

“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Interim condensed consolidated financial statements
(unaudited)

As at June 30, 2023 and for the three and six months then ended

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Report on Review of Interim Financial Information

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

Introduction

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

Scope of review

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

Conclusion

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

Ernst & Young LLP



Adil Syzdykov
Auditor

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

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

22 September 2023



Olga Khegay
Acting General Director
Ernst and Young LLP

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

<i>In millions of tenge</i>	Note	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)*
Assets			
Non-current assets			
Property, plant and equipment	8	14,471,627	14,427,698
Intangible assets	9	2,035,510	1,945,589
Exploration and evaluation assets		288,829	294,300
Investment property		33,147	36,529
Investments in joint ventures and associates	10	6,941,438	6,734,581
Amounts due from credit institutions	11	63,253	270,568
Loans issued and net investment in finance lease		136,800	151,726
Other non-current financial assets	12	767,684	739,611
Other non-current assets	13	1,189,114	473,725
Deferred tax assets		83,876	88,968
		26,011,278	25,163,295
Current assets			
Inventories	14	940,039	865,680
VAT receivable		252,113	203,658
Income tax prepaid		147,420	125,069
Trade accounts receivable	15	1,116,010	1,082,947
Amounts due from credit institutions	11	1,047,662	1,433,305
Loans issued and net investment in finance lease		101,347	66,889
Other current financial assets	12	811,594	347,702
Other current assets	15	407,917	250,092
Cash and cash equivalents	16	3,319,152	2,944,724
		8,143,254	7,320,066
Assets classified as held for sale or distribution to the Shareholder	7	1,067,868	1,140,071
		9,211,122	8,460,137
Total assets		35,222,400	33,623,432

The explanatory notes on pages 9 through 60 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	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)*
Equity and liabilities			
Equity attributable to equity holder of the Parent			
Share capital	17.1	5,345,362	5,268,819
Currency translation reserve		2,061,324	2,220,063
Revaluation reserve of investments at fair value through other comprehensive income		35,804	35,519
Hedging reserve		(4,474)	(5,900)
Other capital reserves		(16,986)	(16,986)
Retained earnings		10,793,357	9,780,516
		18,214,387	17,282,031
Non-controlling interests		2,488,090	2,504,016
Total equity		20,702,477	19,786,047
Non-current liabilities			
Borrowings	18	5,509,559	5,400,163
Loans from the Government of the Republic of Kazakhstan	19	771,393	679,844
Provisions	20	455,312	407,211
Lease liabilities		483,751	482,968
Employee benefit liabilities		125,504	126,562
Other non-current liabilities		178,520	178,680
Deferred tax liabilities		1,741,003	1,659,040
		9,265,042	8,934,468
Current liabilities			
Borrowings	18	1,061,840	1,267,512
Loans from the Government of the Republic of Kazakhstan	19	9,610	3,760
Provisions	20	138,444	155,101
Income taxes payable		28,620	79,110
Trade and other payables	21	1,270,767	1,126,522
Lease liabilities		143,833	138,192
Employee benefit liabilities		13,156	13,488
Other current liabilities	21	1,576,605	1,074,139
		4,242,875	3,857,824
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	7	1,012,006	1,045,093
		5,254,881	4,902,917
Total liabilities		14,519,923	13,837,385
Total equity and liabilities		35,222,400	33,623,432

* 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



Arman Ryskulov

Chief accountant

Amaz Abdrakhmanova

The explanatory notes on pages 9 through 60 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2023

<i>In millions of tenge</i>	Note	For the three months ended June 30		For the six months ended June 30	
		2023 (unaudited)	2022 (unaudited) (restated)*	2023 (unaudited)	2022 (unaudited) (restated)*
Revenue	22	3,617,038	4,104,479	7,146,264	7,619,707
Government grants		19,641	9,245	31,983	16,887
		3,636,679	4,113,724	7,178,247	7,636,594
Cost of sales	23	(2,723,056)	(3,029,608)	(5,441,059)	(5,891,656)
Gross profit		913,623	1,084,116	1,737,188	1,744,938
General and administrative expenses	24	(119,715)	(116,568)	(235,075)	(215,926)
Transportation and selling expenses	25	(214,670)	(247,134)	(425,240)	(447,312)
Expected credit losses on financial assets, net		(9,380)	(11,004)	(11,230)	(14,335)
Impairment loss, net	26	(156,082)	(2,557)	(162,296)	(1,883)
Gain on disposal of subsidiaries		1,076	-	7,358	-
Other operating income	7, 34	43,750	2,906	62,234	2,906
Other operating loss	7	(9,303)	(2,184)	(18,119)	(2,184)
Operating profit		449,299	707,575	954,820	1,066,204
Finance costs	27	(167,666)	(161,943)	(332,647)	(330,705)
Finance income	28	101,372	84,740	208,229	129,378
Other non-operating loss		(12,437)	(15,833)	(25,459)	(31,720)
Other non-operating income		10,300	5,919	22,314	21,226
Share in profit of joint ventures and associates, net	29	308,341	391,029	611,611	774,985
Net foreign exchange gain/(loss)	2	44,246	(187,977)	46,632	(142,921)
Profit before income tax		733,455	823,510	1,485,500	1,486,447
Income tax expenses	30	(152,002)	(142,492)	(295,035)	(332,540)
Net profit for the period		581,453	681,018	1,190,465	1,153,907

