

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed consolidated financial statements (unaudited)

As at September 30, 2023 and for the three and nine months then ended

CONTENTS

Interim condensed consolidated financial statements (unaudited)

Interim condensed consolidated statement of financial position.....1-2
Interim condensed consolidated statement of comprehensive income.....3-4
Interim condensed consolidated statement of changes in equity.....5-6
Interim condensed consolidated statement of cash flows.....7-8
Notes to the interim condensed consolidated financial statements (unaudited).....9-63

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

<i>In millions of tenge</i>	Note	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)*
Assets			
Non-current assets			
Property, plant and equipment	8	15,167,121	14,428,771
Intangible assets	9	2,045,178	1,945,639
Exploration and evaluation assets		230,828	294,300
Investment property		33,426	36,529
Investments in joint ventures and associates	10	7,549,300	6,735,441
Amounts due from credit institutions	11	59,369	270,568
Loans issued and net investment in finance lease		144,112	151,726
Other non-current financial assets	12	922,041	743,213
Other non-current assets	13	1,189,074	473,725
Deferred tax assets		92,425	89,161
		27,432,874	25,169,073
Current assets			
Inventories	14	1,063,161	866,290
VAT receivable		288,778	203,658
Income tax prepaid		142,478	125,227
Trade accounts receivable	15	1,335,108	1,083,292
Amounts due from credit institutions	11	921,451	1,433,305
Loans issued and net investment in finance lease		120,553	66,889
Other current financial assets	12	1,074,489	347,750
Other current assets	15	490,448	250,117
Cash and cash equivalents	16	3,110,206	2,945,616
		8,546,672	7,322,144
Assets classified as held for sale or distribution to the Shareholder	7	1,039,731	1,140,071
		9,586,403	8,462,215
Total assets		37,019,277	33,631,288

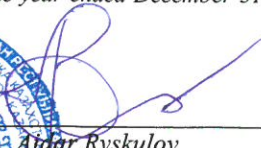
The explanatory notes on pages 9 through 63 form an integral part of these interim condensed consolidated financial statements (unaudited).


**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)**

<i>In millions of tenge</i>	Note	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)*
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital	17.1	5,443,305	5,268,819
Currency translation reserve		2,385,360	2,220,063
Revaluation reserve of investments at fair value through other comprehensive income		35,015	35,519
Hedging reserve		(3,890)	(5,900)
Other capital reserves		(16,986)	(16,986)
Retained earnings		11,591,259	9,787,891
		19,434,063	17,289,406
Non-controlling interests		2,432,929	2,504,016
Total equity		21,866,992	19,793,422
Non-current liabilities			
Borrowings	18	5,523,530	5,400,163
Loans from the Government of the Republic of Kazakhstan	19	781,810	679,844
Provisions	20	462,394	407,211
Lease liabilities		496,304	482,968
Employee benefit liabilities		126,399	126,562
Other non-current liabilities		191,863	178,680
Deferred tax liabilities		1,847,981	1,659,040
		9,430,281	8,934,468
Current liabilities			
Borrowings	18	1,324,667	1,267,512
Loans from the Government of the Republic of Kazakhstan	19	12,980	3,760
Provisions	20	154,297	155,119
Income taxes payable		40,580	79,110
Trade and other payables	21	1,554,898	1,126,850
Lease liabilities		151,614	138,192
Employee benefit liabilities		13,268	13,488
Other current liabilities	21	1,417,133	1,074,274
		4,669,437	3,858,305
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	7	1,052,567	1,045,093
		5,722,004	4,903,398
Total liabilities		15,152,285	13,837,866
Total equity and liabilities		37,019,277	33,631,288

* 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


Almaz Abdrakhmanova

Chief accountant

The explanatory notes on pages 9 through 63 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2023

<i>In millions of tenge</i>	Note	For the three months ended September 30		For the nine months ended September 30	
		2023 (unaudited)	2022 (unaudited) (restated)*	2023 (unaudited)	2022 (unaudited) (restated)*
Revenue	22	3,850,991	3,770,806	10,997,255	11,390,513
Government grants		13,024	10,715	45,007	27,602
		3,864,015	3,781,521	11,042,262	11,418,115
Cost of sales	23	(2,967,470)	(2,736,481)	(8,408,529)	(8,628,137)
Gross profit		896,545	1,045,040	2,633,733	2,789,978
General and administrative expenses	24	(116,235)	(109,236)	(351,310)	(325,162)
Transportation and selling expenses	25	(214,004)	(230,325)	(639,244)	(677,637)
Expected credit losses on financial assets, net		(7,969)	(5,399)	(19,199)	(19,734)
Impairment loss, net	26	(50,485)	2	(212,781)	(1,881)
Gain on disposal of subsidiaries	7	186,225	-	193,583	-
Other operating income	7, 34	3,122	1,584	65,356	4,490
Other operating loss	7, 34	(12,439)	(29,561)	(30,558)	(31,745)
Operating profit		684,760	672,105	1,639,580	1,738,309
Finance costs	27	(175,016)	(154,809)	(507,663)	(485,514)
Finance income	28	128,219	76,386	336,448	205,764
Other non-operating loss		(37,057)	(19,089)	(62,516)	(50,809)
Other non-operating income		17,987	21,650	40,301	42,876
Share in profit of joint ventures and associates, net	29	283,755	376,341	895,366	1,151,326
Net foreign exchange gain/(loss)	2	35,238	57,533	81,870	(85,388)
Profit before income tax		937,886	1,030,117	2,423,386	2,516,564
Income tax expenses	30	(142,785)	(193,598)	(437,820)	(526,138)
Net profit for the period		795,101	836,519	1,985,566	1,990,426

The explanatory notes on pages 9 through 63 form an integral part of these interim condensed consolidated financial statements (unaudited).

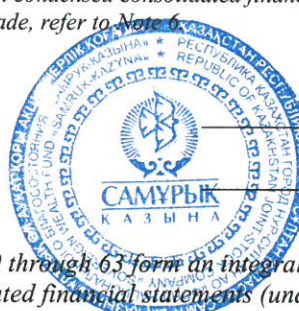
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	For the three months ended September 30		For the nine months ended September 30	
		2023 (unaudited)	2022 (unaudited) (restated)*	2023 (unaudited)	2022 (unaudited) (restated)*
Other comprehensive income/(loss)					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of foreign operations	17.7	396,115	97,428	206,155	759,786
Unrealized (loss)/gain from revaluation of investments at fair value through other comprehensive income		(1,156)	1,284	(919)	(1,891)
Gain on cash flow hedge	17.8	1,893	5,211	4,994	22,741
Net realized gain/(loss) on investments at fair value through other comprehensive income		68	388	228	(303)
Share of the OCI items of associates and joint ventures	10	1,681	(1,000)	3,292	2,474
Tax effect on transactions of OCI components		(28,971)	(7,350)	(16,715)	(49,924)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		369,630	95,961	197,035	732,883
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Share of the OCI items of associates and joint ventures	10	236	(17)	620	99
Actuarial (loss)/gain on defined benefit plans		(565)	3,855	2,709	8,729
Tax effect on transactions of OCI components		(16)	227	(560)	90
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		(345)	4,065	2,769	8,918
Other comprehensive income for the period, net of tax		369,285	100,026	199,804	741,801
Total comprehensive income for the period, net of tax		1,164,386	936,545	2,185,370	2,732,227
Net profit for the period attributable to:					
Equity holder of the Parent		659,960	704,023	1,690,237	1,663,410
Non-controlling interests		135,141	132,496	295,329	327,016
		795,101	836,519	1,985,566	1,990,426
Total comprehensive income for the period, net of tax, attributable to:					
Equity holder of the Parent		983,298	787,131	1,861,353	2,345,201
Non-controlling interests		181,088	149,414	324,017	387,026
		1,164,386	936,545	2,185,370	2,732,227
Earnings per share attributable to equity holder of the Parent – tenge					
Basic and diluted	17.9	189.54	202.19	485.43	477.72

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 and reflect adjustments made, refer to Note 6

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

Chief accountant



(Signature)
Aidar Ryskulov
(Signature)
Almaz Abdrakhmanova

The explanatory notes on pages 9 through 63 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended September 30, 2023

	Note	Attributable to the equity holder of the Parent							Total
		Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Non-controlling interests	
<i>In millions of tenge</i>									
Balance as at December 31, 2021 (audited)		5,268,580	32,694	1,894,545	(48,906)	(16,984)	8,125,704	1,917,459	17,173,092
Restatements	6	-	-	-	-	-	48,837	-	48,837
Balance as at December 31, 2021 (audited) (restated)*		5,268,580	32,694	1,894,545	(48,906)	(16,984)	8,174,541	1,917,459	17,221,929
Net profit for the period (restated)*		-	-	-	-	-	1,663,410	327,016	1,990,426
Other comprehensive income for the period (restated)*		-	558	652,540	23,412	-	5,281	60,010	741,801
Total comprehensive income for the period (restated)*		-	558	652,540	23,412	-	1,668,691	387,026	2,732,227
Issue of shares		239	-	-	-	-	-	-	239
Equity contribution to subsidiary		-	-	-	-	-	-	431	431
Distributions to the Shareholder		-	-	-	-	-	(375,200)	(160,461)	(535,661)
Dividends (restated)*		-	-	-	-	-	(174,290)	(160,461)	(334,751)
Other distributions to the Shareholder		-	-	-	-	-	(200,910)	-	(200,910)
Discount on loans from the Government		-	-	-	-	-	(78)	-	(78)
Acquisition of joint venture		-	-	-	-	-	9,937	1,052	10,989
Other equity movements		-	-	527	(527)	-	-	-	-
Balance as at September 30, 2022 (unaudited) (restated)*		5,268,819	33,252	2,547,612	(26,021)	(16,984)	9,477,891	2,145,507	19,430,076

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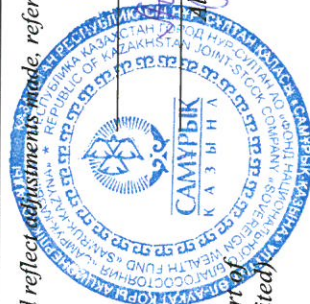
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In millions of tenge	Note	Attributable to the equity holder of the Parent							Total	Non-controlling interests	Total
		Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total			
Balance as at December 31, 2022 (audited)		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 (audited) (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 period		-	-	-	-	-	1,690,237	1,690,237	295,329	1,985,566	
Other comprehensive (loss)/income for the period		-	(504)	164,841	2,466	-	4,313	171,116	28,688	199,804	
Total comprehensive (loss)/income for the period		-	(504)	164,841	2,466	-	1,694,550	1,861,353	324,017	2,185,370	
Issue of shares	17.1	174,486	-	-	-	-	(66,075)	108,411	-	108,411	
Distributions to the Shareholder		-	-	-	-	-	(99,146)	(99,146)	(163,510)	(262,656)	
Dividends	17.2	-	-	-	-	-	(4,099)	(4,099)	(163,510)	(167,609)	
Other distributions to the Shareholder	17.3	-	-	-	-	-	(95,047)	(95,047)	-	(95,047)	
Other transactions with the Shareholder	17.4	-	-	-	-	-	(23,010)	(23,010)	-	(23,010)	
Transfer of assets to the Shareholder	17.5	-	-	-	-	-	(3,796)	(3,796)	-	(3,796)	
Discount on loans from the Government	17.6	-	-	-	-	-	154,213	154,213	-	154,213	
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	17.1	-	-	-	-	-	145,962	145,962	(235,168)	(89,206)	
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control		-	-	-	-	-	1,419	1,419	3,574	4,993	
Other equity movements		-	-	456	(456)	-	(749)	(749)	-	(749)	
Balance as at September 30, 2023 (unaudited)		5,443,305	35,015	2,385,360	(3,890)	(16,986)	11,591,259	19,434,063	2,432,929	21,866,992	

* 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

Chief accountant



Aidar Ryskulov

Imnaz Abdrakhmanova

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2023

<i>In millions of tenge</i>	Note	For the nine months ended September 30, 2023 (unaudited)	For the nine months ended September 30, 2022 (unaudited) (restated)*
Cash flows from operating activities			
Receipts from customers		12,120,884	12,370,285
Payments to suppliers		(6,672,385)	(7,113,093)
Payments to employees		(1,273,712)	(1,038,738)
Other taxes and payments		(1,591,777)	(1,528,915)
Operations with financial instruments		6,833	11,661
Short-term lease payments and variable lease payments		(114,491)	(94,283)
Other payments		(87,112)	(110,785)
VAT received		43,244	94,103
Proceeds from subsidized interest rates on financial liabilities		-	29,276
Income taxes paid		(335,107)	(265,871)
Interest paid		(430,757)	(391,866)
Interest received		256,795	131,863
Net cash flows received from operating activities		1,922,415	2,093,637
Cash flows from investing activities			
Acquisition of property, plant and equipment, exploration and evaluation assets and other non-current assets		(1,924,911)	(848,040)
Acquisition of intangible assets		(166,543)	(19,918)
Proceeds from the sale of property, plant and equipment		4,582	4,088
Proceeds from the sale of other non-current assets		4,779	1,664
Placement of bank deposits		(1,320,221)	(1,251,865)
Redemption of bank deposits		2,044,232	1,032,934
Sale/(acquisition) of joint ventures and associates, net		848	148
Additional contributions to share capital of joint ventures and associates without change in ownership	10	(19,617)	(125)
Dividends received from joint ventures and associates	10	304,413	479,513
Loans issued		(55,711)	(9,446)
Repayment of loans issued		19,862	21,556
Purchase of equity and debt instruments	12	(3,491,156)	(728,974)
Proceeds from sale/repayment by issuers of equity and debt instruments	12	2,682,569	739,490
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		114,521	1,268
Other payments		(1,708)	(32,114)
Net cash flows used in investing activities		(1,804,061)	(609,821)

