance of the RK (hereinafter - "SRC") launched a pilot project to introduce horizontal monitoring, which will last until December 31, 2024. In 2021-2022, SRC, as part of a pilot project on horizontal monitoring, inspected the historical data of the EGRES-1 and Samruk-Energy JSC for the five years period. Based on the results, SRC completed tax audits and issued acts with the results of tax audit. The main non-compliances relate to the interest expense deducted for tax purposes and underaccrual of withholding tax. The Group expressed its disagreement with these notifications, claims and complaints were filed with the courts and the Appeal Commission of the Ministry of Finance of the RK. As for Samruk-Energy JSC in December 2023, the decision of the Appeal Commission was in favor of the company regarding the main amounts of additional charges, for EGRES-1 the challenge in the courts continues.

The Group management believes that its interpretation of the relevant legislation is appropriate and the Group's tax positions will be sustained. In the opinion of the Group management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made in these consolidated financial statements.

Legal proceedings

The civil litigation at KMGI

Faber Invest & Trade Inc. (further Faber), the non-controlling shareholder of KMGI subsidiaries, resumed several previous civil filings in 2020, one of which challenged the increase in the Rompetrol Rafinare Constanta, the KMGI subsidiary, share capital in 2003-2005. The hearings have been held periodically, but no final decisions were made. On July 13, 2021, the court rejected the complaint of Faber. However, Faber appealed against this decision. Based on the results of the hearing in December 2021, the court granted the complaint and returned the case for reconsideration.

Most of Faber's lawsuits were dismissed by the Supreme Court in May and September 2022, including an appeal filed by Faber challenging Faber's corporate documents approving the bond issue and paying off historical budget debts as filed after the deadline. In January 2023, hearings were held on the claims filed by Faber. Faber withdrew its claims in two cases, and the court postponed the decision in the third.

On April 12, 2023 the court rejected Faber's appeal. The decision is subject to a second appeal to the Supreme Court.

The Group believes that its position regarding Faber's new application will be resolved in a similar manner to other similar proceedings resolved in favor of the Group. Accordingly, the Group did not recognize a provision in this case as of December 31, 2023.

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

On December 17, 2019 OEBS has been noticed by the NAMR that a Request for Arbitration would have been filed in to ICC Paris for an alleged breach by OEBS of the Concession Agreement as regards the exploration block near Focsani. Starting from that period, OEBS was in dispute with NAMR. On July 29, 2022 the Court decided to oblige OEBS to pay 10.1 million U.S. dollars from a total NAMR claim of 20 million U.S. dollars. In 2022, the Group recognized a provision in the amount of 10.1 million dollars (equivalent to 4,673 million tenge. As at December 31, 2023, the Group had not made any payments to NAMR, and the Group believes that no changes to the assessment of provision are required.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

Competition investigation in Moldova

Since the beginning of 2021, Rompetrol Moldova (further RPM), a subsidiary of KMGI operating in Moldova, is involved in an investigation and related court proceedings initiated by the Competition Council of Moldova (further CCM) alleging RPM agreed with other industry players on retail prices for petroleum products. RPM is challenging the competition report prepared by the CCM investigation division that forms the basis for the allegations in accordance with applicable regulations. A few attempts to dismiss the said report were unsuccessful with the latest ruling rejecting RPM's request to dismiss the report issued by the local court on May 26, 2022. RPM has filed an appeal and a first hearing is scheduled for March 21, 2023. In 2022, the Group recognized a provision in the amount of 12 million dollars (equivalent to 5,552 million tenge). During 2023, RPM filed in an appeal and the first hearing was scheduled for October 4, 2023, however, the court rejected the appeal. The second appeal was filed in on January 24, 2024. A hearing date has not been scheduled. As at December 31, 2023 the Group believes that no changes to the assessment of provision are required.

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

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

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

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

On September 29, 2023, KPO sent a detailed claim to the Tribunal and this claim was provided to KRG. According to the Arbitration Timetable, the KRG provides a response to the claim by December 22, 2023. Following the meeting on December 22, 2023, the KRG's response to the KPO claim was prepared and sent to Arbitration. In January, 2024, a meeting was held between the Ministry of Energy of the RK, KPO, KMG and the KRG for the purpose of a peaceful settlement. The agreement has not been yet reached. Still, the Group believes that the risk of loss is not probable as of December 31, 2023.