The explanatory notes on pages 9 through 60 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	For the three months ended June 30		For the six months ended June 30	
		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	17.6	4,348	94,598	(189,960)	662,358
Unrealized gain/ (loss) from revaluation of investments at fair value through other comprehensive income		152	(997)	237	(3,175)
Gain/(loss) on cash flow hedge	17.7	1,494	(27,359)	3,101	17,530
Reclassification to profit or loss of the revaluation reserve for the sale of financial assets at fair value through other comprehensive income		(3)	(71)	160	(691)
Share of the OCI items of associates and joint ventures	10	1,403	965	1,611	3,474
Tax effect on transactions of OCI components		(1,298)	(5,568)	12,256	(42,574)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		6,096	61,568	(172,595)	636,922
<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	356	(15)	384	116
Actuarial gain on defined benefit plans		3,638	1,736	3,274	4,874
Tax effect on transactions of OCI components		(512)	(7)	(544)	(137)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		3,482	1,714	3,114	4,853
Other comprehensive income/(loss) for the period, net of tax		9,578	63,282	(169,481)	641,775
Total comprehensive income for the period, net of tax		591,031	744,300	1,020,984	1,795,682
Net profit for the period attributable to:					
Equity holder of the Parent		515,289	543,988	1,030,277	959,387
Non-controlling interests		66,164	137,030	160,188	194,520
		581,453	681,018	1,190,465	1,153,907
Total comprehensive income for the period, net of tax, attributable to:					
Equity holder of the Parent		521,203	602,333	878,055	1,558,070
Non-controlling interests		69,828	141,967	142,929	237,612
		591,031	744,300	1,020,984	1,795,682
Earnings per share attributable to equity holder of the Parent – tenge					
Basic and diluted	17.8	147.99	156.23	295.89	275.53

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

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

Chief accountant



The explanatory notes on pages 9 through 60 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2023

In millions of tenge	Note	Share capital	Additional paid-in capital	Attributable to the equity holder of the Parent						Non-controlling interest	Total
				Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings	Total		
Balance as at December 31, 2021 (audited)		5,268,580	-	32,694	1,894,545	(48,906)	(16,984)	8,125,704	15,255,633	1,917,459	17,173,092
Restatements	6	-	-	-	-	-	-	40,626	40,626	-	40,626
Balance as at December 31, 2021 (audited) (restated)*		5,268,580	-	32,694	1,894,545	(48,906)	(16,984)	8,166,330	15,296,259	1,917,459	17,213,718
Net profit for the period (restated)*		-	-	-	-	-	-	959,387	959,387	194,520	1,153,907
Other comprehensive (loss)/income for the period (restated)*		-	-	(1,443)	577,325	19,514	-	3,287	598,683	43,092	641,775
Total comprehensive (loss)/income for the period (restated)*		-	-	(1,443)	577,325	19,514	-	962,674	1,558,070	237,612	1,795,682
Issue of shares		-	239	-	-	-	-	-	239	-	239
Distributions to the Shareholder		-	-	-	-	-	-	(37,788)	(37,788)	(160,465)	(198,253)
Dividends (restated)*	17.2	-	-	-	-	-	-	(4,098)	(4,098)	(160,465)	(164,563)
Other distributions to the Shareholder		-	-	-	-	-	-	(33,690)	(33,690)	-	(33,690)
Discount on loans from the Government		-	-	-	-	-	-	(78)	(78)	-	(78)
Other equity movements		-	-	-	270	(270)	-	-	-	-	-
Balance as at June 30, 2022 (unaudited) (restated)		5,268,580	239	31,251	2,472,140	(29,662)	(16,984)	9,091,138	16,816,702	1,994,606	18,811,308

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

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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	
		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
Balance as at December 31, 2022 (audited)		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,738,130	2,504,016	19,743,661
Restatements	6	-	-	-	-	-	42,386	-	42,386
Balance as at December 31, 2022 (audited) (restated)*		5,268,819	35,519	2,220,063	(5,900)	(16,986)	9,780,516	2,504,016	19,786,047
Net profit for the period		-	-	-	-	-	1,030,277	160,188	1,190,465
Other comprehensive income/(loss) for the period		-	285	(159,039)	1,726	-	4,806	(17,259)	(169,481)
Total comprehensive income/(loss) for the period		-	285	(159,039)	1,726	-	1,035,083	142,929	1,020,984
Issue of shares	17.1	76,543	-	-	-	-	(59,628)	-	16,915
Distributions to the Shareholder		-	-	-	-	-	(99,131)	(161,800)	(260,931)
Dividends	17.2	-	-	-	-	-	(4,099)	(161,800)	(165,899)
Other distributions to the Shareholder	17.3	-	-	-	-	-	(95,032)	-	(95,032)
Other transactions with the Shareholder	17.4	-	-	-	-	-	(19,013)	-	(19,013)
Discount on loans from the Government	17.5	-	-	-	-	-	154,213	-	154,213
Change in ownership interests of subsidiaries – disposal of interest that does not result in the loss of control		-	-	-	-	-	1,317	3,536	4,853
Other equity movements		-	-	300	(300)	-	-	(591)	(591)
Balance as at June 30, 2023 (unaudited)		5,345,362	35,804	2,061,324	(4,474)	(16,986)	10,793,357	2,488,090	20,702,477