The explanatory notes on pages 9 through 63 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Note	For the nine months ended September 30, 2023 (unaudited)	For the nine months ended September 30, 2022 (unaudited) (restated)*
Cash flows from financing activities			
Proceeds from borrowings	18,	1,029,417	698,999
Repayment of borrowings	18	(758,144)	(960,648)
Repayment of lease liabilities		(113,260)	(94,087)
Contributions by non-controlling interests		-	50
Distributions to the Shareholder	17.3	(49,098)	(86,035)
Dividends paid to non-controlling interests of subsidiaries	17.2	(163,258)	(159,194)
Disposal of interest that does not result in the loss of control		4,956	-
Dividends paid to the Shareholder	17.2	(4,099)	(4,266)
Other transactions with the Shareholder		(14,047)	-
Other payments		(4,359)	(2,343)
Net cash flows used in financing activities		(71,892)	(607,524)
Net increase in cash and cash equivalents		46,462	876,292
Effects of exchange rate changes on cash and cash equivalents		50,930	188,335
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		66,948	-
Change in allowance for expected credit losses		250	198
Cash and cash equivalents, at the beginning of the period		2,945,616	2,817,272
Cash and cash equivalents, at the end of the period	16	3,110,206	3,882,097

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 and reflect adjustments made, refer to Note 6.

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


Aidar Ryskulov


Abnaz Abdrakhmanova

Chief accountant

The explanatory notes on pages 9 through 63 form an integral part of these interim condensed consolidated financial statements (unaudited).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)****For the nine months ended September 30, 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 31* (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 35*):

- 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.

These interim condensed consolidated financial statements were authorised for issue by Managing Director for Economy and Finance – Member of the Management Board and Chief accountant of the Fund on November 30, 2023.

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.

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

1. GENERAL INFORMATION (continued)**Privatization plan (continued)**

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 interim condensed consolidated financial statements for the three and nine months ended September 30, 2023 were prepared in accordance with International Accounting Standard No. 34 *Interim Financial Statements* (IAS 34). The Group has prepared the interim condensed 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.

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, 2022.

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

Foreign currency translation*Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements for the three and nine months ended September 30, 2023 are measured using the currency of the primary economic environment in which the entities operate (hereinafter – “the functional currency”).

The interim condensed consolidated financial statements are presented in tenge, which is the Group’s presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

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

Group entities

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

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

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

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

Exchange rates

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

The following table presents foreign currency exchange rate to tenge:

	September 30, 2023	December 31, 2022	Weighted average for the nine months ended September 30, 2023	Weighted average for the nine months ended September 30, 2022	November 30, 2023
United States dollar (“USD”)	474.47	462.65	452.97	458.6	458.04
Euro (“EUR”)	503.51	492.86	490.57	487.97	500.41
Russian ruble (“RUR”)	4.88	6.43	5.54	6.73	5.17

For the nine months ended September 30, 2023, the Group had foreign exchange loss of 5,666,861 million tenge and foreign exchange gain of 5,748,731 million tenge, due to fluctuations in foreign exchange rates to tenge.

The war in Ukraine

The war in Ukraine, which began in 2022, has resulted in a number of IFRS accounting pronouncements affecting financial reporting.

Many countries have already imposed and continue to impose new sanctions on certain Russian entities and Russian citizens. The situation itself, as well as potential fluctuations in commodity prices, exchange rates, import and export restrictions, availability of local materials and services and access to local resources have directly affected the significant volumes of operations within the CIS.

Management is unable to predict either the extent or duration of developments in the Kazakhstani economy or assess their potential impact on the Group’s future financial position. Management believes it is taking all necessary measures to support the sustainability and growth of the Group’s business in the current circumstances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 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 interim condensed consolidated financial statements of the Group.

The Group presented 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**New and amended standards and interpretations (continued)***IFRS 17 Insurance Contracts (continued)*

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

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

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

Definition of Accounting Estimates - Amendments to IAS 8

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

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

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

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

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

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

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

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

International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 Income Taxes

In May 2023 the IASB issued *International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 Income Taxes* to clarify the application of *IAS 12 Income Taxes*. The amendments include a mandatory temporary exception from accounting for deferred tax. The Group is analyzing the potential impact on the consolidated financial statements for the year ended December 31, 2023.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these interim condensed consolidated financial statements, the significant judgements made by management is applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2022.

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**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 JSC (“AIES”), Ekibastuz GRES-1 named after Bulat Nurzhanov LLP (“EGRES-1”), Alatau Zharyk Company JSC (“AZhK”) and Station Ekibastuzskaya GRES-2 JSC (hereinafter “EGRES-2”) in accordance with IAS 36 *Impairment of Assets*.

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 as at September 30, 2023.

Analysis of indications of impairment of property, plant and equipment - green energy production

Based on the assessment of impairment indicators for the green energy assets, the Group did not identify impairment indicators except for individual indicators for Ereymentau Wind Power LLP.

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 4,858 million tenge (*Note 26*) and advances for long-term assets in the amount of 9,156 million tenge (*Note 13*).

Recoverability of oil and gas assets, downstream, refining assets, including goodwill***KMG International N.V. (hereinafter KMGI CGU), including goodwill***

As at September 30, 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 a result of the impairment test, recoverable amount of KMGI CGUs were lower than their carrying values. The total impairment loss for the analyzed KMGI’s CGUs was 94,962 million tenge, of which CGU Refinery represents 85% of the total impairment loss. Impairment for CGU Refining was estimated at 80,761 million tenge, including impairment of goodwill for 8,794 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) KMGI decarbonization plan for a number of years already still at an initial assessment stage, the co-generation power plant investment being the only major project included in the 5-year business plan and with limited equity financing availability for the decarbonization potential investments, given the unpredictable Romanian fiscal environment implementing aggressive windfall taxes since end of 2022. 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, discount rates and growth rate used to extrapolate cash flows beyond the budgeted period.

Refining and Petrochemicals CGU of KMGI

The discount rate applied to cash flow projections for Refining and Petrochemicals CGU was 12.60% (2022: 12.10%) and cash flows beyond the 5-year period were extrapolated using negative 3.0% (2022: positive 2.10%) growth rate, which is the average annual growth rate during 2028-2051 for market refinery margins estimated by Platts-PIRA available as at valuation date for 2023. The capitalization rate used for residual values was 15.60% (2022:10.00%).

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Recoverability of oil and gas assets, downstream, refining assets, including goodwill (continued)*****KMG International N.V. (hereinafter KMGI CGU), including goodwill (continued)****Downstream CGU of KMGI*

The discount rate applied to cash flow projections for Downstream CGU was 12.60% (2022: 12.10%) and cash flows beyond the 5-year period were extrapolated using negative 0.30% (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 12.9% (2022:10.00%).

Sensitivity to changes in assumptions for CGU Refinery

The additional impairment charges of 20,249 million tenge will occur if the discount rate increases by more than 1% to 13.6%, should the volumes decrease by more than 2% an additional impairment charge will be 35,050 million tenge and contribution margin decrease by more than 2% an additional impairment charge will be 24,280 million tenge or perpetuity growth rate decrease by more than 1.5% an additional impairment charge will be 16,573 million tenge.

Sensitivity to changes in assumptions for CGU Downstream

The additional impairment charges of 12,013 million tenge will occur if the discount rate increases by more than 1%, should the volumes decrease by more than 2% an additional impairment charge will be 11,123 million tenge and gross margin decrease by more than 2% an additional impairment charge will be 16,982 million tenge or perpetuity growth rate decrease by more than 1.5% an additional impairment charge will be 11,285 million tenge.

Sensitivity to changes in assumptions for CGU Petrochemicals

The additional impairment charges of 1,509 million tenge will occur if the discount rate increases by more than 1%, should the volumes decrease by more than 2% an additional impairment charge will be 1,688 million tenge and contribution margin decrease by more than 2% an additional impairment charge will be 1,571 million tenge or perpetuity growth rate decrease by more than 1.5% an additional impairment charge will be 901 million tenge.

As at September 30, 2023, based on the results of the test performed, the Group recognized impairment loss of property, plant and equipment and goodwill of 86,168 million tenge and 8,794 million tenge, respectively (December 31, 2022: no impairment loss was recognized) (*Note 26*).

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 of 3,693 million tenge (*Note 26*).

5. SEASONALITY OF OPERATIONS

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

6. ACQUISITIONS UNDER COMMON CONTROL**Acquisition of subsidiary 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.

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

6. ACQUISITIONS 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)

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 interim condensed 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.

Impact on comparative data due to acquisition of Shulbinskaya GES, UK GES and Kazgeology is presented below:

<i>In millions of tenge</i>	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	193
	47,759
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	56,293
Increase in non-current liabilities	
Increase in employee benefit liabilities	86
Increase in deferred tax liabilities	4,824
	4,910
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 liabilities	716
	1,622
Increase in total liabilities	6,532
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

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

6. ACQUISITIONS 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)

<i>In millions of tenge</i>	For the three months ended September 30, 2022	For the nine months ended September 30, 2022
Impact on the results:		
Revenue	5,731	15,083
	5,731	15,083
Cost of sales	(4,252)	(9,618)
Gross profit	1,479	5,465
General and administrative expenses	(516)	(979)
Expected credit losses on financial assets, net	7	7
Reversal of impairment loss	51	51
Operating profit	1,021	4,544
Finance income	278	540
Other non-operating loss	(143)	(149)
Other non-operating income	87	121
Profit before income tax	1,243	5,056
Income tax expenses	(444)	(1,232)
Profit for the period	799	3,824
Other comprehensive income		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		
Actuarial gain/(loss) on defined benefit plans	-	5
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods	-	5
Other comprehensive income for the period, net of tax	-	5
Total comprehensive income for the period, net of tax	799	3,829
Net profit for the period attributable to:		
Equity holders of the Parent Company	799	3,824
	799	3,824
Total comprehensive income for the period attributable to:		
Equity holders of the Parent Company	799	3,829
	799	3,829

The net cash flows effect for the nine months ended September 30, 2022 were as follows:

<i>In millions of tenge</i>	For the nine months ended September 30, 2022
Operating	6,628
Investing	(1,560)
Financing	(4,266)
	802
Change in allowance for expected credit losses	(1)
Net increase in cash and cash equivalents	801

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited) (continued)****6. ACQUISITIONS 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 interim condensed consolidated financial statements.

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER**Disposals***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:

<i>In millions of tenge</i>	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:

<i>In millions of tenge</i>	
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.

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

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Disposals (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 10*).

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

<i>In millions of tenge</i>	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 (<i>Note 12</i>)	14,154
Fair value of 50% retained interest in a joint venture (<i>Note 10</i>)	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:

<i>In millions of tenge</i>	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:

<i>In millions of tenge</i>	January 1, 2023 – September 11, 2023
Operating	(102)
Investing	(16,937)
Financing	17,059
Net decrease in cash and cash equivalents	20

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

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Assets classified as held for sale

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI)

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 as at reporting date as certain conditions precedent were not met, namely commissioning of the plant, therefore the Group retained control over KPI as at December 31, 2022 and September 30, 2023.

Upon completion of the transaction the control over KPI will be lost and the investment will be recognized as an investment in joint venture, as decisions about the relevant activities of KPI will require the unanimous consent of the parties sharing control.

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 classified as assets held for sale as at September 30, 2023.

The assets and liabilities of KPI are presented as follows:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)*
Assets	
Property, plant and equipment	915,746
Intangible assets	36,365
Other non-current financial assets	1,633
Other non-current assets	40,394
Inventories	24,169
VAT receivable	1,507
Income tax prepaid	426
Other current financial assets	118
Other current assets	1,090
Cash and cash equivalents	13,811
Assets classified as held for sale	1,035,259
Liabilities	
Borrowings	964,017
Trade and other payables	64,517
Other current liabilities	15,325
Other non-current liabilities	36
Deferred tax liabilities	8,672
Liabilities associated with assets classified as held for sale	1,052,567
Net assets held for sale	(17,308)

* *Assets and liabilities are presented after eliminations of intergroup transactions.*

For the nine months ended September 30, 2023 as a result of its operating activities KPI incurred other operating income of 37,169 million tenge and other operating expenses of 23,334 million tenge (for the nine months ended September 30, 2022: other operating income of 4,490 million tenge and other operating expenses of 3,558 million tenge).