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

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

On June 9, 2023, Specialized Court for Administrative Offenses of Pavlodar city issued a resolution to terminate administrative proceedings. On June 30, 2023, Decree on the consumption of administrative proceedings and the cancellation of the protocol entered into legal force. As a result, in June 2023, Pavlodar refinery recovered a provision accrued in 2022 in the amount of 28,187 million tenge and recognized in other operating income.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

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. in amount of 5.2 billion US dollars, shares was imposed with regard to the decision of Amsterdam Court (the "Pre-judgement Attachment").

The named Pre-judgement Attachment was imposed as part of the claim for recognition and enforcement of arbitral award in Netherlands 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 July 14, 2020 the Court of Appeal of Amsterdam decided to recognise in the Netherlands an arbitral award rendered in 2013 against the Republic of Kazakhstan, while rejecting Stathi's claim to enforce the award against the Fund. On December 18, 2020 the Supreme Court quashed the decision of the Amsterdam Court of Appeal from May 7, 2019 to uphold the arrest.

On June 14, 2022, the Court of Appeal of The Hague made a decision in respect of cancellation of arrest on KMG Kashagan B.V. shares owned by the Fund, imposed in September 2017. On August 8, Stati filed a cassation appeal against the decision of the Court of Appeal of The Hague dated June 14, 2022.

On September 22, 2023 the Supreme Court of the Netherlands rejected the Stati's appeal against the decision of the Hague Court of Appeal dated June 14, 2022. The decision of the Supreme Court is final and cannot be appealed.

Main proceedings in the Stati claim filed on December 7, 2017, in which the 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 a hearing in the main proceedings was held.

On April 28, 2021 the Court of Appeal granted the Fund's request to postpone this process until the decision of the Court of Appeal in The Hague to appeal the restriction on shares of KMG Kashagan B.V.

On November 2, 2022, the Fund filed an application to terminate the trial, in connection with the decision of the Court of Appeal of The Hague dated June 14, 2022, according to which the arrest of Kashagan shares owned by the Fund, imposed in September 2017, was lifted.

On February 8, 2023, the District Court of Amsterdam ruled that the claims of Anatole and Gabriel Stati and their companies ("Stati") against the Fund were inadmissible and, as a result, the proceedings were dismissed. Stati is currently appealing this decision.

Legal proceedings of NAC KAP

On July 23, 2021 the Fund for the Protection of the Rights of Investors in Foreign Countries (hereinafter – "the Fund for the Protection"), to which the rights of claim were assigned by Quorum Debt Management Group, filed a lawsuit with the Arbitration Court of the Irkutsk Region, Russia, demanding the recovery of funds from the NAC KAP in the amount of 50,000,000 US dollars under a Framework Agreement (support for asset recovery activities) dated December 26, 2013, which was expired on December 25, 2016. By the ruling of the Arbitration Court of the Irkutsk Region dated August 31, 2021 the civil case on the above claim was terminated due to lack of jurisdiction, with which the NAC KAP fully agrees, since the agreement provides for jurisdiction under Kazakh procedural legislation. By the decision of the Fourth Arbitration Court of Appeal dated January 24, 2022 and the decision of the Arbitration Court of the East Siberian District dated May 24, 2022, the ruling of the Arbitration Court of the Irkutsk Region dated August 31, 2021 in the above case was left unchanged. However, on December 7, 2022 the Judicial Collegium for Economic Disputes of the Supreme Court of the Russian Federation cancelled the rulings of the Arbitration Court of the Irkutsk Region of August 31, 2021 the rulings of the Fourth Arbitration Court of Appeal of January 24, 2022 and the rulings of the Arbitration Court of the East Siberian District of May 24, 2022 with sending the case for a new trial to the Arbitration Court of the Irkutsk Region in connection with the jurisdiction of this case by the courts of the Russian Federation.