* 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



The explanatory notes on pages 9 through 60 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2023

<i>In millions of tenge</i>	Note	For the six months ended June 30, 2023 (unaudited)	For the six months ended June 30, 2022 (unaudited) (restated)*
Cash flows from operating activities			
Receipts from customers		8,144,315	7,972,124
Payments to suppliers		(4,312,177)	(4,596,771)
Payments to employees		(821,840)	(667,026)
Other taxes and payments		(1,068,154)	(931,362)
Operations with financial instruments		38,799	8,440
Short-term lease payments and variable lease payments		(82,590)	(47,985)
Other payments		(17,649)	(61,206)
VAT received		27,511	37,392
Income taxes paid		(261,601)	(179,199)
Interest paid		(293,669)	(268,666)
Interest received		167,423	70,623
Net cash flows received from operating activities		1,520,368	1,336,364
Cash flows from investing activities			
Acquisition of property, plant and equipment, exploration and evaluation assets and other non-current assets		(1,345,699)	(474,377)
Acquisition of intangible assets		(174,313)	(12,804)
Proceeds from the sale of property, plant and equipment		2,745	3,469
Proceeds from the sale of other non-current assets		4,414	1,152
Placement of bank deposits		(1,328,590)	(765,686)
Redemption of bank deposits		1,883,581	608,026
Sale/(acquisition) of joint ventures and associates, net		863	148
Additional contributions to share capital of joint ventures and associates without change in ownership	10	(11,050)	(125)
Dividends received from joint ventures and associates	10	237,466	258,669
Loans issued		(37,987)	(5,323)
Repayment of loans issued		15,351	14,870
Purchase of equity and debt instruments	12	(1,492,134)	(525,774)
Proceeds from sale/repayment by issuers of equity and debt instruments	12	1,062,795	405,035
Acquisition of subsidiaries, net of cash acquired with the subsidiary		(13)	-
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		11,996	-
Other payments		(3,978)	(7,218)
Net cash flows used in investing activities		(1,174,553)	(499,938)

The explanatory notes on pages 9 through 60 form an integral part of these interim condensed consolidated financial statements (unaudited).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

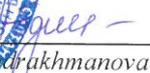
<i>In millions of tenge</i>	Note	For the six months ended June 30, 2023 (unaudited)	For the six months ended June 30, 2022 (unaudited) (restated)*
Cash flows from financing activities			
Proceeds from borrowings	18, 19	829,942	439,146
Repayment of borrowings	18	(571,154)	(602,329)
Repayment of lease liabilities		(71,536)	(58,404)
Distributions to the Shareholder	17.3	(17,887)	(33,413)
Dividends paid to non-controlling interests of subsidiaries	17.2	(113,171)	(102,634)
Disposal of interest that does not result in the loss of control		4,813	-
Dividends paid to the Shareholder	17.2	(4,099)	(4,098)
Other transactions with the Shareholder		(10,050)	-
Other (payments)/receipts		(4,028)	688
Net cash flows received/(used) in financing activities		42,830	(361,044)
Net increase in cash and cash equivalents		388,645	475,382
Effects of exchange rate changes on cash and cash equivalents		(45,239)	167,916
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		31,010	-
Change in allowance for expected credit losses		12	101
Cash and cash equivalents, at the beginning of the period		2,944,724	2,815,382
Cash and cash equivalents, at the end of the period	16	3,319,152	3,458,781

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

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


Atdal Baskulov

Chief accountant


Anna Abdrakhmanova

The explanatory notes on pages 9 through 60 form an integral part of
these interim condensed consolidated financial statements (unaudited).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

For the six months ended June 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 dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan dated October 17, 2008. The formation was enacted by the merger of “Sustainable Development Fund “Kazyna” JSC (hereinafter – “Kazyna”) and “Kazakhstan Holding Company for State Assets Management “Samruk” JSC (hereinafter – “Samruk”) and the additional transfer to the Fund of interests in certain entities owned by the Government of the Republic of Kazakhstan (hereinafter – the “State” or the “Government”). The Government is the sole shareholder of the Fund (hereinafter – the “Shareholder” or the “Parent”).