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

7. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)

Assets classified as held for sale (continued)

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

<i>In millions of tenge</i>	Segment	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Assets classified as held for sale		1,039,627	1,139,967
<i>Kazakhstan Petrochemical Industries Inc. LLP</i>	<i>Oil-and-gas and petrochemical</i>	1,035,259	1,092,783
<i>Railway Passenger Coach Construction Plant LLP</i>	<i>Transportation</i>	-	45,825
<i>Other</i>		4,368	1,359
Assets classified as held for distribution to Shareholder		104	104
		1,039,731	1,140,071

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	Segment	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Liabilities associated with assets classified as held for sale		(1,052,567)	(1,045,093)
<i>Kazakhstan Petrochemical Industries Inc. LLP</i>	<i>Oil-and-gas and petrochemical</i>	(1,052,567)	(1,045,062)
<i>Railway Passenger Coach Construction Plant LLP</i>	<i>Transportation</i>	-	(31)
		(1,052,567)	(1,045,093)

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

8. PROPERTY, PLANT AND EQUIPMENT

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

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Net book value at January 1, 2022 (audited) (restated)	4,497,010	1,969,154	1,167,858	1,209,907	3,522,415	174,914	194,536	1,569,298	14,305,092
Foreign currency translation	399,122	33,782	12,381	312	39,876	–	9,921	14,670	510,064
Changes in estimates	(90,788)	(49,487)	(3,089)	–	(586)	(13)	1	–	(143,962)
Additions	67,785	1,140	21,032	284	63,014	31,620	2,431	705,407	892,713
Additions through lease agreements	1,799	34	7,751	–	39,443	–	5,048	–	54,075
Capitalized repair works on right-of-use assets	–	–	–	–	1,817	–	–	–	1,817
Lease modifications	–	88	(12)	–	1,028	–	4,308	–	5,412
Disposals	(12,689)	(34,067)	(17,346)	(74)	(27,296)	(4,133)	(3,027)	(1,923)	(100,555)
Depreciation charge	(193,024)	(105,386)	(51,625)	(29,489)	(283,433)	(27,490)	(16,984)	–	(707,431)
Depreciation and impairment on disposals	11,095	33,868	13,707	67	25,328	–	2,634	191	86,890
Impairment, net of reversal of impairment	–	(20)	239	(101)	72	–	(690)	(2,204)	(2,704)
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	–	–	422	–	(90)	–	68	–	400
Transfers from/(to) intangible assets	(665)	–	–	–	90	–	–	(1,786)	(2,361)
Transfers from/(to) exploration and evaluation assets, investment property	2,979	–	(425)	–	–	–	–	–	2,554
Transfer from/(to) inventories	26	(43)	13	(282)	(614)	10,113	45	2,027	11,285
Other transfers and reclassifications	104,128	28,599	14,521	31,261	219,957	33	3,492	(401,991)	–
Net book value at September 30, 2022 (unaudited) (restated)	4,786,778	1,877,662	1,165,427	1,211,885	3,601,021	185,044	201,783	1,882,564	14,912,164
Historical cost	7,138,236	3,878,219	1,897,923	1,547,166	6,673,647	423,711	421,039	1,982,431	23,962,372
Accumulated depreciation and impairment	(2,351,458)	(2,000,557)	(732,496)	(335,281)	(3,072,626)	(238,667)	(219,256)	(99,867)	(9,050,208)
Net book value at September 30, 2022 (unaudited) (restated)	4,786,778	1,877,662	1,165,427	1,211,885	3,601,021	185,044	201,783	1,882,564	14,912,164

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

8. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Including right-of-use assets under lease agreements									
Net book value at January 1, 2022 (audited)	27,595	6,175	62,105	-	393,227	-	26,543	-	515,645
Foreign currency translation	3,159	592	1,842	-	29,933	-	1,895	-	37,421
Changes in estimates	-	-	1	-	-	-	1	-	2
Additions through lease agreements	1,799	34	7,751	-	39,443	-	5,048	-	54,075
Capitalized repair works on right-of-use assets	-	-	-	-	1,817	-	-	-	1,817
Lease modifications	-	88	(12)	-	1,028	-	4,308	-	5,412
Expiration/early termination of the lease agreements	-	(31,864)	(11,690)	-	(4,391)	-	(284)	-	(48,229)
Depreciation charge	(4,390)	(279)	(9,693)	-	(61,420)	-	(4,063)	-	(79,845)
Depreciation and impairment of right-of-use assets under expired/early terminated lease agreements	-	31,864	8,212	-	4,375	-	237	-	44,688
Impairment, net of reversal of impairment	-	-	-	-	-	-	(834)	-	(834)
Net book value at September 30, 2022 (unaudited)	28,163	6,610	58,516	-	404,012	-	32,851	-	530,152
Historical cost of right-of-use assets under lease agreements	44,709	8,102	109,285	-	722,919	-	48,159	-	933,174
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(16,546)	(1,492)	(50,769)	-	(318,907)	-	(15,308)	-	(403,022)
Net book value at September 30, 2022 (unaudited)	28,163	6,610	58,516	-	404,012	-	32,851	-	530,152

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

8. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infra- structure	Machinery, equipment and vehicles	Mining assets	Other	Construc- tion in progress	Total
Net book value at January 1, 2023 (audited) (restated)	4,666,607	1,985,605	1,179,833	1,295,503	3,734,949	197,087	205,231	1,163,956	14,428,771
Foreign currency translation	93,044	4,682	1,909	(181)	11,085	–	4,480	4,916	119,935
Changes in estimates	(6,168)	1,510	(1,971)	–	9,827	(13)	–	–	3,185
Additions	25,709	10,885	25,659	140	90,950	35,617	6,761	1,206,672	1,402,393
Additions through lease agreements	–	–	16,082	–	67,248	–	36,302	–	119,632
Capitalized repair works on right-of-use assets	–	–	–	–	5,337	–	–	–	5,337
Lease modifications	–	19	2,435	–	5,643	–	858	–	8,955
Disposals	(12,017)	(4,182)	(6,526)	(71)	(41,957)	(21)	(3,700)	(8,047)	(76,521)
Depreciation charge	(261,858)	(114,060)	(51,981)	(31,795)	(301,862)	(36,508)	(16,272)	–	(814,336)
Depreciation and impairment on disposals	11,345	3,927	3,239	57	39,879	–	3,402	1,593	63,442
Impairment, net of reversal of impairment (Note 26)	–	(75,438)	(15,223)	29	44	–	506	(6,170)	(96,252)
Transfer to assets classified as held for sale or distribution to the Shareholder	–	–	15	–	(52)	–	(161)	–	(198)
Transfers from/(to) intangible assets (Note 9)	(60)	–	–	–	–	–	–	(120)	(180)
Transfers from/(to) exploration and evaluation assets, investment property, other non-current assets	787	–	(954)	–	–	–	(32)	–	(199)
Transfer from/(to) inventories	7	(24)	3	(1,337)	74	51	137	4,246	3,157
Other transfers and reclassifications	159,801	128,806	54,049	49,474	389,954	25,667	8,866	(816,617)	–
Net book value at September 30, 2023 (unaudited)	4,677,197	1,941,730	1,206,569	1,311,819	4,011,119	221,880	246,378	1,550,429	15,167,121
Historical cost	7,322,334	4,184,452	2,037,294	1,675,839	7,453,224	517,316	470,074	1,665,144	25,325,677
Accumulated depreciation and impairment	(2,645,137)	(2,242,722)	(830,725)	(364,020)	(3,442,105)	(295,436)	(223,696)	(114,715)	(10,158,556)
Net book value at September 30, 2023 (unaudited)	4,677,197	1,941,730	1,206,569	1,311,819	4,011,119	221,880	246,378	1,550,429	15,167,121

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

8. PROPERTY, PLANT AND EQUIPMENT (continued)

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and 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, 2023									
(audited)	27,643	95,397	58,021	–	445,233	–	31,092	–	657,386
Foreign currency translation	638	139	202	–	7,953	–	2,191	–	11,123
Additions through lease agreements	–	–	16,082	–	67,248	–	36,302	–	119,632
Capitalized repair works on right-of-use assets	–	–	–	–	5,337	–	–	–	5,337
Lease modifications	–	19	2,435	–	5,643	–	858	–	8,955
Expiration/early termination of the lease agreements	–	–	(4,142)	–	(11,384)	–	(19)	–	(15,545)
Depreciation charge	(3,971)	(16,969)	(9,152)	–	(68,479)	–	(3,860)	–	(102,431)
Depreciation and impairment of right-of-use assets under expired/early terminated lease agreements	–	–	1,832	–	11,275	–	19	–	13,126
Net book value at September 30, 2023									
(unaudited)	24,310	78,586	65,278	–	462,826	–	66,583	–	697,583
Historical cost of right-of-use assets under lease agreements	43,208	119,394	113,519	–	927,612	–	86,213	–	1,289,946
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(18,898)	(40,808)	(48,241)	–	(464,786)	–	(19,630)	–	(592,363)
Net book value at September 30, 2023									
(unaudited)	24,310	78,586	65,278	–	462,826	–	66,583	–	697,583

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

8. PROPERTY, PLANT AND EQUIPMENT (continued)

As at September 30, 2023 property, plant and equipment with net book value of 373,084 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2022: 822,711 million tenge).

As at September 30, 2023 the cost of fully amortised property, plant and equipment of the Group was equal to 1,412,346 million tenge (December 31, 2022: 1,372,489 million tenge).

For the nine months ended September 30, 2023 the Group capitalized borrowing costs at an average interest rate of 13.03% in the amount of 57,976 million tenge (*Notes 18, 19*) (for the nine months ended September 30, 2022: at an average interest rate of 6.99% in the amount of 54,004 million tenge).

9. INTANGIBLE ASSETS

Movements in intangible assets are presented as follows:

<i>In millions of tenge</i>	Licenses	Subsur- face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2022 (audited) (restated)	692,169	815,857	316,265	25,467	74,630	79,888	2,004,276
Foreign currency translation	52,338	20,837	1,175	2,649	562	1,946	79,507
Additions	4,930	1,039	-	-	5,570	6,682	18,221
Disposals	(1,516)	-	-	-	(1,705)	(220)	(3,441)
Amortization charge	(30,589)	(25,815)	-	-	(17,386)	(6,594)	(80,384)
Accumulated amortization on disposals	1,487	-	-	-	1,742	41	3,270
Impairment, net of reversal of impairment	2	-	-	-	-	(465)	(463)
Transfers from/(to) property, plant and equipment	2	665	-	-	2,179	(485)	2,361
Transfer from other non- current assets	23	-	-	-	40	-	63
Other transfers and reclassifications	729	-	-	-	2,691	(3,420)	-
Net book value at September 30, 2022 (unaudited) (restated)	719,575	812,583	317,440	28,116	68,323	77,373	2,023,410
Historical cost	965,745	985,187	432,645	72,170	235,485	169,434	2,860,666
Accumulated amortization and impairment	(246,170)	(172,604)	(115,205)	(44,054)	(167,162)	(92,061)	(837,256)
Net book value at September 30, 2022 (unaudited) (restated)	719,575	812,583	317,440	28,116	68,323	77,373	2,023,410

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

9. INTANGIBLE ASSETS (continued)

<i>In millions of tenge</i>	Licenses	Subsur- face use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value at January 1, 2023 (audited) (restated)	694,980	795,766	317,072	27,286	66,786	43,749	1,945,639
Foreign currency translation	12,239	4,989	(109)	697	94	400	18,310
Additions	156,296	79	-	-	18,991	9,639	185,005
Disposals	(298)	-	-	-	(608)	(101)	(1,007)
Amortization charge	(36,677)	(28,411)	-	-	(25,920)	(4,135)	(95,143)
Accumulated amortization on disposals	294	-	-	-	595	77	966
Impairment, net of reversal of impairment (<i>Note 26</i>)	2	-	(8,794)	-	2	-	(8,790)
Transfers from/(to) property, plant and equipment (<i>Note 8</i>)	13	60	-	-	73	34	180
Transfer from other non- current assets	18	-	-	-	-	-	18
Other transfers and reclassifications	(3,370)	-	-	-	4,999	(1,629)	-
Net book value at September 30, 2023 (unaudited)	823,497	772,483	308,169	27,983	65,012	48,034	2,045,178
Historical cost	1,117,264	984,063	432,586	71,830	258,262	131,456	2,995,461
Accumulated amortization and impairment	(293,767)	(211,580)	(124,417)	(43,847)	(193,250)	(83,422)	(950,283)
Net book value at September 30, 2023 (unaudited)	823,497	772,483	308,169	27,983	65,012	48,034	2,045,178