On May 3, 2023 the Arbitration Court of the Irkutsk Region ruled to satisfy the claims and recover from the NAC KAP in favour of Quorum Debt Management Group LLC (previously the Fund for the Protection was the claimant in the case) 50,000,000 US dollars of losses, as well as 200,000 Russian roubles for the payment of state duty. The NAC KAP believes that the decision of the Judicial Collegium for Economic Disputes of the Supreme Court of the Russian Federation of December 7, 2022 was made with violations and intends to appeal the judicial acts to all higher instances.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

Legal proceedings of NAC KAP (continued)

NAC KAP filed a supervisory appeal against the decision of the Supreme Court of the Russian Federation dated December 7, 2022. However, by the decision of the Supreme Court of the Russian Federation from April 18, 2023 it was refused to transfer the supervisory appeal for consideration by the Presidium of the Supreme Court of the Russian Federation. Also, At May 11, 2023 NAC KAP filed a complaint addressed to the Chairman of the Supreme Court of the Russian Federation against the rulings of the Supreme Court of the Russian Federation and the refusal to transfer the complaint for consideration by the Presidium of the Supreme Court of the Russian Federation. On July 7, 2023 by letter of the Chairman of the Supreme Court of the Russian Federation, the NAC KAP complaint was denied.

Also, the NAC KAP filed an appeal against the decision of the Arbitration Court of the Irkutsk Region dated May 3, 2023, as part of the consideration of the appeal, At October 19, 2023 the Court rejected the NAC KAP appeal and upheld the decision of the Arbitration Court of the Irkutsk Region dated May 3, 2023.

On November 1, 2023, the NAC KAP filed a cassation appeal against the Resolution of the Fourth Arbitration Court of Appeal dated October 19, 2023 and the Decision of the Arbitration Court of the Irkutsk Region dated May 3, 2023. On January 17, 2024, the Arbitration Court of the East Siberian District satisfied NAC KAP cassation appeal, judicial acts of May 3, 2023 and October 19, 2023 were canceled and the case was sent back to the court of the first instance for a new trial. On March 26, 2024, the Arbitration Court of Irkutsk Region granted the NAC KAP's application to postpone the hearing and adjourned the hearing until May 21, 2024. As at December 31, 2023, the NAC KAP had not recognised a liability in this litigation.

"National Company "Qazaq Gas" JSC legal proceedings

In 2019, the Group purchased 2,026,419 thousand m3 of gas from Asiagas Chunja LLP. In 2022, the Financial Monitoring Agency of the Republic of Kazakhstan ("the Agency") investigated and initiated criminal proceedings against the owners of Asiagas Chunja LLP, as well as one of the former members of the Group's management, in relation to this transaction. During 2022, Asiagas Chunja LLP returned 14,565 million tenge to the Group's accounts. Accordingly, the Group recognized the amount returned by Asiagas Chunja LLP as part of other financial liabilities until the court decision.

On March 31, 2023 the Astana district court announced a guilty verdict against the owners of Asiagas Chunja LLP, as well as one of the former members of the Group's management in relation to this gas purchase and sale transaction. On June 29, 2023 the verdict was overturned. The case was subject to consideration by the court of appeal according to the rules of the trial court in a collegial composition.

On September 15, 2023 the judicial panel for criminal cases of the Astana city court issued an appeal verdict against the owners of Asiagas Chunja LLP, as well as one of the former members of the Group's management. According to the appeal verdict, which entered into legal force, the Group recognized income in the amount of 14,565 million tenge by adjusting the cost of sales.

Investigation of the Prosecutor of the Pavlodar region of EGRES-2

On February 16, 2024 information appeared in the Kazakh media that the Prosecutor's Office of the Pavlodar region was conducting an investigation in respect to EGRES-2 for the embezzlement of funds intended for the expansion and reconstruction of the thermal power plant with the installation of the 3rd power unit. As of the date of issue of these consolidated financial statements, the Group's management concluded that all transactions and EGRES-2 were carried out within the framework of the law and this event did not have an impact on the Group's consolidated financial statements. The Group's management is monitoring this issue and providing the necessary information and support to the Pavlodar Region Prosecutor's Office regarding this issue.

Investigation of the Antimonopoly agency of EGRES-1

Currently, at EGRES-1, the Antimonopoly agency is conducting an inspection on the issue of unjustified refusal to sell goods if, at the time of application, there is a possibility of selling the relevant goods, which led to the elimination of competition in centralized bidding on the market for services to maintain the readiness of electrical power.

According to the Antimonopoly agency, in the period from 2019 to 2022, EGRES-1, taking part in centralized auctions of electrical capacity, due to refusal to compete, did not sell at the auction the entire amount of capacity specified in the application, thereby deliberately refusing to compete with other energy transmission organizations ("ETOs") and creating imaginary competition with bidders.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

Investigation of the Antimonopoly agency of EGRES-1 (continued)

The company sold power at the approved tariff in accordance with the Rules for the Organization and Operation of the Electric Power Market (approved by Order of the Minister of Energy of the RK dated February 27, 2015 No. 152) and categorically disagrees with the Order of the Antimonopoly Authority

In February 2024, the EGRES-1 sent a statement of claim to the Specialized Interdistrict Administrative Court of Astana to challenge decisions, actions of administrative bodies, officials on antimonopoly disputes, which was accepted for proceedings.