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

The Fund is a holding company combining companies listed in *Note 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 September 22, 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 six months ended June 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 six months ended June 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:

	June 30, 2023	December 31, 2022	Weighted average for the six months ended June 30, 2023	Weighted average for the six months ended June 30, 2022	September 22, 2023
United States dollar (“USD”)	452.51	462.65	451.80	450.06	475.25
Euro (“EUR”)	490.70	492.86	488.19	492.40	505.52
Russian ruble (“RUR”)	5.14	6.43	5.89	6.08	4.95

For the six months ended June 30, 2023, the Group had foreign exchange loss of 3,734,942 million tenge and foreign exchange gain of 3,781,574 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 June 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*).

Goodwill

KMG International N.V. (hereinafter KMGI CGU), including goodwill

As at June 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)

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 June 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 and «AES Ust-Kamenogorskaya GES» LLP (hereinafter Shulbinskaya GES and UK GES)

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. 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 and UK GES in predecessor's accounting books. Accordingly, these interim condensed consolidated financial statements were presented as if the shares of Shulbinskaya GES and UK GES were transferred at the beginning of the earliest presented period. As a result, relevant comparative information was restated.

**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 and «AES Ust-Kamenogorskay GES» LLP (hereinafter Shulbinskaya GES and UK GES)
(continued)

Assets and liabilities of Shulbinskaya GES and UK GES 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 and UK GES 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	41,754
Increase in intangible assets	227
	41,981
Increase in current assets	
Increase in inventories	196
Increase in income tax prepaid	122
Increase in trade accounts receivable	1,545
Increase in other current financial assets	2
Increase in other current assets	70
Increase in cash and cash equivalents	4,521
	6,456
Increase in total assets	48,437
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 trade and other payables	544
Increase in employee benefit liabilities	16
Increase in other current liabilities	581
	1,141
Increase in total liabilities	6,051
Increase in equity	
Increase in retained earnings	42,386
Increase in equity, attributable to equity holders of the Parent	42,386
Increase in total equity	42,386

**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 and «AES Ust-Kamenogorskay GES» LLP (hereinafter Shulbinskaya GES and UK GES)
(continued)

<i>In millions of tenge</i>	For the three months ended June 30, 2022	For the six months ended June 30, 2022
Impact on the results:		
Revenue	5,135	9,352
	5,135	9,352
Cost of sales	(2,924)	(5,366)
Gross profit	2,211	3,986
General and administrative expenses	(247)	(463)
Operating profit	1,964	3,523
Finance income	135	262
Other non-operating loss	(6)	(6)
Other non-operating income	20	34
Profit before income tax	2,113	3,813
Income tax expenses	(413)	(788)
Profit for the period	1,700	3,025
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	5
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods	5	5
Other comprehensive income for the period, net of tax	5	5
Total comprehensive income for the period, net of tax	1,705	3,030
Net profit for the period attributable to:		
Equity holders of the Parent Company	1,700	3,025
	1,700	3,025
Total comprehensive income attributable to:		
Equity holders of the Parent Company	1,705	3,030
	1,705	3,030

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

<i>In millions of tenge</i>	For the six months ended June 30, 2022
Operating	4,843
Investing	(636)
Financing	(4,098)
	109
Change in allowance for expected credit losses	(1)
Net increase in cash and cash equivalents	108

Increase in equity, attributable to equity holders of the Parent Company due to the acquisition of Shulbinskaya GES and UK GES amounted to 40,626 million tenge as at December 31, 2021.

The business of Shulbinskaya GES and UK GES is included in the Group’s Energy segment in these consolidated financial statements.

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

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

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 June 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 June 30, 2023.

**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)

Kazakhstan Petrochemical Industries Inc. LLP (hereinafter - KPI) (continued)

The assets and liabilities of KPI are presented as follows:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)*
Assets	
Property, plant and equipment	907,241
Intangible assets	36,997
Other non-current financial assets	1,727
Other non-current assets	40,880
Inventories	21,966
VAT receivable	762
Income tax prepaid	426
Other current financial assets	214
Other current assets	3,557
Cash and cash equivalents	49,750
Assets classified as held for sale	1,063,520
Liabilities	
Borrowings	939,453
Trade and other payables	55,657
Other current liabilities	8,091
Other non-current liabilities	35
Deferred tax liabilities	8,770
Liabilities associated with assets classified as held for sale	1,012,006
Net assets held for sale	51,514

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

For the six months ended June 30, 2023 as a result of its operating activities KPI incurred other operating income of 34,047 million tenge and other operating expenses of 18,119 million tenge (for the six months ended June 30, 2022: other operating income of 2,906 million tenge and other operating expenses of 2,184 million tenge).