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

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	Main activity	Place of business	September 30, 2023 (unaudited)		December 31, 2022 (audited) (restated)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	4,174,047	20.00%	3,825,053	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	922,621	50.00%	710,273	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	271,489	50.00%	238,236	50.00%
Mangistau Investments B.V.	Oil and gas development and production	Kazakhstan	205,450	50.00%	164,716	50.00%
Kalamkas-Khazar Operating LLP	Oil and gas development and production	Kazakhstan	93,258	50.00%	–	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	80,408	50.00%	58,812	50.00%
Forum Muider B.V.	Production of coal	Kazakhstan	79,176	50.00%	68,159	50.00%
Kazakhstan – China Pipeline LLP	Oil transportation	Kazakhstan	48,571	50.00%	37,138	50.00%
Valsera Holdings B.V. Group	Oil refining	Kazakhstan	35,066	50.00%	26,351	50.00%
KazGerMunay LLP	Oil and gas exploration and production	Kazakhstan	33,945	50.00%	32,070	50.00%
Petrosun LLP	Sale of liquid gas and oil products	Kazakhstan	30,898	49.00%	24,373	49.00%
Kazakhoil-Aktobe LLP	Production and sale of crude oil	Kazakhstan	30,056	50.00%	26,911	50.00%
Astana Gas KMG JSC	Construction of gas main pipelines	Kazakhstan	28,901	50.00%	28,034	50.00%
Other			146,963		129,513	
Total joint ventures			6,180,849		5,369,639	
Associates						
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	534,188	20.75%	521,882	20.75%
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	498,644	29.82%	491,846	29.82%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	100,147	33.00%	94,635	33.00%
JV KATCO LLP	Extraction, processing and export of uranium products	Kazakhstan	91,235	49.00%	113,920	49.00%
Other			144,237		143,519	
Total associates			1,368,451		1,365,802	
			7,549,300		6,735,441	

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

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

Summarizes the movements in equity investments in joint ventures and associates for the nine months ended September 30:

<i>In millions of tenge</i>	2023	2022 (restated)
Balance as at January 1 (audited)	6,735,441	5,681,969
Share in profit of joint ventures and associates, net (Note 29)	895,366	1,151,326
Additional contributions without change in ownership	19,617	125
Other comprehensive income, other than foreign currency translation	3,912	2,573
Discount on loans issued	2,703	3,404
Dividends received	(304,413)	(479,513)
Change in dividends receivable	(31,715)	(7,999)
Impairment (Note 26)	6,171	(161)
Disposals	(1)	–
Acquisitions	95,484	11,135
Adjustment of unrealized income*	–	(2,689)
Foreign currency translation	126,735	462,272
Other changes and other changes in the equity of the joint venture	–	(182)
Balance as at September 30 (unaudited)	7,549,300	6,822,260

* *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.*

Acquisitions of investments in joint ventures and associates during the nine months ended September 30, 2023 included mainly the recognition of an investment in the KKO in the amount of 93,258 million tenge (Note 7).

11. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Bank deposits	922,742	1,638,585
Loans to credit institutions	59,846	67,614
Less: allowance for expected credit losses	(1,768)	(2,326)
Amounts due from credit institutions, net	980,820	1,703,873
Less: current portion	(921,451)	(1,433,305)
Non-current portion	59,369	270,568

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	Effective weighted average interest rate	December 31, 2022 (audited)	Effective weighted average interest rate
Amounts due from credit institutions, denominated in US dollars	893,230	5.42%	1,197,610	2.61%
Amounts due from credit institutions, denominated in tenge	86,732	5.53%	506,263	6.63%
Amounts due from credit institutions, denominated in other currencies	858	5.05%	–	–
	980,820		1,703,873	

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

12. OTHER FINANCIAL ASSETS

Other financial assets comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Financial assets at fair value through other comprehensive income, including:		
Treasury bills of foreign governments	70,409	28,322
Corporate bonds	44,601	839
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	16,929	17,931
Bonds of Kazakhstani financial institutions	6,769	7,428
Equity securities	2,037	2,051
	73	73
Financial assets at amortized cost, including:	1,767,596	918,735
Bonds of Kazakhstani financial institutions	864,024	355,976
Notes of the National Bank of the Republic of Kazakhstan	438,500	176,715
Corporate bonds	122,006	115,125
Treasury bills of foreign governments	66,419	–
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	18,039	12,966
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan	2,044	1,988
Other financial assets at amortized cost, including:		
<i>Restricted cash</i>	217,596	227,759
<i>Other accounts receivable</i>	130,372	146,445
<i>Dividends receivable</i>	31,027	630
<i>Amounts due from employees</i>	10,906	9,948
<i>Other</i>	12,816	12,516
Less: allowance for expected credit losses	(146,153)	(141,333)
Financial assets at fair value through profit or loss, including:	158,525	143,906
Equity securities	125,929	124,960
Guaranteed returns from a shareholder of a joint venture	14,260	13,178
Additional consideration for sale of a subsidiary (<i>Note 7</i>)	14,155	–
Corporate bonds	2,341	3,192
Options	1,301	1,868
Forward and futures contracts	539	681
Currency swaps	–	27
Total financial assets	1,996,530	1,090,963
Less: current portion	(1,074,489)	(347,750)
Non-current portion	922,041	743,213

Restricted cash

As of December 31, 2022 restricted cash included blocked payments of 32.3 million US dollars (equivalent to 14,956 million tenge), which were returned to the Group on January 30, 2023.

Debt securities

During the nine months ended September 30, 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 September 30, 2023 the investment amounted to 438,500 million tenge.

During the nine months ended September 30, 2023 the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury). As of September 30, 2023 the investment amounted to 111,020 million tenge.

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

12. OTHER FINANCIAL ASSETS (continued)

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

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Financial assets, denominated in tenge	1,545,499	768,712
Financial assets, denominated in US dollars	407,076	286,794
Financial assets, denominated in euro	36,083	15,772
Financial assets, denominated in rubles	1,270	301
Financial assets, denominated in other currency	4,762	16,808
	1,994,690	1,088,387

13. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Advances paid for non-current assets	865,095	259,196
Long-term VAT receivable	332,595	225,712
Prepaid expenses	16,924	16,882
Long-term inventories	15,484	12,676
Other	31,005	20,726
Less: impairment allowance	(72,029)	(61,467)
	1,189,074	473,725

During the nine months ended September 30, 2023 the Group paid advances in the amount of 302,420 million tenge for supply of passenger carriages and construction of the railway, and 159,433 million tenge for supply of power plant equipment based on a combined cycle plant.

The change in impairment allowance is mainly represented by the impairment of prepayments on long-term assets of Ereymentau Wind Power LLP in the amount of 9,156 million tenge (*Note 4*) recognized during the nine months ended September 30, 2023.

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

14. INVENTORIES

Inventories comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Uranium products (at lower of cost and net realizable value)	291,144	308,114
Work in progress (at lower of cost and net realizable value)	138,673	68,803
Production materials and supplies (at lower of cost and net realizable value)	132,695	78,280
Crude oil (at cost)	89,931	69,332
Oil refined products for sale (at lower of cost and net realizable value)	73,734	60,670
Gas processed products (at cost)	69,218	33,518
Oil and gas industry materials and supplies (at cost)	53,614	44,767
Goods for resale (at lower of cost and net realizable value)	51,027	41,139
Fuel (at lower of cost and net realizable value)	44,391	22,940
Railway industry materials and supplies (at cost)	31,422	21,738
Aircraft spare parts (at cost)	18,231	15,647
Electric transmission equipment spare parts (at cost)	5,960	5,855
Uranium industry materials and supplies (at lower of cost and net realizable value)	3,927	16,150
Telecommunication equipment spare parts (at cost)	3,518	2,248
Other materials and supplies (at lower of cost and net realizable value)	55,676	77,089
	1,063,161	866,290

15. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Trade accounts receivable	1,402,818	1,145,439
Less: allowance for expected credit losses	(67,710)	(62,147)
	1,335,108	1,083,292

Other current assets comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Advances paid and deferred expenses	374,416	141,412
Other prepaid taxes	107,647	97,048
Other non-financial current assets	16,963	19,987
Less: impairment allowance	(8,578)	(8,330)
	490,448	250,117

Starting from November 2022 the Group, represented by its subsidiary Samruk-Kazyna Construction JSC, acts as the Directorate for the targeted construction of a secondary education organization within the framework of implementation of the national "Comfortable School" project approved by the Resolution of the Government No. 963 dated November 30, 2022. As of September 30, 2023 the Group paid advances of 166,198 million tenge under the “Comfortable school” national project.

As at September 30, 2023 the Group’s receivables of 197,070 million tenge were pledged under certain Group borrowings (December 31, 2022: 176,000 million tenge).

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

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Bank deposits – US dollars	1,224,518	690,834
Bank deposits – tenge	316,139	607,290
Bank deposits – other currency	82,264	17,550
Current accounts with banks – US dollars	530,497	1,004,182
Current accounts with banks – tenge	177,047	364,135
Current accounts with banks – other currency	83,623	34,730
Reverse repurchase agreements and other treasury securities with contractual maturity of three months or less	646,161	164,541
Cash in transit	35,229	18,258
Balances on brokerage accounts payable on demand	3,582	35,494
Cash on hand	11,480	9,186
Less: allowance for expected credit losses	(334)	(584)
	3,110,206	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.

As at September 30, 2023 current accounts with banks in tenge include cash in the amount of 79,092 million tenge (as at December 31 2022: nil), represented by a cash control account in the local treasury body, which is intended for the purposes of implementing the “Comfortable school” national project.

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 September 30, 2023 the weighted average interest rates for short-term bank deposits were 15.76% in tenge, 4.97 % in US dollars, 7.25 % in other currency; and current accounts were 2.65% in tenge, 3.58% in US dollars, 2.94 % 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 US dollars, 0.77% in other currency, respectively).

17. EQUITY

17.1 Issue of shares

	Number of shares authorized and issued	Par value per share, in tenge	Share capital in millions of tenge
As at December 31, 2022 (audited)	3,481,961,409		5,268,819
Shares issued during the period:			
<i>Shares issued and paid by contributions of state-owned interests in subsidiaries</i>			
	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
<i>Shares issued and paid by contribution of property</i>			
	1,000	16,915,397	16,915
	20	114,504,250	2,290
As at September 30, 2023 (unaudited)	3,481,962,620		5,443,305

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

17. EQUITY (continued)**17.1 Issue of shares (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, 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, 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 interim condensed 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 interim condensed 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%. As a result of this transaction the non-controlling interest decreased by 235,168 million tenge, the difference of 145,962 million tenge was recognized as an increase of retained earnings in the interim condensed 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 property with a fair value of 19,205 million tenge.

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”).

17.2 Dividends*Dividends attributable to equity holder of the Parent*

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 nine months ended September 30, 2022: 2,241 million tenge and 1,857 million tenge, respectively, based on financial results of 2021).

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 interim condensed consolidated statement of changes in equity.

During the nine months ended September 30, 2023, the Fund declared 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.

Dividends attributable to non-controlling interests

During the nine months ended September 30, 2023 the Group declared dividends of 163,510 million tenge to the holders of non-controlling interests in NC KMG group, National Atomic Company “Kazatomprom” JSC (hereinafter – “NAC KAP”), Kazakhstan Electricity Grid Operating Company JSC (hereinafter – “KEGOC”), Air Astana JSC and SK Business Service LLP. Total amount of dividends paid to the holders of non-controlling interests during the nine months ended September 30, 2023 equaled 163,258 million tenge.

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

17. EQUITY (continued)**17.2 Dividends (continued)***Dividends attributable to non-controlling interests (continued)*

During the nine months ended September 30, 2022 the Group declared dividends of 160,461 million tenge to the holders of non-controlling interests in NC KMG group, NAC KAP and KEGOC. Total amount of dividends paid to the holders of non-controlling interests during the nine months ended September 30, 2022 equaled 159,194 million tenge.

17.3 Other distributions to the Shareholder*Social projects financing*

During the nine months ended September 30, 2023 in accordance with the Shareholder’s resolutions the Fund recognised liabilities for financing of various social projects for the amount 30,064 million tenge as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity. As at September 30, 2023 the Group made repayment of these liabilities of 29,828 million tenge.

During the nine months ended September 30, 2022 in accordance with the Shareholder’s resolutions, the Fund recognised liabilities for financing of various social projects for the amount 24,000 million tenge as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity. As at September 30, 2022, the Group made repayment of these liabilities of 25,800 million tenge.

Financing construction of social facilities

During the nine months ended September 30, 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 interim condensed consolidated statement of changes in equity.

During the nine months ended September 30, 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 166,907 million tenge. During the nine months ended September 30, 2023, the Fund made repayment of liabilities in the amount of 19,270 million tenge (during the nine months ended September 30, 2022: 58,073 million tenge).

During the nine months ended September 30, 2022, in accordance with the Shareholder’s resolutions on the construction of a medical center in Zhana-ozen town and housing for the residents, living in Zhana-ozen town, the Group accrued liabilities for 10,003 million tenge and recognized as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity, of which 2,162 million tenge was paid during the nine months ended September 30, 2022.

17.4 Other transactions with the Shareholder

During the nine months ended September 30, 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 interim condensed consolidated statement of changes in equity. The Group made an advance payment in the amount of 8,962 million tenge.

17.5 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 interim condensed consolidated statement of changes in equity.

17.6 Discount on loans from the Government

During the nine months, ended September 30, 2023, the Fund placed bonds in the amount of 73,709 million tenge (*Note 19*). The difference between nominal and fair value in the amount of 14,716 million tenge was recognized as a discount on loans from the Government in the interim condensed consolidated statement of changes in equity.