The Group's management believes that the likelihood of losses or reputational damage from these investigations is low and that the results of these investigations will not have a material impact on the Group's consolidated financial statements.

Investigations and notices in respect of Kcell JSC

Order of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan dated 15 June ,2022

In accordance with the Order of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan for the city of Almaty No. 42-OD dated June 15, 2022 (hereinafter referred to as the Order), an investigation was initiated against Kcell JSC on the grounds of a violation provided for in Article 174 (1) of the Entrepreneurial Code of the Republic of Kazakhstan. Initial audited period was from January 1, 2020 to September 12, 2022. The subject of investigation is the establishment of factual data confirming or refuting the commission of a violation by Kcell JSC, expressed in maintaining a monopoly high price. The Group did not agree with the investigation and on July 26, 2022 started the appealing process. As a result of the judicial proceedings held during 2022 and 2023, the year 2022 was excluded from the initial audited period by the resolution of the Supreme Court of the Republic of Kazakhstan dated November 9, 2023. In accordance with the definition on the resumption of the investigation of violations of the legislation of the Republic of Kazakhstan in the field of competition protection, the investigation was resumed on November 27, 2023. On December 13, 2023 the Group filed an appeal against resumption of investigation. On December 22, 2023 the investigation was suspended due to filed appeal. During February 2024 the Group participated in preliminary Court hearings related to its appeal to the Specialized Inter-District Administrative Court of Almaty.

If these violations are revealed as a result of the investigation, Kcell JSC may be held administratively liable under Part 3 of Article 159 of the Code of the Republic of Kazakhstan on Administrative Violations entailing liability in the form of a fine in the amount of 5% of the income (revenue) received as a result of monopolistic activities with confiscation of monopoly income received as a result of monopolistic activities of Kcell JSC for no more than one year.

Order of the Antimonopoly agency dated December 21, 2023.

In accordance with the Order of the Antimonopoly agency for the city of Almaty No. 38-OD dated December 21, 2023 an investigation was initiated against Kcell JSC. The subject of investigation is the susception of coordinated actions with competitors to set and maintain prices for communication services during May-July 2023. The Group started the appealing process. The investigation was suspended from January 10, 2024. Final response of the Republican antimonopoly office has not been received yet. Should the Group be found to have committed a violation, the Group may be obligated to pay a fine of 5% of monopolistic profits, with confiscation of monopolistic profits earned by Kcell JSC during the period of up to one year.

Notices of the Antimonopoly agency

During 2023 the Group received the following notices of the Antimonopoly agency:

1. Notice No.05-07/1805 to Kcell JSC of violation of the competition legislation of the Republic of Kazakhstan on August 25, 2023 of unreasonably reduced and changed volumes of cellular service for the period from 2022 through to the first quarter of 2023. Should the Group fail to comply with the Notice, the Department will initiate an investigation. On November 24, 2023, the Group, disagreeing with the determination of the Almaty Specialized Inter-District Administrative Court to return the administrative claim, filed a private complaint against the determination of the Almaty Specialized Inter-District Administrative Court to return the administrative claim. The Judicial Board for administrative cases of Almaty City Court ruled on December 26, 2023 to uphold the decision of the court of first instance and to dismiss the complaint. A cassation appeal was filed on January 26. The date for the cassation hearing has not yet been set.

38. COMMITMENTS AND CONTINGENCIES (continued)

Legal proceedings (continued)

Investigations and notices in respect of Kcell JSC (continued)

Notices of the Antimonopoly agency (continued)

If violations are confirmed by the investigation results, the Group may be brought to administrative liability and ordered to pay a turnover fine in the amount of 5% of the income received as a result of monopolistic activities of Kcell JSC during the period in question.

2. Notice No.05-07/2439 dated November 21, 2023 of the violation expressed in the fact that the price of some tariff plans is unreasonably high. The Group fulfilled the requirement to decrease the price starting from December 25, 2023.

The Management of the Group assessed the risk of the violation of the antimonopoly law as possible and accordingly has not accrued provision for losses in relation to any of the abovementioned investigations and notices in respect of Kcell JSC as of December 31, 2023.