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

<i>In millions of tenge</i>	Segment	June 30, 2023 (unaudited)	December 31, 2022 (audited)
Assets classified as held for sale		1,063,968	1,139,967
<i>Kazakhstan Petrochemical Industries Inc. LLP</i>	<i>Oil-and-gas and petrochemical</i>	1,063,520	1,092,783
<i>Railway Passenger Coach Construction Plant LLP</i>	<i>Transportation</i>	-	45,825
<i>Other</i>		448	1,359
Assets classified as held for distribution to Shareholder		3,900	104
		1,067,868	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	June 30, 2023 (unaudited)	December 31, 2022 (audited)
Liabilities associated with assets classified as held for sale		(1,012,006)	(1,045,093)
<i>Kazakhstan Petrochemical Industries Inc. LLP</i>	<i>Oil-and-gas and petrochemical</i>	(1,012,006)	(1,045,062)
<i>Railway Passenger Coach Construction Plant LLP</i>	<i>Transportation</i>	-	(31)
		(1,012,006)	(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	1,167,841	1,209,907	3,521,471	174,789	194,503	1,569,268	14,303,943
Foreign currency translation	342,321	28,725	10,739	386	34,320	–	8,970	12,582	438,043
Changes in estimates	(55,871)	(46,614)	(3,430)	–	(320)	(13)	1	–	(106,247)
Additions	30,501	535	14,179	174	19,674	19,473	1,294	368,573	454,403
Additions through lease agreements	1,766	33	7,626	–	25,658	–	3,230	–	38,313
Capitalized repair works on right-of-use assets	–	–	–	–	1,649	–	–	–	1,649
Lease modifications	–	86	60	–	546	–	2,747	–	3,439
Disposals	(9,960)	(32,495)	(12,300)	(31)	(20,138)	(4,115)	(2,218)	(284)	(81,541)
Depreciation charge	(140,962)	(70,055)	(37,025)	(19,534)	(184,882)	(17,471)	(10,520)	–	(480,449)
Depreciation and impairment on disposals	8,907	32,412	9,006	23	19,027	–	1,849	185	71,409
Impairment, net of reversal of impairment	–	(20)	218	(132)	(106)	–	(505)	(11)	(556)
Use of provision under an onerous contract	–	–	–	–	–	–	–	(1,125)	(1,125)
Transfer from/(to) assets classified as held for sale or distribution to the Shareholder	–	–	423	–	(74)	–	27	–	376
Transfers from/(to) intangible assets	(572)	–	–	–	60	–	–	(1,406)	(1,918)
Transfers to investment property	–	–	(819)	–	–	–	–	–	(819)
Transfer from/(to) inventories	2	(54)	–	(159)	7	5,165	29	763	5,753
Other transfers and reclassifications	57,138	12,976	9,072	26,548	114,213	33	2,242	(222,222)	–
Net book value at June 30, 2022 (unaudited) (restated)	4,730,280	1,894,683	1,165,590	1,217,182	3,531,105	177,861	201,649	1,726,323	14,644,673
Historical cost	7,012,612	3,844,839	1,870,673	1,542,882	6,454,459	406,508	412,925	1,825,745	23,370,643
Accumulated depreciation and impairment	(2,282,332)	(1,950,156)	(705,083)	(325,700)	(2,923,354)	(228,647)	(211,276)	(99,422)	(8,725,970)
Net book value at June 30, 2022 (unaudited) (restated)	4,730,280	1,894,683	1,165,590	1,217,182	3,531,105	177,861	201,649	1,726,323	14,644,673

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	2,408	512	1,349	–	25,693	–	2,005	–	31,967
Changes in estimates	–	–	–	–	–	–	1	–	1
Additions through lease agreements	1,766	33	7,626	–	25,658	–	3,230	–	38,313
Capitalized repair works on right-of-use assets	–	–	–	–	1,649	–	–	–	1,649
Lease modifications	–	86	60	–	546	–	2,747	–	3,439
Expiration/early termination of the lease agreements	–	(31,862)	(10,853)	–	(4,041)	–	(278)	–	(47,034)
Depreciation charge	(2,972)	(183)	(9,006)	–	(37,418)	–	(1,812)	–	(51,391)
Depreciation and impairment of right-of-use assets under expired/early terminated lease agreements	–	31,862	7,668	–	4,037	–	235	–	43,802
Impairment, net of reversal of impairment	–	–	–	–	–	–	(644)	–	(644)
Net book value at June 30, 2022 (unaudited)	28,797	6,623	58,949	–	409,351	–	32,027	–	535,747
Historical cost of right-of-use assets under lease agreements	44,112	8,005	109,368	–	701,535	–	44,790	–	907,810
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(15,315)	(1,382)	(50,419)	–	(292,184)	–	(12,763)	–	(372,063)
Net book value at June 30, 2022 (unaudited)	28,797	6,623	58,949	–	409,351	–	32,027	–	535,747