During the nine months, ended September 30, 2023, the Fund received loan in the amount of 162,600 million tenge (*Note 19*). 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 interim condensed consolidated statement of changes in equity.

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

17. EQUITY (continued)**17.6 Discount on loans from the Government (continued)**

During the nine months, ended September 30, 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 in the interim condensed consolidated statement of changes in equity.

17.7 Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. During the nine months ended September 30, 2023 foreign translation difference amounted to 271,243 million tenge.

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. Unrealized foreign currency expense for the nine months ended September 30, 2023 of 65,088 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

17.8 Hedge reserve*Air Astana JSC*

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

As a result of the change, the hedge relationship has been discontinued so that starting from January 1, 2018 no further foreign currency translation gains or losses are transferred from profit or loss to hedge reserve, and the hedge reserve recognized in equity as at September 30, 2023 shall remain in equity until the forecasted revenue cash flows are received.

During the nine months ended September 30, 2023 amount reclassified from the hedging reserve to foreign exchange loss from inception of the hedge was 4,074 million tenge before tax of 815 million tenge (during the nine months ended September 30, 2022: 4,292 million tenge before tax of 859 million tenge).

Hedge income attributable to non-controlling interests comprised 1,996 million tenge before tax of 399 million tenge (during the nine months ended September 30, 2022: 2,103 million tenge before tax of 421 million tenge).

NC KMG

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

During the nine months ended September 30, 2023, the effective part of 920 million tenge was recorded in the cash flow hedging reserve through other comprehensive income as net fair value gain on cash flow hedging instruments (during the nine months ended September 30, 2022: 33,548 million tenge as net fair value loss on cash flow hedging instruments). Hedge income attributable to non-controlling interests comprised 116 million tenge (during the nine months ended September 30, 2022: hedge loss of 3,212 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.

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

17. EQUITY (continued)

17.8 Hedge reserve (continued)

NC KTZh (continued)

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

17.9 Book value 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.

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Total assets	37,019,277	33,631,288
Less: intangible assets	(2,045,178)	(1,945,639)
Less: total liabilities	(15,152,285)	(13,837,866)
Net assets for common shares	19,821,814	17,847,783
Number of common shares	3,481,962,620	3,481,961,409
Book value per common share, tenge*	5,693	5,126

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

Earnings per share

<i>In millions of tenge</i>	For the nine months ended September 30, 2023 (unaudited)	For the nine months ended September 30, 2022 (unaudited) (restated)
Net profit for the period attributable to Equity holder of the Parent	1,690,237	1,663,410
Weighted average number of common shares for basic and diluted earnings per share	3,481,962,095	3,481,961,408
Basic and diluted share in net profit for the period per share attributable to Equity holder of the Parent, tenge	485.43	477.72

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

18. BORROWINGS

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	Effective weighted average interest rate	December 31, 2022 (audited)	Effective weighted average interest rate
Fixed interest rate borrowings	5,409,756		5,517,313	
Loans received	1,090,867	12.65%	1,041,195	11.12%
Debt securities issued	4,318,889	6.06%	4,476,118	6.70%
Floating interest rate borrowings	1,438,441		1,150,362	
Loans received	1,135,255	11.36%	900,560	9.85%
Debt securities issued	303,186	18.28%	249,802	15.63%
	6,848,197		6,667,675	
Less: amounts due for settlement within 12 months	(1,324,667)		(1,267,512)	
Amounts due for settlement after 12 months	5,523,530		5,400,163	

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited)
US dollar-denominated borrowings	3,878,498	3,859,503
Tenge-denominated borrowings	2,285,293	2,162,421
Other currency-denominated borrowings	684,406	645,751
	6,848,197	6,667,675

The bonds comprised:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective interest rate	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	710,064	681,014
Bonds LSE 2018	1.25 billion USD	2030	5.375%	594,468	571,508
Bonds LSE 2017	1.25 billion USD	2047	5.75%	584,775	561,160
Bonds LSE 2017	1 billion USD	2027	4.75%	479,201	460,655
Bonds LSE 2020	750 million USD	2033	3.50%	352,188	340,415
Bonds ISE 2017	750 million USD	2027	4.448%	333,665	328,757
Bonds KASE 2019	0.3 billion KZT	2034	11.50%	317,058	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	236,831	229,241
			TONIA		
			Compounded 6M + 3%		
Bonds LSE 2022	118.9 billion KZT	2024	margin	123,507	128,216
Bonds KASE 2020	129 billion KZT	2023	10.90%	102,744	100,041
Bonds SIX Swiss Exchange 2018	170 million Swiss Francs	2023	3.25%	90,802	84,925
Bonds KASE 2019	70 billion KZT	2024	4%	85,428	84,161
Bonds KASE 2019	80 billion KZT	2026	11.5%	82,557	80,244
Bonds KASE 2018	75 billion KZT	2024	9.25%	75,096	76,831
			Inflation rate +		
Bonds KASE 2016	50 billion KZT	2026	2.52%	53,987	53,750
Bonds KASE 2016	47.5 billion KZT	2031	16.74%	50,522	51,630
Bonds LSE 2018	500 million USD	2025	4.75%	-	232,586
Other	-	-	-	349,182	352,353
Total				4,622,075	4,725,920

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

18. BORROWINGS (continued)**Debt securities**

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.

Loans received

During the nine months ended September 30, 2023 the Group received Syndicated loan used to finance its working capital for the total amount of 290 million US dollars (equivalent to 131,190 million tenge), on a net basis.

During the nine months ended September 30, 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 of 627 million euro, borrowed 204 million euro (equivalent to 100,138 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.

During the nine months ended September 30, 2023 based on the notification of the Ministry of Energy of the Republic of Kazakhstan on the termination of the subsoil use contract, the Group wrote off the loan of Eni Isatai B.V. for the Isatai project in the amount of 4,334 million tenge (*Note 28*).

Covenants

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

Compliance with covenants under the individual loan agreements of the Group is disclosed in the consolidated financial statements for the year ended December 31, 2022.

Loan received from Eurasian Bank for Reconstruction and Development (EBRD)

The Group, represented by its subsidiary ShalkiyaZinc LTD JSC, entered into a loan agreement with the EBRD on June 12, 2017 for a total amount of 175 million US dollars. This loan agreement, taking into account amendments dated September 20, 2021, as well as the waiver dated June 20, 2023, provides for compliance by ShalkiyaZinc LTD JSC with such non-financial covenants as the conclusion of construction contracts, including an agreement for the construction of a factory, tailings facility, surface facilities and infrastructure, and an agreement for the supply of mining equipment, until September 30, 2023. In accordance with the terms of the covenants, among other conditions, the lender has the right to demand early repayment of loans. As at September 30, 2023, ShalkiyaZinc LTD JSC did not comply with the above covenants and notified the lender of the violation. On October 11, 2023, the EBRD sent a waiver to the borrower providing for an extension of the deadline for concluding a contract for the construction of a factory until November 30, 2023, an agreement for the tailings facility until December 30, 2023, and for surface facilities and the supply of mining equipment until March 31, 2024 of the year. Since the letter was received after the reporting date, the long-term portion of the loans in the amount of 34,972 million tenge was classified as short-term.

As at September 30, 2023 the Group complied with all financial and non-financial covenants under loan agreements, except those mentioned above.

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

18. BORROWINGS (continued)

Covenants (continued)

Loan received from Eurasian Bank for Reconstruction and Development (EBRD) (continued)

Changes in borrowings for the nine months ended September 30:

<i>In millions of tenge</i>	2023	2022
Balance as at January 1 (audited)	6,667,675	7,862,692
Received by cash	766,721	698,999
Purchase of property plant and equipment financed by borrowings	76,470	5,706
Interest accrued	345,253	382,353
Discount	(1,090)	(345)
Amortization of discount	13,865	13,000
Interest capitalized (Note 8)	45,342	54,004
Interest paid	(323,123)	(360,095)
Repayment of principal	(743,603)	(960,512)
Foreign currency translation	9,324	659,676
Commission for the early redemption of the loan	–	4,498
Repayment of principal and interest by reserved cash	(152)	(259,459)
Derecognition of loan (Note 28)	(4,334)	–
Other	(4,151)	(3,289)
Balance as at September 30 (unaudited)	6,848,197	8,097,228

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

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited)
NC KMG and its subsidiaries	3,647,394	3,708,949
NC KTZh and its subsidiaries	1,258,753	1,098,347
The Fund	507,951	519,370
Qazaq Gaz and its subsidiaries	461,265	492,188
Kazakhtelecom and its subsidiaries	236,724	205,305
Samruk-Energy and its subsidiaries	180,033	190,790
KEGOC and its subsidiaries	162,942	156,352
CCGT Turkistan LLP	149,993	–
NAC KAP and its subsidiaries	88,934	138,270
EGRES-2	95,454	97,834
National Mining Company “Tau-Ken Samruk” and subsidiaries	57,566	52,319
Other subsidiaries of the Fund	1,188	7,951
Total borrowings	6,848,197	6,667,675

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

19. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

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

<i>In millions of tenge</i>	Redemption date	Effective interest rate	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Bonds acquired by the National Bank of the Republic of Kazakhstan using the assets of the National Fund	2035-2063	5.56-13.99%	759,242	672,208
Loans from the Government of the Republic of Kazakhstan	2029-2046	5.15-9.6%	35,548	11,396
			794,790	683,604
Less: amounts due for settlement within 12 months			(12,980)	(3,760)
Amounts due for settlement after 12 months			781,810	679,844

Changes in loans from the Government of the Republic of Kazakhstan for the nine months ended September 30:

<i>In millions of tenge</i>	2023	2022
Balance as at 1 January	683,604	579,369
Received by cash	236,309	–
Interest accrued	11,340	13,027
Interest capitalized (<i>Note 8</i>)	12,634	–
Discount (<i>Note 17.6</i>)	(154,213)	78
Interest paid	(14,754)	(8,771)
Repayment of principal*	(440)	(10,324)
Amortisation of discount	20,310	20,766
Balance as at 30 September	794,790	594,145

* *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.*

Bonds purchased by the National Bank of the Republic of Kazakhstan

During the nine months ended September 30, 2023 the Fund placed bonds in the amount of 73,709 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 58,993 million tenge. The difference between nominal and fair value of the bond in the amount of 14,716 million tenge was recognized as a discount on loan from the Government in the interim condensed consolidated statement of changes in equity (*Note 17.6*).

Other loans from the Government

During the nine months ended September 30, 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 interim condensed consolidated statement of changes in equity (*Note 17.6*).

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

20. PROVISIONS

Provisions comprised the following:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental remediation	Provision for taxes	Provision for aircraft maintenance	Other	Total
Provision at January 1, 2022 (audited)	346,420	68,194	17,727	54,910	55,491	542,742
Foreign currency translation	10,796	4,719	332	6,495	4,327	26,669
Change in estimate	(145,613)	6,171	(5,114)	(896)	2,923	(142,529)
Unwinding of discount	15,706	1,233	–	–	158	17,097
Provision for the period	28,914	7	1,566	25,522	38,865	94,874
Use of provision	(78)	(3,660)	469	(7,581)	(5,159)	(16,009)
Reversal of unused amounts	(3,369)	(392)	(1,650)	–	(863)	(6,274)
Provision at September 30, 2022 (unaudited)	252,776	76,272	13,330	78,450	95,742	516,570
Provision at January 1, 2023 (audited) (restated)	275,080	87,984	14,272	87,737	97,257	562,330
Foreign currency translation	1,007	1,544	43	3,369	1,355	7,318
Change in estimate	2,831	(640)	(548)	–	(112)	1,531
Unwinding of discount	18,745	1,688	–	1,063	112	21,608
Provision for the year	8,412	–	685	29,079	43,406	81,582
Use of provision	(794)	(2,679)	(254)	(6,613)	(16,572)	(26,912)
Reversal of unused amounts (Note 34)	(1,224)	–	–	(723)	(28,819)	(30,766)
Provision at September 30, 2023 (unaudited)	304,057	87,897	14,198	113,912	96,627	616,691

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

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental remediation	Provision for taxes	Provision for aircraft maintenance	Other	Total
Current portion	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 (audited) (restated)	275,080	87,984	14,272	87,737	97,257	562,330
Current portion	15,932	10,100	14,198	45,219	68,848	154,297
Non-current portion	288,125	77,797	–	68,693	27,779	462,394
Provision at September 30, 2023 (unaudited)	304,057	87,897	14,198	113,912	96,627	616,691

During the nine months ended September 30, 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 Republic of Kazakhstan (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 unauthorised volume of uranium.

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

20. PROVISIONS (continued)

During the nine months ended September 30, 2023 the Group recognized an obligation for construction of the Sport Complex for the total amount of 17,925 million tenge (*Note 17.4*).

As at September 30, 2023 other provisions included provision for gas transportation of 34,681 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.