Environmental audits

Inspection of land-based facilities of North Caspian Operating Company N.V., which is the operator under the Product Sharing Agreement for the Northern Caspian Sea (hereinafter referred to as the Operator)

The Atyrau Region Department of Ecology of the Environmental Regulation and Supervision Committee at the Ministry of Ecology, Geology and Natural Resources of the RK (hereinafter referred to as the "Department of Ecology") undertook an inspection of the onshore facilities of North Caspian Operating Company N.V., which is the operator under the Production Sharing Agreement for the North Caspian Sea (hereinafter referred to as the "Operator"). Based on the results of the inspection, the Operator was issued an order to rectify violations. One of the specific issues highlighted pertains to the overstocking of sulfur in the amount of 1,020 thousand tons.

The Operator did not agree with the inspection results and hence, filed an administrative lawsuit to dispute the aforementioned order. On June 14, 2023 the Specialized Inter-District Administrative Court of Astana made a ruling in favour of the Operator in relation to the disputed sulfur storage. On February 27, 2024 the SIAC of Astana considered the appeal from the Department of Ecology and ruled against the Operator. This ruling will be appealed in the Supreme Court. As at December 31, 2023 no provisions pertaining to this inspection have been recognized by the Group. Should the Operator be held accountable as per the administrative ruling, the fine amount will be determined in line with the Administrative Code of the RK.

Cost recovery audits

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

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

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

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

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

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

38. COMMITMENTS AND CONTINGENCIES (continued)

Cost recovery audits (continued)

The RK and the Contractors under the PSA and FPSA (except for Kashagan and KMG Karachaganak LLP) have a number of disputes concerning the application of certain PSA and FPSA provisions, which are subject to arbitration and expert determination under the PSA and FPSA. The Contractors consider that they have acted in accordance with the PSA and FPSA, the RK laws and applicable standards and best practices. As of December 31, 2023, the RK and the Contractors have appointed their arbitrators.

Kazakhstan local market obligation

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

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such supplies will take precedence over market sales and will generate substantially less revenue than crude oil sold on the export market, which may materially and adversely affect the Group's business, prospects, consolidated financial position and performance.

In 2023, in accordance with its obligations, the Group delivered to the Kazakhstan market 7,619 thousand tons of crude oil, including its share in the joint ventures and associates in the total volume of 2,639 thousand tons (2022: 7,951 thousand tons, including its share in the joint ventures and associates of 3,044 thousand tons).

Oil supply commitments

As of December 31, 2023, the Group had commitments under the oil supply agreements in the total amount of 3.0 million tons (December 31, 2022: 4.5 million tons). The monetary equivalent is determined based on the market prices at the moment of realization.

Commitments under oilfield and mining field licenses and subsurface use contracts

As at December 31, 2023 the Group had the following commitments (net of VAT) related to a minimal working program in accordance with terms of licenses, production sharing agreements and subsoil use contracts, signed with the Government, including its share in joint ventures and associate (in millions of tenge):

Year	Capital expenditures	Operational expenditures
2024	549,745	307,082
2025	547,631	283,111
2026	517,737	285,206
2027	596,040	290,360
2028-2059	3,865,371	3,351,349
Total	**6,076,524**	**4,517,108**

Liabilities on unconditional purchase of gas transportation services to the joint ventures

As of December 31, 2023, the Group has unconditional liability on purchase of gas transportation services to Asia Gas Pipeline LLP and Beineu Shymkent Gas Pipeline LLP in the total amount of 313,200 million tenge and 203,148 million tenge excluding VAT, respectively (31 December 2022: 95,558 million tenge and 216,131 million tenge).

Capital commitments

As at December 31, 2023 the Group had capital commitments of approximately 1,960,099 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (as at December 31, 2022: 1,418,761 million tenge, excluding VAT), including capital commitments of joint ventures and associates in the amount of 16,508 million tenge, excluding VAT (as at December 31, 2022: 31,589 million tenge, excluding VAT).

As at December 31, 2023, the Group had commitments in the total amount of 1,139,355 million tenge (as at December 31, 2022: 1,387,680 million tenge) under the investment programs approved by the joint order of Ministry of Energy of the RK and CRNM to facilitate production units.