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

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	1,179,820	1,295,503	3,734,064	196,980	205,207	1,163,912	14,427,698
Foreign currency translation	(87,407)	(7,631)	(2,968)	(152)	(9,711)	–	(2,350)	(4,037)	(114,256)
Changes in estimates	1,218	2,920	(179)	–	(103)	(13)	–	–	3,843
Additions	12,975	1,012	19,673	138	39,593	22,019	3,933	609,854	709,197
Additions through lease agreements	–	–	9,953	–	35,394	–	30,306	–	75,653
Capitalized repair works on right-of-use assets	–	–	–	–	4,629	–	–	–	4,629
Lease modifications	–	19	4,136	–	123	–	543	–	4,821
Disposals	(7,878)	(964)	(4,415)	(81)	(41,966)	(22)	(2,519)	(2,675)	(60,520)
Depreciation charge	(176,206)	(76,537)	(34,208)	(21,181)	(198,628)	(23,301)	(10,608)	–	(540,669)
Depreciation and impairment on disposals	7,393	937	2,003	67	40,336	–	2,271	1,509	54,516
Impairment, net of reversal of impairment (Note 26)	–	(75,438)	(15,266)	25	(151)	–	106	(4,814)	(95,538)
Transfer to assets classified as held for sale or distribution to the Shareholder	–	–	–	–	(53)	–	(159)	–	(212)
Transfers from/(to) intangible assets (Note 9)	–	–	–	–	–	–	–	(78)	(78)
Transfers from/(to) investment property	–	–	(583)	–	–	–	–	–	(583)
Transfer from/(to) inventories	(20)	(4)	(1)	(1,139)	258	34	20	3,978	3,126
Other transfers and reclassifications	102,796	39,546	24,292	38,835	221,672	16,109	7,130	(450,380)	–
Net book value at June 30, 2023 (unaudited)	4,519,478	1,869,465	1,182,257	1,312,015	3,825,457	211,806	233,880	1,317,269	14,471,627
Historical cost	7,003,643	4,014,851	1,990,164	1,666,072	7,148,495	488,328	447,931	1,417,648	24,177,132
Accumulated depreciation and impairment	(2,484,165)	(2,145,386)	(807,907)	(354,057)	(3,323,038)	(276,522)	(214,051)	(100,379)	(9,705,505)
Net book value at June 30, 2023 (unaudited)	4,519,478	1,869,465	1,182,257	1,312,015	3,825,457	211,806	233,880	1,317,269	14,471,627

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, 2023 (audited)	27,643	95,397	58,021	–	445,233	–	31,092	–	657,386
Foreign currency translation	(729)	(130)	(963)	–	(7,759)	–	(473)	–	(10,054)
Additions through lease agreements	–	–	9,953	–	35,394	–	30,306	–	75,653
Capitalized repair works on right-of-use assets	–	–	–	–	4,629	–	–	–	4,629
Lease modifications	–	19	4,136	–	123	–	543	–	4,821
Expiration/early termination of the lease agreements	–	–	(3,526)	–	(18,364)	–	(3)	–	(21,893)
Depreciation charge	(2,722)	(11,313)	(5,991)	–	(44,339)	–	(2,429)	–	(66,794)
Depreciation and impairment of right-of-use assets under expired/early terminated lease agreements	–	–	1,393	–	18,269	–	2	–	19,664
Net book value at June 30, 2023 (unaudited)	24,192	83,973	63,023	–	433,186	–	59,038	–	663,412
Historical cost of right-of-use assets under lease agreements	40,863	119,049	108,379	–	851,811	–	76,720	–	1,196,822
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(16,671)	(35,076)	(45,356)	–	(418,625)	–	(17,682)	–	(533,410)
Net book value at June 30, 2023 (unaudited)	24,192	83,973	63,023	–	433,186	–	59,038	–	663,412

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

8. PROPERTY, PLANT AND EQUIPMENT (continued)

As at June 30, 2023 property, plant and equipment with net book value of 406,431 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2022: 822,711 million tenge).

As at June 30, 2023 the cost of fully amortised property, plant and equipment of the Group was equal to 1,388,708 million tenge (December 31, 2022: 1,363,651 million tenge).

For the six months ended June 30, 2023 the Group capitalized borrowing costs at an average interest rate of 12.56% in the amount of 31,192 million tenge (*Notes 18, 19*) (for the six months ended June 30, 2022: at an average interest rate of 5.83% in the amount of 34,214 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	79,821	2,004,209
Foreign currency translation	44,916	17,866	1,009	2,273	506	1,496	68,066
Additions	449	834	–	–	2,767	6,658	10,708
Disposals	(1,039)	–	–	–	(2,603)	(159)	(3,801)
Amortization charge	(21,514)	(17,976)	–	–	(12,292)	(5,139)	(56,921)
Accumulated amortization on disposals	1,035	–	–	–	2,588	33	3,656
Impairment, net of reversal of impairment	2	–	–	–	–	(465)	(463)
Transfers from/(to) property, plant and equipment	2	572	–	–	1,842	(498)	1,918
Transfer from other non- current assets	12	–	–	–	–	–	12
Other transfers and reclassifications	590	(12)	–	–	1,922	(2,500)	–
Net book value at June 30, 2022 (unaudited) (restated)	716,622	817,141	317,274	27,740	69,360	79,247	2,027,384
Historical cost	952,426	980,121	432,479	71,206	230,066	168,571	2,834,869
Accumulated amortization and impairment	(235,804)	(162,980)	(115,205)	(43,466)	(160,706)	(89,324)	(807,485)
Net book value at June 30, 2022 (unaudited) (restated)	716,622	817,141	317,274	27,740	69,360	79,247	2,027,384