21. TRADE AND OTHER PAYABLES, AND OTHER CURRENT LIABILITIES

Trade and other payables comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Trade accounts payable	1,335,885	893,392
Accounts payable for the supply of property, plant and equipment	193,269	198,991
Other accounts payable	25,744	34,467
	1,554,898	1,126,850

Trade accounts payable were expressed in the following currencies:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Tenge-denominated trade accounts payable	650,135	407,055
US dollar-denominated trade accounts payable	603,484	350,261
Other currency-denominated trade accounts payable	82,266	136,076
	1,335,885	893,392

Other current liabilities comprised the following:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Other financial liabilities		
Obligations to the Shareholder on the financing of social projects	180,744	127,276
Due to employees	86,860	49,759
Amounts due to customers	62,074	46,208
Payable under repo transactions	32,766	20,469
Obligations under guarantee agreements	5,121	1,608
Dividends payable	3,139	2,797
Historical costs associated with obtaining subsoil use rights	2,662	3,453
Other	44,684	51,996
Other non-financial liabilities		
Contract liabilities to customers	540,916	313,338
Other taxes payable	188,628	213,128
Vacation and other employee benefits allowance	110,170	132,305
Liabilities under inventory loan agreements	78,331	19,147
Pension and social contributions liabilities	24,325	27,578
Advances received and deferred income	16,819	27,169
Government grant liability	12,730	8,967
Amounts due under uranium swap contracts	2,713	4,709
Joint operations liabilities	-	4,569
Other	24,451	19,798
	1,417,133	1,074,274

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

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

During the nine months ended September 30, 2023 on the basis of the Shareholder’s resolutions the Fund recognized liabilities to finance various social projects for total amount of 95,064 million tenge (for the nine months ended September 30, 2022: 200,910 million tenge) (Note 17.3).

As at September 30, 2023 contract liabilities to customers include advanced payments of 247,124 million tenge received from local executive bodies for the implementation of the "Comfortable School" national project.

22. REVENUE

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Revenue from contracts with customers:				
Sales of crude oil	1,210,790	952,930	3,305,159	3,758,946
Sales of oil refined products	677,138	965,503	2,000,933	2,427,452
Railway cargo transportation	420,919	353,138	1,230,127	936,853
Sales of uranium products	236,226	275,924	838,530	751,025
Sales of gas products	280,232	230,882	716,704	723,273
Sales of refined gold	169,507	208,897	523,048	694,110
Telecommunication services	169,608	171,656	490,944	469,096
Air transportation	173,739	166,669	417,841	357,829
Electricity complex	128,222	86,840	358,645	277,987
Oil and gas transportation fee	66,999	59,421	218,491	210,363
Oil processing fees	63,039	50,495	192,918	157,884
Electricity transmission services	51,981	43,643	147,080	131,916
Railway passenger transportation	29,838	30,651	81,074	66,799
Postal services	13,117	11,309	37,071	32,824
Other revenue	124,004	137,294	341,537	325,198
	3,815,359	3,745,252	10,900,102	11,321,555
Interest revenue	19,141	15,111	47,677	42,373
Rental income	16,491	10,443	49,476	26,585
	3,850,991	3,770,806	10,997,255	11,390,513

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Geographical markets				
Kazakhstan	1,530,064	1,434,638	4,423,420	4,010,071
Other countries	2,320,927	2,336,168	6,573,835	7,380,442
	3,850,991	3,770,806	10,997,255	11,390,513

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

23. COST OF SALES

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Materials and supplies	1,641,615	1,516,143	4,601,444	5,238,843
Personnel costs, including social tax and contributions	414,426	341,518	1,194,854	957,873
Depreciation, depletion and amortization	275,859	230,706	844,196	732,891
Fuel and energy	157,634	141,721	409,173	426,615
Production services received	117,805	96,896	293,541	233,242
Repair and maintenance	104,357	84,253	267,983	215,926
Taxes other than social taxes and withdrawals	52,165	50,423	152,545	127,744
Mineral extraction tax	47,090	45,421	134,233	141,668
Rent	19,504	25,975	92,194	84,289
Transportation expenses	33,823	27,133	98,530	65,788
Interest expense	18,746	19,800	47,217	49,096
Communication services	12,341	12,772	34,977	36,398
Security services	9,681	8,887	27,206	23,122
Other	62,424	134,833	210,436	294,642
	2,967,470	2,736,481	8,408,529	8,628,137

24. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Personnel costs, including social tax and contributions	65,783	58,346	185,833	166,937
Depreciation and amortization	6,191	8,627	24,734	27,672
Audit and consulting services	7,425	6,854	19,355	19,258
Taxes other than social taxes and withdrawals	5,560	5,992	17,937	20,222
Other services by third parties	6,490	4,722	16,797	14,062
Provision for compensation payment for the unauthorised volume of uranium (<i>Note 20</i>)	29	375	16,043	4,275
Repair and maintenance	3,200	2,261	7,362	5,643
Business trips	2,127	1,855	6,085	4,121
Insurance	1,243	111	3,926	2,570
Rent	1,229	1,448	3,909	3,760
Utilities expenses and maintenance of buildings	791	1,012	2,964	2,976
Transportation services	779	695	2,269	2,060
Professional education and advanced trainings	907	656	2,047	1,631
Communication services	707	966	1,984	2,488
Bank services	538	601	1,684	1,855
Fines and penalties	143	1,224	865	4,155
Sponsorship and charitable donations	–	(214)	–	3,134
Other	13,093	13,705	37,516	38,343
	116,235	109,236	351,310	325,162

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

25. TRANSPORTATION AND SELLING EXPENSES

<i>In millions of tenge</i>	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Transportation	119,040	100,785	366,799	337,311
Rent tax	35,643	64,298	99,949	167,658
Custom duties	24,855	37,214	80,020	98,913
Commission fees to agents and advertising	8,404	6,082	21,729	12,748
Personnel costs, including social tax and contributions	6,974	5,943	19,840	16,217
Depreciation and amortization	4,917	5,470	15,102	15,416
Rent expenses	3,230	1,218	7,202	4,981
Other	10,941	9,315	28,603	24,393
	214,004	230,325	639,244	677,637

26. IMPAIRMENT LOSS

<i>In millions of tenge</i>	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets (Notes 8, 9)	62,786	2,148	207,470	3,167
Impairment of VAT receivable	286	26	360	81
Impairment of assets held for sale	–	–	23	27
(Reversal)/impairment of investments in joint ventures and associates (Note 10)	(13,290)	(3,041)	(6,171)	161
Other	703	865	11,099	(1,555)
	50,485	(2)	212,781	1,881

Impairment losses on property, plant and equipment, exploration and evaluation assets and intangible assets were recognised for the following CGUs:

<i>In millions of tenge</i>	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Impairment expense				
CGUs of KMGI (Note 4)	–	–	98,655	–
Ereymentau Wind Power LLP assets (Note 4)	–	–	4,858	–
Others	713	2,148	1,529	3,167
Exploration expenses (impairment and write-off)				
Kairan and Aktoty project	62,069	–	62,069	–
Jenis project	–	–	40,244	–
Others	4	–	115	–
	62,786	2,148	207,470	3,167

Jenis project

During the nine months ended September 30, 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.

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

26. IMPAIRMENT LOSS (continued)

Kairan and Aktoty project

During the nine months ended September 30, 2023 the Group recognized impairment loss of 62,069 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 Republic of Kazakhstan.

27. FINANCE COSTS

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Interest on loans and debt securities issued	128,441	122,815	384,230	379,923
Interest on lease liabilities	15,744	8,850	44,388	26,350
Amortization of discount on provisions and other payables	10,568	6,070	31,528	18,178
Discount on assets at rates below market	7,927	407	14,699	983
Revaluation loss on financial assets at fair value through profit/loss	2,036	9,233	10,301	33,930
Commission for the early redemption of the loan	–	–	–	4,498
Other	10,300	7,434	22,517	21,652
	175,016	154,809	507,663	485,514

28. FINANCE INCOME

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Interest income on amounts due from credit institutions and cash and cash equivalents	79,689	50,912	228,262	111,513
Income from loans and financial assets	29,219	13,272	60,907	30,293
Revaluation gain on financial assets at fair value through profit/loss	14,263	2,536	30,075	31,011
Derecognition of loan (<i>Note 18</i>)	45	–	4,334	–
Unwinding of discount on long-term receivables	1,052	339	2,709	1,317
Income from subsidized interest rates on financial liabilities	536	7,813	1,452	23,395
Income from financial guarantees	413	1,040	1,421	3,736
Other	3,002	474	7,288	4,499
	128,219	76,386	336,448	205,764

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

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

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Joint ventures				
Tengizchevroil LLP	86,107	190,220	348,596	591,311
Asian Gas Pipeline LLP	89,519	83,670	212,425	226,862
Beineu-Shymkent Pipeline LLP	10,480	8,272	44,116	34,248
Mangistau Investments B.V.	19,580	15,655	40,114	56,242
Petrosun LLP	14,945	12,587	35,924	12,587
KazRosGas LLP	14,137	(5,352)	19,726	3,160
JV Kazgermunai LLP	5,158	3,897	16,862	14,655
Kazakhstan – China Pipeline LLP	4,309	3,953	13,933	12,930
Forum Muider B. V.	2,114	3,974	11,017	12,312
Valseira Holdings B.V. Group	(1,577)	2,724	8,715	8,261
Semizbay-U LLP	1,819	2,735	7,934	10,386
Kazakhoil-Aktobe LLP	2,161	1,818	6,646	6,988
Ural Group Limited BVI	(2,889)	(2,286)	(8,432)	(6,777)
Other	1,783	1,748	10,324	207
	247,646	323,615	767,900	983,372
Associates				
Caspian Pipeline Consortium JSC	19,647	17,728	65,464	81,437
JV KATCO LLP	8,004	28,069	23,402	37,401
JV South Mining Chemical Company LLP	1,890	3,900	11,868	9,466
Petro Kazakhstan Ink	4,501	2,840	7,882	5,585
JV Zarechnoye JSC	3,571	2,423	6,580	5,423
Kazzinc LLP	(7,711)	(9,073)	(5,504)	14,992
Other	6,207	6,839	17,774	13,650
	36,109	52,726	127,466	167,954
	283,755	376,341	895,366	1,151,326

30. INCOME TAX EXPENSES

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Current income tax expenses				
Corporate income tax (“CIT”)	88,941	116,003	251,746	316,280
Withholding tax on dividends and interest income	2,416	9,086	28,171	21,426
Excess profit tax	–	121	(131)	3,710
Deferred income tax expense/(benefit)				
Corporate income tax (“CIT”)	38,608	33,944	121,831	79,875
Withholding tax on dividends and interest income	12,820	34,444	36,203	104,608
Excess profit tax	–	–	–	239
Income tax expenses	142,785	193,598	437,820	526,138

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

31. CONSOLIDATION

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

	Main activity	Country of incorporation	Ownership percentage		
			September 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)	
1	National Company “KazMunayGas” JSC (“NC KMG”) and subsidiaries	Exploration, production, processing and transportation of oil and gas	Kazakhstan	87.42%	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	90.00% + 1	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” 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 Stantsiya Ekibastuzskaya	Procurement activities	Kazakhstan	100.00%	100.00%
15	GRES-2 JSC (“EGRES-2”) and subsidiaries	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%

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

32. 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 during the nine months ended September 30, 2023 and 2022 and the related balances as at September 30, 2023, and December 31, 2022, respectively:

<i>In millions of tenge</i>		Associates	Joint ventures	Other state-controlled entities
Trade and other accounts receivable	September 30, 2023	3,825	65,803	71,728
	December 31, 2022	6,546	63,217	48,761
Trade and other payables	September 30, 2023	58,307	448,706	15,663
	December 31, 2022 (restated)	60,274	213,335	10,106
Sale of goods and services	September 30, 2023	81,921	465,327	726,104
	September 30, 2022 (restated)	115,862	338,691	816,838
Purchase of goods and services	September 30, 2023	179,040	1,833,773	130,699
	September 30, 2022 (restated)	154,266	2,053,088	62,648
Other income/(loss), net	September 30, 2023	2,425	(505)	(14,968)
	September 30, 2022 (restated)	7,353	27,303	1,774
Cash and cash equivalents, and amounts due from credit institutions	September 30, 2023	–	266	105,019
	December 31, 2022	–	242	278,176
Loans issued	September 30, 2023	8,432	119,609	38,099
	December 31, 2022	10,947	117,605	7,952
Borrowings	September 30, 2023	3,505	14,879	1,087,608
	December 31, 2022	7,002	13,262	1,017,795
Other assets	September 30, 2023	17,518	19,131	615,557
	December 31, 2022 (restated)	19,023	19,218	328,926
Lease and other liabilities	September 30, 2023	18,273	134,908	65,712
	December 31, 2022	26,483	189,399	59,078
Interest accrued due from related parties	September 30, 2023	1,008	12,714	41,063
	September 30, 2022	1,192	16,158	10,372
Interest accrued due to related parties	September 30, 2023	2,043	13,245	72,294
	September 30, 2022	2,252	327	64,043

As at September 30, 2023 some of the Group’s borrowings in the amount of 18,289 million tenge were guaranteed by the Government of the Republic of Kazakhstan (as at December 31, 2022: 16,026 million tenge).