38. COMMITMENTS AND CONTINGENCIES (continued)

Liabilitites under agreements for the implementation of the pilot national project "Comfortable School"

In order to implement the pilot national project "Comfortable School", the Group has concluded contracts on the comprehensive works and services for the construction of secondary education facilities and contracts for the project management services with local authorities.

Within the framework of the concluded contracts, it is planned to purchase works on the construction of 359 facilities. During 2023, tender procedures were conducted for the purchase of works on the construction of 208 facilities.

As at December 31, 2023 the Group had contractual commitments to local authorities for the provision of project management services in the amount of 17,640 million tenge, where the Group acts as a principal, as well as the comprehensive construction works and services in the amount of 2,307,427 million tenge, where the Group acts as an agent.

Non-financial guarantees

As of December 31, 2023 and 2022, the Group has outstanding performance guarantees issued in favour of third parties whereas it provides guarantee should its joint venture or associate fail to perform their obligations under the natural gas purchase-sale, transportation and other agreements.

As of December 31, 2023 and 2022, the management of the Group believes that there were no expected cases of non-performance from the guaranteed parties and, accordingly, no obligations related to the above stated non-financial contingencies were recognized.

39. SEGMENT REPORTING

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments *(Note 1)*.

Certain of operating segments have been formed by aggregation of smaller reportable segments in line with the organizational structure of the Group. Each reportable segment maintains its accounting records in line with IFRS. Financial performance of each segment prepared in line with IFRS is reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Eliminations represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments 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.

39. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2023:

In millions of tenge	Oil-and-gas and petrochemi-cal segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	9,301,623	2,250,519	2,425,440	719,496	657,259	16,975	41,679	21,014	–	15,434,005
Revenue from contracts with customers	*9,291,454*	*2,250,325*	*2,374,644*	*719,496*	*635,416*	*16,975*	–	*8,733*	–	*15,297,043*
Rental income	*10,169*	*194*	*50,796*	–	*21,843*	–	–	*5,281*	–	*88,283*
Interest revenue	–	–	–	–	–	–	*41,679*	*7,000*	–	*48,679*
Revenues from sales to other segments	162,048	87	21,274	5,367	80,266	13,000	639,490	19,386	(940,918)	–
Total revenue	9,463,671	2,250,606	2,446,714	724,863	737,525	29,975	681,169	40,400	(940,918)	15,434,005
Geographical markets										
Kazakhstan	1,866,922	966,159	2,005,457	703,619	683,041	29,776	639,490	28,119	(940,918)	5,981,665
Other countries	7,586,580	1,284,253	390,461	21,244	32,641	199	–	–	–	9,315,378
Gross profit	1,957,694	767,475	551,867	223,374	225,843	3,737	593,078	17,126	(618,597)	3,721,597
General and administrative expenses	(234,493)	(58,061)	(135,945)	(50,729)	(27,949)	(3,378)	(20,118)	(6,117)	10,409	(526,381)
Transportation and selling expenses	(804,777)	(28,927)	(13,201)	(23,226)	(13,428)	(1,281)	–	(36)	14,378	(870,498)
Finance income	184,921	47,655	39,237	42,411	18,050	3,188	139,213	46,844	(35,155)	486,364
Finance costs	(439,422)	(10,820)	(236,040)	(42,673)	(51,118)	(5,659)	(19,893)	(24,111)	119,789	(709,947)
Share in profits/(loss) of joint ventures and associates	868,403	47,664	8,145	–	12,075	(14)	8,819	(13)	–	945,079
Foreign exchange gain/(loss), net	61,441	(19,678)	(20,451)	(4,109)	399	(38)	(5,222)	4,531	3,555	20,428
Depreciation, depletion and amortization	(667,497)	(95,830)	(232,802)	(140,928)	(87,335)	(6,343)	(691)	(3,354)	13,219	(1,221,561)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(230,491)	134	(11,670)	(993)	(14,241)	(4,906)	–	–	–	(262,167)
(Impairment)/reversal of other assets,net	(47,686)	(1,259)	3,432	130	(10,536)	(3,931)	(4,241)	451	–	(63,640)
Income tax expenses	(255,362)	(148,904)	(32,911)	(29,835)	(43,546)	(791)	(214,698)	(5,445)	(117)	(731,609)
Total net profit/(loss) for the year	1,244,482	533,727	166,216	105,990	94,057	(23,626)	476,925	25,719	(495,407)	2,128,083
Other segment information										
Total assets of the segment	20,504,018	3,321,395	4,987,879	1,811,102	2,158,606	199,417	11,096,378	838,239	(7,990,690)	36,926,344
Total liabilities of the segment	7,595,072	701,773	3,222,807	967,452	966,377	67,377	3,193,305	674,649	(2,199,783)	15,189,029
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(15,586)	(15,620)	2,627	(10,620)	(180)	(881)	454	(6,260)	7,252	(38,814)
Investments in joint ventures and associates	6,081,988	641,794	40,568	–	82,883	8,682	44,092	–	–	6,900,007
Capital expenditures	(1,232,059)	(88,351)	(799,097)	(414,466)	(209,027)	(1,943)	(1,435)	(1,669)	858	(2,747,189)