**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	43,699	1,945,589
Foreign currency translation	(11,500)	(4,574)	(279)	(598)	(110)	(56)	(17,117)
Additions	156,175	1	-	-	15,679	4,437	176,292
Disposals	(53)	-	-	-	(468)	(67)	(588)
Amortization charge	(23,082)	(18,807)	-	-	(16,103)	(2,526)	(60,518)
Accumulated amortization on disposals	49	-	-	-	456	58	563
Impairment, net of reversal of impairment (<i>Note 26</i>)	1	-	(8,794)	-	2	-	(8,791)
Transfers from/(to) property, plant and equipment (<i>Note 8</i>)	12	-	-	-	47	19	78
Transfer from other non- current assets	2	-	-	-	-	-	2
Other transfers and reclassifications	(3,667)	-	-	-	2,732	935	-
Net book value at June 30, 2023 (unaudited)	812,917	772,386	307,999	26,688	69,021	46,499	2,035,510
Historical cost	1,084,024	971,401	432,012	68,506	250,456	126,074	2,932,473
Accumulated amortization and impairment	(271,107)	(199,015)	(124,013)	(41,818)	(181,435)	(79,575)	(896,963)
Net book value at June 30, 2023 (unaudited)	812,917	772,386	307,999	26,688	69,021	46,499	2,035,510

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

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	Main activity	Place of business	June 30, 2023 (unaudited)		December 31, 2022 (audited)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Joint ventures						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	3,895,503	20.00%	3,825,053	20.00%
Asia Gas Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	832,865	50.00%	710,273	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the gas pipeline	Kazakhstan	271,872	50.00%	238,236	50.00%
Mangistau Investments B.V.	Oil and gas development and production	Kazakhstan	185,634	50.00%	164,716	50.00%
Forum Muider B.V.	Production of coal	Kazakhstan	77,062	50.00%	68,159	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas products	Kazakhstan	63,121	50.00%	58,812	50.00%
Kazakhstan – China Pipeline LLP	Oil transportation	Kazakhstan	46,761	50.00%	37,138	50.00%
Valseira Holdings B.V. Group	Oil refining	Kazakhstan	36,643	50.00%	26,351	50.00%
Astana Gas KMG JSC	Construction of gas main pipelines	Kazakhstan	28,568	50.00%	28,034	50.00%
Other			215,511		212,007	
Total joint ventures			5,653,540		5,368,779	
Associates						
Caspian Pipeline Consortium JSC	Transportation of liquid hydrocarbons	Kazakhstan/Russia	489,955	20.75%	521,882	20.75%
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan	483,277	29.82%	491,846	29.82%
JV KATCO LLP	Extraction, processing and export of uranium products	Kazakhstan	99,477	49.00%	113,920	49.00%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	94,407	33.00%	94,635	33.00%
Other			120,782		143,519	
Total associates			1,287,898		1,365,802	
			6,941,438		6,734,581	

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

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

<i>In millions of tenge</i>	2023	2022
Balance as at January 1 (audited)	6,734,581	5,681,234
Share in profit of joint ventures and associates, net (Note 29)	611,611	774,985
Additional contributions without change in ownership	11,050	125
Other comprehensive income, other than foreign currency translation	1,995	3,590
Discount on loans issued	696	3,084
Dividends received	(237,466)	(258,669)
Change in dividends receivable	(50,107)	(159,808)
Impairment (Note 26)	(7,119)	(3,202)
Disposals	(1)	–
Acquisitions	1,195	146
Adjustment of unrealized income*	–	(1,576)
Foreign currency translation	(124,997)	407,063
Other changes and other changes in the equity of the joint venture	–	(182)
Balance as at June 30 (unaudited)	6,941,438	6,446,790

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

11. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited)
Bank deposits	1,048,843	1,638,585
Loans to credit institutions	63,884	67,614
Less: allowance for expected credit losses	(1,812)	(2,326)
Amounts due from credit institutions, net	1,110,915	1,703,873
Less: current portion	(1,047,662)	(1,433,305)
Non-current portion	63,253	270,568