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

32. RELATED PARTY DISCLOSURES (continued)

For the nine months ended September 30, 2023 the total compensation to key management personnel (members of the Boards of Directors and Management boards of the Fund and its subsidiaries) included in personnel costs in the accompanying interim consolidated statement of comprehensive income equaled 5,485 million tenge (for the nine months ended September 30, 2022: 4,372 million tenge). Compensation to key management personnel consists primarily of contractual salary and performance bonus based on operating results.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

The carrying amount of the financial instruments of the Group as at September 30, 2023 and December 31, 2022 is a reasonable estimate of their fair value for the following financial instruments:

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	September 30, 2023 (unaudited)
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	–	–	119,610	119,610
Financial assets measured at fair value through OCI	1,184	69,152	73	70,409
Financial assets at fair value through profit and loss	51,511	67,121	38,053	156,685
Derivative financial assets	–	539	1,301	1,840

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2022 (audited)
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

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

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

As at September 30, 2023 and December 31, 2022 the carrying amount of the Group’s financial instruments approximates their fair value except for the following financial instruments:

<i>In millions of tenge</i>	September 30, 2023 (unaudited)					December 31, 2022 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment			Carrying amount	Fair value	Fair value by level of assessment		
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Financial assets										
Loans issued at amortized cost and net investment in finance lease	145,055	140,558	–	5,922	134,636	101,104	83,451	–	10,392	73,059
Amounts due from credit institutions	980,820	973,650	728,674	244,976	–	1,703,873	1,694,238	1,206,833	487,386	19
Financial liabilities										
Borrowings	7,812,214	7,162,252	3,478,227	2,480,217	1,203,808	7,609,261	6,917,679	3,546,266	2,192,828	1,178,585
Loans from the Government of the Republic of Kazakhstan	794,790	562,875	–	562,875	–	683,604	500,904	–	500,904	–
Guarantee obligations	34,400	34,822	–	33,398	1,424	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.

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

33. FAIR VALUE 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 September 30, 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	9.21%-14.08%	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	3.5%+12M LIBOR+forex adjustment	3.5%+12M Libor+ forex adjustment
Amounts due from credit institutions	Discounted cash flow method	Interest/ discount rate	14.5%	14.1%
Borrowings	Discounted cash flow method	Interest/ discount rate	4.7%-17%	5.7%-17%
Financial guarantee issued	Discounted cash flow method	Interest/ discount rate	15.39%-17.01%	12.31%-16.68%

34. COMMITMENTS AND CONTINGENCIES

In addition to the contingent liabilities and commitments disclosed in the Group annual consolidated financial statements of the Group for the year ended December 31, 2022, the following changes have taken place during the nine months ended September 30, 2023:

Taxation

Tax audit of Samruk-Energy 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 was prolonged until December 31, 2024. In 2021-2022 SRC, as part of a pilot project on horizontal monitoring, inspected the historical data related to the EGRES-1 and Samruk-Energy (Head office) for the five years period. Also, tax audits were conducted and acts with the results of tax audit were issued. The main non-compliances relate to the improper interest expense deducted for tax purposes and underaccrual of withholding tax. The Group has expressed its disagreement and continues to contest the tax audit results.

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.

Tax audit of JV KATCO LLP

A tax audit of withholding income tax of non-residents for 2014-2018, completed in 2021, resulted for JV KATCO LLP in additional charges on CIT on payments of dividends and royalties of 10,482 million tenge and penalties of 9,441 million tenge. By the decision of the Appellate Commission of the Ministry of Finance, the amount of the fine was reduced to 5,358 million tenge. In 2022, JV KATCO LLP continued to appeal to the court, and by the decisions of the court of first instance and the court of appeal, the amount of additional charges was reduced of 15,761 million tenge. In November 2022, the State Revenue Department filed a complaint with the Supreme Court to cancel the decision of the Court of Appeal, and in April 2023 the issue was considered in favour of JV KATCO LLP.

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

34. COMMITMENTS AND CONTINGENCIES (continued)**Legal proceedings**

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 Stati’s claim to enforce the award against the Fund.

On December 18, 2020 the Supreme Court overturned the decision of the Amsterdam Court of Appeal from 7 May 2019 to maintain the arrest and referred the case to the Court of Appeal in The Hague.

On June 14, 2022 the Court of Appeal of The Hague issued a decision, according to which the arrest of Kashagan shares owned by the Fund, imposed in September 2017, was lifted. On August 8, Stati filed an appeal against the decision of the Court of Appeal of The Hague of 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. However, the Stati has the right to appeal this decision.

The case of an administrative offense of the Pavlodar Refinery LLP (further Pavlodar Refinery) initiated by the Department of Agency for protection and development of competition of RK (further 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 the Republic of Kazakhstan 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 (*Note 20*).

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

34. COMMITMENTS AND CONTINGENCIES (continued)**Legal proceedings (continued)***Share of Atyrau refinery in the Liquefied Petroleum Gas Storage Park LLP (further LPGSP)*

In 2020, Atyrau refinery sold a 50% stake in the authorized capital of its joint venture, LPGSP, to a third party, Joint Technologies LLP (further JT). As a result of this transaction, the Group lost the joint control over LPGSP. However, on May 3, 2023, the Specialized Court for Administrative Cases of the Atyrau Region canceled the order on state re-registration of a 50% share of LPGSP in favor of JT, satisfying the claim of the Agency for Protection and Development of the category of the Republic of Kazakhstan. JT did not agree with the court's decision and is currently in process of appealing in accordance with the procedure established by law.

As a result of the analysis, as of September 30, 2023, the Group concluded that it obtained joint control over LPGSP, in accordance with IAS 28 *Investments in Associates and Joint Ventures*, and respectively, the Group recognized the investment in LPGSP as a joint venture in these interim condensed consolidated financial statements.

QazaqGas legal proceedings

In 2019, the Group purchased 2,026,419 thousand cubic meters 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 QazaqGas group's management, in relation to this transaction. During 2022, Asiagas Chunja LLP returned 14,565 million tenge to the Group's accounts. 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 Asiagaz Chundja LLP, as well as one of the former members of the QazaqGas group's management, in relation to this gas sale and purchase transaction. On June 29, 2023, the sentence was canceled. The case is subject to consideration by the Court of Appeal according to the rules of the court of first instance in a collegiate 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 QazaqGas 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 due to adjustments to costs.

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", NC 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. The claim is currently being analyzed by the KRG's legal consultant.

The Group believes that the risk of loss is not probable as of September 30, 2023.

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

34. COMMITMENTS AND CONTINGENCIES (continued)**Legal proceedings (continued)***NAC KAP legal proceedings*

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 NAC KAP in the amount of 50,000,000 US dollars under a Framework Agreement (support for asset recovery activities) dated December 25, 2013, which was expired on December 26, 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 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 of the Rights of Investors in Foreign Countries 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.

NAC KAP believes that the decision of the Judicial Collegium for Economic Disputes of the Supreme Court of the Russian Federation of 7 December 2022 was made with violations and intends to appeal the judicial acts to all higher instances.

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, on May 11, 2023, the 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, NAC KAP's complaint was denied.

Also, 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, on October 19, 2023 the Court rejected the Company's appeal and upheld the decision of the Arbitration Court of the Irkutsk Region dated May 3, 2023.

To continue protecting the interests of NAC KAP, on November 1, 2023 a cassation appeal was filed 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. The court has scheduled the consideration of the cassation appeal for January 17, 2024. As of September 30, 2023 the NAC KAP has not recognized any liability related to this litigation.

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 Fund 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. The carbon neutrality means the zero greenhouse emissions by achieving a balance between emitting and absorbing carbon from the atmosphere in carbon sinks..

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 interim condensed consolidated financial statements.

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

34. COMMITMENTS AND CONTINGENCIES (continued)

Environmental, Social and Governance (ESG) matters - Consideration of climate change and resulting climate related risks (continued)

Modernisation of Almaty CHP-2 with the minimization of the environmental impact

During the nine months of 2023 the following activities have been carried out within the framework of the project:

- On June 8, 2023 a loan agreement between Almaty Electric Stations JSC (AIES) and the Development Bank of Kazakhstan was concluded;
- On June 9, 2023 a Credit Agreement was concluded between AIES and the Asian Development Bank. The agreements were concluded under the guarantee of the Fund;
- On May 31, 2023 an EPC contract was concluded between AIES and a consortium of three companies from China: Dongfang Electric International Corporation & Powerchina Sepco1 Electric Power Construction Co., Ltd & Powerchina Hebei Electric Power Engineering Co., Ltd;
- On July 5, 2023 an advance payment of 10% of the EPC contract amount was paid;
- Work is underway on engineering-geological surveys.

Modernisation of Almaty CHP-3

During the nine months of 2023 the following activities have been carried out within the framework of the project:

- The periods of project’s realisation were changed to 2023-2027 (December 31, 2022: 2023-2025);
- On March 17, 2023 an agreement on the purchase of services for maintaining the electric power capacity during the construction of newly commissioned generating units with maneuverable generation mode was signed with the Settlement and Financial Center for Support of Renewable Energy Sources LLP;
- On September 8, 2023 the EPC contract was signed;
- Work has begun on engineering-geological surveys;
- On September 29, 2023 an offer document was signed for registration on the AIX exchange for the purpose of issuing ESG bonds for 236,859 million tenge;
- On September 8, 2023 AIES entered into an EPC contract in the amount of 256,968 million tenge, including VAT.

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 of Ecology for 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 Department of Ecology) conducted an inspection of onshore facilities of North Caspian Operating Company N.V., which is the operator of the North Caspian Production Sharing Agreement (further Operator). Based on the results of the inspection, the Operator was issued an order to eliminate violations including on sulfur placement.

The Operator did not agree with the results of the inspection and filed an administrative claim. On June 14, 2023, Astana Interregional Administrative Court announced its award in favor of Operator on sulfur placement. The dispute is currently being considered by the Court of Appeal of the Republic of Kazakhstan and an environmental assessment has been appointed.

Inspection on compliance with established and additional volume of greenhouse gas emission quotas for Karabatan Utility Solutions LLP (KUS)

Based on the results of the 2021 KUS inspection conducted by the Department of Ecology for the Atyrau Region, it was found that greenhouse gas emissions exceeded the agreed quotas. By the decision of the Specialized Court for Administrative Offenses of the city of Atyrau dated June 30, 2023, an administrative fine in the amount of 7,224 million tenge was imposed on the KUS.

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

34. COMMITMENTS AND CONTINGENCIES (continued)

Environmental audits (continued)

Inspection on compliance with established and additional volume of greenhouse gas emission quotas for Karabatan Utility Solutions LLP (KUS) (continued)

Due to disagreement with the results of the inspection and the court’s decision, the KUS carried out work to appeal it, but the judicial panel of the Atyrau Regional Court did not satisfy the KUS complaint. In October 2023, 7,224 million tenge was withdrawn from the current accounts of KUS based on the executive document to pay the fine.

As of September 30, 2023 the KUS recognized the provision for the fine in the amount of 7,224 million tenge in other operating expenses. However, the management of the KUS intends to appeal the above decisions to the Supreme Court of the Republic of Kazakhstan and/or submit the request to the Prosecutor General's Office of the Republic of Kazakhstan to introduce a protest by the end of 2023.

Subsoil use contract for the Irkol deposit

The subsoil use contract for the Irkol field expires on March 4, 2024. The Group has initiated the procedure for extending the contract, and is currently at the stage of obtaining state environmental assessment. The Group expects to receive an extension of the subsoil use contract before its expiration.

Kazakhstan local market obligation

The Government requires oil companies in the Republic of 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 performance.

During the nine months ended September 30, 2023 in accordance with its obligations, the Group delivered 5,729 thousand tons of crude oil (2022: 7,951 thousand tons), including its share in the joint ventures and associates, to the Kazakhstan market.

Oil supply commitments

As of September 30, 2023, the Group had commitments to supply oil products under the oil supply agreements in the total amount of 4.3 million tons till December 2025. (December 31, 2022: 6.6 million tons).

Commitments under subsoil use contracts

As at September 30, 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:

<i>In millions of tenge</i>	Capital expenditures	Operational expenditures
Year		
2023	289,237	119,048
2024	437,274	113,678
2025	543,946	118,441
2026	508,850	117,487
2027-2049	3,156,334	1,634,737
Total	4,935,641	2,103,391

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

34. COMMITMENTS AND CONTINGENCIES (continued)

Capital commitments

As at September 30, 2023 the Group, including its joint ventures, had capital commitments of approximately 2,030,153 million tenge related to acquisition and construction of property, plant and equipment, excluding VAT (December 31, 2022: 1,418,761 million tenge, excluding VAT).

As at September 30, 2023, the Group had commitments in the total amount of 1,384,190 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 Republic of Kazakhstan and CRNM to facilitate production units.

Unconditional gas purchase obligations to the joint ventures

As at September 30, 2023, the Group has unconditional purchase obligation to Asia Gas Pipeline LLP and Beineu-Shymkent Gas Pipeline LLP of 18,370 million tenge and 66,538 million tenge, excluding VAT, comprising gas transportation services (31 December 2022: 95,558 million tenge and 216,131 million tenge, excluding VAT).