39. SEGMENT REPORTING (continued)

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group for 2022:

In millions of tenge	Oil-and-gas and petrochemi-cal segment	Mining	Trans-portation	Com-munication	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	9,585,882	1,947,699	1,926,051	666,830	599,515	28,120	40,935	20,115	–	14,815,147
Revenue from contracts with customers	*9,574,407*	*1,947,341*	*1,904,011*	*666,830*	*599,506*	*28,120*	–	*7,562*	–	*14,727,777*
Rental income	*11,475*	*358*	*22,040*	–	*9*	–	–	*5,643*	–	*39,525*
Interest revenue	–	–	–	–	–	–	*40,935*	*6,910*	–	*47,845*
Revenues from sales to other segments	61,751	41	11,806	4,856	85,941	9,366	825,085	13,667	(1,012,513)	–
Total revenue	**9,647,633**	**1,947,740**	**1,937,857**	**671,686**	**685,456**	**37,486**	**866,020**	**33,782**	**(1,012,513)**	**14,815,147**
Geographical markets										
Kazakhstan	1,624,304	1,055,803	1,570,250	649,049	650,772	32,386	825,085	21,229	(1,012,513)	5,416,365
Other countries	8,011,854	891,579	345,567	22,637	34,675	5,100	–	–	–	9,311,412
Gross profit	2,224,569	531,383	373,025	225,338	223,919	8,909	802,293	15,413	(837,202)	3,567,647
General and administrative expenses	(223,284)	(45,790)	(115,410)	(50,461)	(30,626)	(3,659)	(20,873)	(4,426)	10,717	(483,812)
Transportation and selling expenses	(853,650)	(25,683)	(10,772)	(16,979)	(13,265)	(745)	-	(16)	14,241	(906,869)
Finance income	156,368	23,192	70,256	23,880	11,480	2,027	53,761	46,863	(66,844)	320,983
Finance costs	(372,488)	(9,176)	(168,296)	(43,783)	(54,723)	(6,017)	(60,628)	(61,250)	122,372	(653,989)
Share in profits/(loss) of joint ventures and associates	1,337,127	82,589	8,546	–	14,304	(216)	7,018	21	–	1,449,389
Foreign exchange (loss)/gain, net	(6,551)	15,404	22,680	8,949	6,437	(790)	(48,050)	(9,528)	1,551	(9,898)
Depreciation, depletion and amortization	(571,203)	(82,469)	(210,591)	(122,960)	(81,771)	(7,172)	(728)	(3,251)	3,533	(1,076,612)
(Impairment)/reversal of property, plant and equipment, exploration and evaluation assets and intangible assets	(19,642)	(13,297)	(170)	(2,751)	(2,700)	(16,973)	–	–	–	(55,533)
Reversal/(impairment) of other assets,net	1,373	1,304	644	(493)	(7,706)	(14,361)	(228,919)	(455)	232,464	(16,149)
Income tax (expenses)/benefit	(518,783)	(111,965)	(47,028)	(35,696)	(38,758)	422	(17,445)	3,044	(6,423)	(772,632)
Total net profit/(loss) for the year	**1,653,779**	**455,464**	**131,062**	**115,919**	**109,630**	**(33,685)**	**815,069**	**(9,309)**	**(863,865)**	**2,374,064**
Other segment information										
Total assets of the segment	19,835,479	2,977,510	4,632,180	1,593,990	1,750,872	179,461	9,603,793	337,055	(7,278,961)	33,631,379
Total liabilities of the segment	7,774,919	610,791	3,077,764	835,531	801,496	73,385	2,527,357	201,901	(2,065,187)	13,837,957
Allowances for expected credit losses on trade receivables, loans and other current financial assets	(4,412)	133	(5,560)	(8,373)	167	(102)	31,789	908	(34,134)	(19,584)
Investments in joint ventures and associates	5,896,273	690,634	28,799	–	70,906	3,788	45,006	35	–	6,735,441
Capital expenditures	(1,006,194)	(89,710)	(472,722)	(134,616)	(149,945)	(20,786)	(382)	(6,447)	468	(1,880,334)