Distributions to the Public fund “Kazakhstan Khalkyna”

In accordance with the 20 Article of the Law of RoK “On Sovereign Wealth Fund”, the Fund annually distributes not less than seven percent of net income of the Fund to a non-profit organization represented by the Public fund “Kazakhstan Khalkyna” according to the separate financial statements. The liability on distribution is recognized by the decision of of the Sole Shareholder.

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

35. SEGMENT REPORTING

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at September 30, 2023 and for the nine months then ended:

<i>In millions of tenge</i>	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	6,716,747	1,390,013	1,796,091	528,656	497,348	14,869	42,186	11,345	-	10,997,255
Revenue from contracts with customers	6,708,219	1,389,671	1,759,537	528,656	497,342	14,869	-	1,808	-	10,900,102
Interest revenue	-	-	-	-	-	-	42,186	5,491	-	47,677
Rental income	8,528	342	36,554	-	6	-	-	4,046	-	49,476
Revenues from sales to other segments	135,341	74	16,294	3,725	65,071	10,694	577,037	12,021	(820,257)	-
Total revenue	6,852,088	1,390,087	1,812,385	532,381	562,419	25,563	619,223	23,366	(820,257)	10,997,255
Geographical markets										
Kazakhstan	1,360,195	644,456	1,511,090	516,472	543,492	25,383	619,223	23,366	(820,257)	4,423,420
Other countries	5,491,893	745,631	301,295	15,909	18,927	180	-	-	-	6,573,835
Gross profit	1,458,004	393,413	432,550	177,447	164,416	6,884	550,979	11,017	(560,977)	2,633,733
General and administrative expenses	(149,970)	(44,441)	(94,887)	(33,751)	(20,175)	(2,254)	(8,880)	(3,535)	6,583	(351,310)
Transportation and selling expenses	(595,472)	(16,424)	(9,811)	(16,903)	(10,067)	(847)	-	(19)	10,299	(639,244)
Finance income	139,719	33,488	23,335	29,022	13,635	2,399	75,139	42,716	(23,005)	336,448
Finance costs	(326,330)	(7,370)	(149,249)	(33,842)	(37,746)	(4,417)	(18,542)	(20,152)	89,985	(507,663)
Share in profits/(loss) of joint ventures and associates	825,955	45,985	6,664	-	10,987	(86)	5,874	(13)	-	895,366
Foreign exchange gain/(loss), net	65,077	(1,635)	(25,485)	(5)	366	(25)	36,009	3,329	4,239	81,870
Income tax expenses	(258,797)	(82,018)	(32,053)	(26,184)	(27,592)	(420)	(5,530)	(5,100)	(126)	(437,820)
Total net profit for the period	1,168,190	294,923	158,644	91,958	77,278	(6,829)	642,252	25,408	(466,258)	1,985,566
Other segment information										
Total assets of the segment	21,297,217	3,055,665	5,323,469	1,655,318	2,016,694	160,741	10,674,740	608,412	(7,772,979)	37,019,277
Total liabilities of the segment	8,108,326	650,170	3,493,199	792,780	928,948	80,711	2,796,886	453,554	(2,152,289)	15,152,285
Investments in joint ventures and associates	6,717,852	664,486	27,732	-	114,234	3,852	53,485	-	(32,341)	7,549,300

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

35. SEGMENT REPORTING (continued)

The following table represents information about profit and loss of operating segments of the Group for the nine months ended September 30, 2022 and assets and liabilities as at December 31, 2022:

<i>In millions of tenge</i>	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	7,510,538	1,475,744	1,399,826	502,742	429,596	19,838	37,691	14,538	-	11,390,513
<i>Revenue from contracts with customers</i>	<i>7,501,947</i>	<i>1,475,477</i>	<i>1,386,931</i>	<i>502,742</i>	<i>429,589</i>	<i>19,838</i>	-	<i>5,031</i>	-	<i>11,321,555</i>
Interest revenue	-	-	-	-	-	-	37,691	4,682	-	42,373
Rental income	8,591	267	12,895	-	7	-	-	4,825	-	26,585
Revenues from sales to other segments	28,290	31	7,443	3,589	58,512	6,564	757,287	8,825	(870,541)	-
Total revenue	7,538,828	1,475,775	1,407,269	506,331	488,108	26,402	794,978	23,363	(870,541)	11,390,513
Geographical markets										
Kazakhstan	1,142,615	779,965	1,158,575	490,149	468,628	22,339	794,978	23,363	(870,541)	4,010,071
Other countries	6,396,213	695,810	248,694	16,182	19,480	4,063	-	-	-	7,380,442
Gross profit	1,809,606	340,045	292,525	177,465	170,072	6,412	741,705	11,449	(759,301)	2,789,978
General and administrative expenses	(142,218)	(31,035)	(83,896)	(37,665)	(20,244)	(3,789)	(11,880)	(2,791)	8,356	(325,162)
Transportation and selling expenses	(644,234)	(16,999)	(7,596)	(8,919)	(8,866)	(566)	-	(8)	9,551	(677,637)
Finance income	113,778	17,310	41,021	16,393	7,853	1,930	31,698	30,023	(54,242)	205,764
Finance costs	(262,833)	(7,402)	(121,637)	(34,448)	(41,808)	(4,521)	(54,256)	(42,911)	84,302	(485,514)
Share in profits/(loss) of joint ventures and associates	1,057,881	74,759	2,878	-	11,960	(154)	3,933	69	-	1,151,326
Foreign exchange gain/(loss), net	34,545	17,286	(37,372)	10,081	(616)	(131,990)	45,663	(15,266)	(7,719)	(85,388)
Income tax (expenses)/benefit	(347,075)	(75,787)	(34,175)	(36,744)	(29,236)	(155)	(2,782)	4,798	(4,982)	(526,138)
Total net profit/(loss) for the period	1,575,273	320,257	47,310	80,861	88,061	(135,312)	1,086,011	(13,930)	(1,058,105)	1,990,426
Other segment information										
Total assets of the segment	19,835,479	2,977,419	4,632,180	1,593,990	1,750,872	179,461	9,603,793	337,055	(7,278,961)	33,631,288
Total liabilities of the segment	7,774,919	610,700	3,077,764	835,531	801,496	73,385	2,527,357	201,901	(2,065,187)	13,837,866
Investments in joint ventures and associates	5,896,273	690,634	28,799	-	103,247	3,788	45,006	35	(32,341)	6,735,441

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

35. SEGMENT REPORTING (continued)

The following tables represents information about profit and loss of operating segments of the Group for the three months ended September 30, 2023 and September 30, 2022:

<i>In millions of tenge</i>	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	2,402,017	415,774	647,095	182,851	176,948	5,133	17,696	3,477	-	3,850,991
Revenue from contracts with customers	2,400,166	415,657	633,841	182,851	176,946	5,133	-	765	-	3,815,359
Interest revenue	-	-	-	-	-	-	17,696	1,445	-	19,141
Rental income	1,851	117	13,254	-	2	-	-	1,267	-	16,491
Revenues from sales to other segments	31,816	53	5,558	1,083	9,808	1,857	53,491	3,609	(107,275)	-
Total revenue	2,433,833	415,827	652,653	183,934	186,756	6,990	71,187	7,086	(107,275)	3,850,991
Geographical markets										
Kazakhstan	430,017	233,416	527,818	178,361	182,472	6,982	71,187	7,086	(107,275)	1,530,064
Other countries	2,003,816	182,411	124,835	5,573	4,284	8	-	-	-	2,320,927
Gross profit	529,420	94,875	157,971	58,333	45,354	1,025	40,433	2,774	(33,640)	896,545
General and administrative expenses	(53,282)	(10,334)	(33,993)	(9,523)	(6,636)	(739)	(3,385)	(1,154)	2,811	(116,235)
Transportation and selling expenses	(199,945)	(2,862)	(3,323)	(7,546)	(2,425)	(314)	-	(5)	2,416	(214,004)
Finance income	48,297	15,111	6,146	10,829	3,551	881	27,318	23,419	(7,333)	128,219
Finance costs	(111,441)	(2,758)	(49,380)	(12,462)	(11,937)	(1,488)	(12,720)	(1,163)	28,333	(175,016)
Share in profits/(loss) of joint ventures and associates	269,985	8,523	1,778	-	2,147	(35)	1,358	(1)	-	283,755
Foreign exchange gain/(loss), net	6,198	7,981	(29,205)	3,881	411	19	46,275	(149)	(173)	35,238
Income tax expenses	(93,272)	(20,629)	(6,892)	(8,745)	(7,445)	(136)	(1,563)	(3,281)	(822)	(142,785)
Total net profit/(loss) for the period	509,275	68,844	42,511	34,616	20,018	(8,155)	111,162	19,709	(2,879)	795,101

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

35. SEGMENT REPORTING (continued)

<i>In millions of tenge</i>	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	2,359,442	496,738	565,584	183,064	138,012	6,686	13,094	8,186	-	3,770,806
Revenue from contracts with customers	2,357,021	496,615	559,138	183,064	138,009	6,686	-	4,719	-	3,745,252
Interest revenue	-	-	-	-	-	-	13,094	2,017	-	15,111
Rental income	2,421	123	6,446	-	3	-	-	1,450	-	10,443
Revenues from sales to other segments	12,242	19	3,200	1,348	23,641	2,419	276,853	3,253	(322,975)	-
Total revenue	2,371,684	496,757	568,784	184,412	161,653	9,105	289,947	11,439	(322,975)	3,770,806
Geographical markets										
Kazakhstan	408,252	233,999	474,132	177,690	154,508	7,646	289,947	11,439	(322,975)	1,434,638
Other countries	1,963,432	262,758	94,652	6,722	7,145	1,459	-	-	-	2,336,168
Gross profit	617,039	133,739	166,013	71,655	53,693	1,334	268,748	4,592	(271,773)	1,045,040
General and administrative expenses	(48,593)	(10,528)	(30,955)	(10,777)	(5,818)	(1,818)	(2,956)	(949)	3,158	(109,236)
Transportation and selling expenses	(215,605)	(6,366)	(3,269)	(4,806)	(2,724)	(164)	-	(2)	2,611	(230,325)
Finance income	45,603	3,948	9,717	7,088	2,795	848	17,819	10,638	(22,070)	76,386
Finance costs	(83,450)	(2,240)	(42,922)	(11,692)	(13,812)	(1,480)	(21,286)	(11,496)	33,569	(154,809)
Share in profits/(loss) of joint ventures and associates	341,398	27,429	2,599	-	3,858	(50)	1,093	14	-	376,341
Foreign exchange gain/(loss), net	165,371	65	(72,120)	1,148	(7,045)	(131,163)	103,678	3,412	(5,813)	57,533
Income tax (expenses)/benefit	(112,317)	(29,033)	(23,386)	(14,935)	(9,650)	(62)	(1,670)	32	(2,577)	(193,598)
Total net profit/(loss) for the period	672,230	128,335	2,712	35,008	20,780	(132,593)	701,731	6,737	(598,421)	836,519

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

36. SUBSEQUENT EVENTS**Acquisition of a subsidiary**

On October 9, 2023 NC KMG signed a purchase agreement with TotalEnergies EP Danmark A/S for a 100% share of Total E&P Dunga GmbH. The base consideration comprises of 330 million US dollars to be adjusted at the transaction closing date. The agreement contains certain closing conditions precedent, which were met on October 30, 2023. Taking into account the received consent of the Agency for Protection and Development of Competition of the Republic of Kazakhstan, on November 20, 2023, NC KMG and TotalEnergies EP Danmark A/S completed the transaction to acquire KMG 100% of the shares in the authorized capital of the company Total E&P Dunga GmbH, which owns 60 % subsoil use rights in the Dunga project, respectively. In accordance with the sales contract, a payment was made in the amount of 355,128 thousand US dollars (equivalent to 164,350 million tenge) on November 20, 2023.

Dividends received

In October 2023 the Group received dividends of 234 million rubles (equivalent to 1,119 million tenge) and 16,247 million tenge from the associates, United Transport and Logistics Company – Eurasian Rail Alliance and JV KATCO JSC, respectively.

Sale of shares in subsidiary that does not result in the loss of control

In accordance with the Shareholder’s Resolution the Fund will have carried out the alienation of 122,023,898 shares of NC KMG in favour of the National Bank of the Republic of Kazakhstan by the end of 2023.

Secondary Public Offering of KEGOC shares

On November 7, 2023 in accordance with the Shareholder’s Resolution the decision of the Fund’s Board of directors was approved on conducting the secondary placement of KEGOC’s additional authorized ordinary shares in the amount of up to 15.294.118 shares at a price of 1,482 tenge per share. The acceptance of applications was carried out from September 28 to November 2, 2023. As a result, the Fund’s share in KEGOC decreased to 85%.

Suspension of oil shipments at Caspian Pipeline Consortium (hereinafter – “CPC”)

On November 27, 2023, CPC stopped receiving Kashagan oil due to weather conditions in the Black Sea. The suspension of shipments at the CPC port lasted from November 24, 2023. On November 30, 2023 CPC resumed oil lifting on tankers. The weather remains unstable. The shipment will continue under favourable weather conditions.