40. SUBSEQUENT EVENTS

Issue of shares

On January 24, 2024, the Fund issued 100 shares at par value of 387,371,430 tenge and 1 share at par value of 57,672,000 tenge for the total amount of 38,795 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of "GPC Investment" LLP and 50% of interest in authorized capital of "Soft Art" LLP.

Dividends

On April 19, 2024 the Fund paid dividends to the Shareholder in the amount of 100,002 million tenge from retained earnings of 2022 in accordance to the Resolution of the Government dated April 13, 2024.

Loss of control over the subsidiary

On February 14, 2024 the Fund disposed 9,884,209 (10%) of common shares of Air Astana at a price of 1,073.83 tenge per common share for a total amount of 10,614 million tenge through their sale on the Astana International Exchange (AIX) and Kazakhstan Stock Exchange JSC (KASE). As a result, the Group lost control over the subsidiary and recognized investment in associate (*Note 7*).

On February 21, 2024, the Group signed a purchase and sale agreement with PJSC Tatneft, a third party, for a sale of 50% shares of Karaton Operating Ltd., a wholly owned subsidiary of KMG, for cash consideration of 18.2 million US dollars (equivalent to 8,255 million tenge on the date of disposal of the subsidiary). As a result, the Group lost control over the subsidiary and recognized investment in joint venture.

On February 27, 2024 the Group completed the sale of 40% share in KPI to SIBUR Holding PJSC. As a result, the Group lost control over the subsidiary and recognized investment in joint venture (*Note 7*). On February 29, 2024 SIBUR Holding PJSC made payment of the 1st tranche under the sale agreement for a 40% share in KPI in the amount of 90 million US dollars (equivalent to 40.618 million tenge).

On January 20, 2024, at a meeting of the State Commission for Economic Modernization, it was decided to sell a 100% share in Mobile Telecom-Service LLP. For the implementation the adopted decision made on February 14, 2024 a trilateral agreement on principles was signed in Qatar between the Fund, KTC and Power International Holding (the leading conglomerate in the Middle East) during the official visit of the President of RK to Qatar.

Sale of share in joint venture

On March 29, 2024, the Group sold a 20% share in Silleno LLP, a joint venture of the Group, to SINOPEC OVERSEAS INVESTMENT HOLDING (SINGAPORE) PTE. LTD for 9,919,892 US dollars (equivalent to 4,465 million tenge at the date of payment receipt). As a result of the transaction, the Group retained joint control over Silleno LLP.

Dividends received

On March 12, 2024, the Group received dividends from Tengizchevroil LLP, the joint venture, of 85 million US dollars (equivalent to 38,191 million tenge).

Tariff for the mainline railway network services

In February 2024, the Committee for the Regulation of Natural Monopolies of the Ministry of National Economy of the RK approved the maximum level of tariff for 2024-2025 as an index to tariffs for mainline railway network services at 3.0 for freight transportation from stations of the RK in all export directions, as well as for freight transportation between member states of the EAEU passing through connecting stations of the RK.

Addendum to the subsoil use contract of Semizbay-U LLP

Addendum to subsoil use contract for Irkol field that had an expiration date on March 4, 2024, was signed on February 28, 2024 with the new contract date of 2030.

Distributions to the Public Foundation "Qazaqstan halqyna"

During the period from January to March 2024, the Fund made payments to the Public Foundation "Qazaqstan halqyna" in the total amount of 45,964 million tenge.

41. SUBSEQUENT EVENTS (continued)

Floods in Kazakhstan

In March-April 2024, a complex flood situation developed in several regions of the country (North Kazakhstan, Atyrau, Aktobe, Akmola, Kostanay, West Kazakhstan and other regions). A state of emergency was introduced in several areas. As of the date of issue of these consolidated financial statements, the Group provided about 12 billion tenge as financial assistance to regions affected by the natural disaster. A flood situation, as well as measures to minimize its consequences, may affect the activities of the Group's companies. The overall effect of floods on the Group cannot be assessed with reasonable certainty at this time.

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