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	Weighted average interest rate	December 31, 2022 (audited)	Weighted average interest rate
Amounts due from credit institutions, denominated in US dollars	617,167	5.13%	1,197,610	2.61%
Amounts due from credit institutions, denominated in tenge	493,585	6.47%	506,263	6.63%
Amounts due from credit institutions, denominated in other currencies	163	5.26%	–	–
	1,110,915		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>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Financial assets at fair value through other comprehensive income, including:	57,660	28,322
Treasury bills of foreign governments	32,763	839
Corporate bonds	15,988	17,931
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	6,885	7,428
Bonds of Kazakhstani financial institutions	1,951	2,051
Equity securities	73	73
Financial assets at amortized cost, including:	1,388,063	915,085
Notes of the National Bank of the Republic of Kazakhstan	424,710	176,715
Bonds of Kazakhstani financial institutions	374,170	355,054
Treasury bills of foreign governments	147,616	–
Corporate bonds	118,817	115,125
Bonds of foreign financial institutions	22,649	–
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	17,911	12,966
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan	1,934	1,988
Other financial assets at amortized cost, including:		
<i>Restricted cash</i>	205,960	225,060
<i>Other accounts receivable</i>	140,835	146,397
<i>Dividends receivable</i>	51,000	630
<i>Amounts due from employees</i>	11,330	9,948
<i>Other</i>	12,859	12,516
Less: allowance for expected credit losses	(141,728)	(141,314)
Financial assets at fair value through profit or loss, including:	133,555	143,906
Equity securities	116,281	124,960
Guaranteed returns from a shareholder of a joint venture	13,374	13,178
Corporate bonds	2,380	3,192
Options	1,319	1,868
Forward and futures contracts	201	681
Currency swaps	–	27
Total financial assets	1,579,278	1,087,313
Less: current portion	(811,594)	(347,702)
Non-current portion	767,684	739,611

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 six months ended June 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 June 30, 2023 the investment amounted to 424,710 million tenge.

During the six months ended June 30, 2023 the Group also invested in debt securities issued by the US Department of the Treasury (US Treasury) and foreign commercial banks. As of June 30, 2023 the investment amounted to 203,028 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>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Financial assets, denominated in tenge	1,045,899	765,062
Financial assets, denominated in US dollars	496,002	286,794
Financial assets, denominated in euro	29,436	15,772
Financial assets, denominated in rubles	1,599	301
Financial assets, denominated in other currency	4,822	16,808
	1,577,758	1,084,737

13. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited)
Advances paid for non-current assets	900,370	259,196
Long-term VAT receivable	296,684	225,712
Prepaid expenses	16,410	16,882
Long-term inventories	15,181	12,676
Other	31,626	20,726
Less: impairment allowance	(71,157)	(61,467)
	1,189,114	473,725

During the six months ended June 30, 2023 the Group paid advances in the amount of 317,000 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 six months ended June 30, 2023.

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

14. INVENTORIES

Inventories comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Uranium products (at lower of cost and net realizable value)	322,660	308,114
Production materials and supplies (at lower of cost and net realizable value)	84,395	77,729
Work in progress (at lower of cost and net realizable value)	71,712	68,803
Oil refined products for sale (at lower of cost and net realizable value)	71,667	60,670
Crude oil (at cost)	66,265	69,332
Goods for resale (at lower of cost and net realizable value)	47,404	41,139
Oil and gas industry materials and supplies (at cost)	47,084	44,767
Gas processed products (at cost)	41,182	33,518
Fuel (at lower of cost and net realizable value)	37,491	22,926
Railway industry materials and supplies (at cost)	26,628	21,738
Aircraft spare parts (at cost)	16,289	15,647
Electric transmission equipment spare parts (at cost)	6,692	5,855
Uranium industry materials and supplies (at lower of cost and net realizable value)	4,741	16,150
Telecommunication equipment spare parts (at cost)	3,031	2,248
Other materials and supplies (at lower of cost and net realizable value)	92,798	77,044
	940,039	865,680

15. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Trade accounts receivable	1,182,869	1,144,877
Less: allowance for expected credit losses	(66,859)	(61,930)
	1,116,010	1,082,947

Other current assets comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Advances paid and deferred expenses	301,092	141,406
Other prepaid taxes	99,116	97,030
Other non-financial current assets	16,113	19,986
Less: impairment allowance	(8,404)	(8,330)
	407,917	250,092

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 June 30, 2023 the Group paid advances of 87,740 million tenge under the “Comfortable school” national project.

As at June 30, 2023 the Group’s receivables of 148,207 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>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Bank deposits – US dollars	1,069,940	690,834
Bank deposits – tenge	413,616	607,290
Bank deposits – other currency	100,627	17,550
Current accounts with banks – US dollars	843,676	1,004,182
Current accounts with banks – tenge	287,375	363,236
Current accounts with banks – other currency	24,757	34,730
Reverse repurchase agreements and other treasury securities with contractual maturity of three months or less	531,217	164,541
Balances on brokerage accounts payable on demand	10,593	35,494
Cash in transit	29,458	18,258
Cash on hand	8,458	9,186
Less: allowance for expected credit losses	(565)	(577)
	3,319,152	2,944,724

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 June 30, 2023 current accounts with banks in tenge include cash in the amount of 157,550 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 June 30, 2023 the weighted average interest rates for short-term bank deposits were 15.44% in tenge, 4.63 % in US dollars, 6.34 % in other currency; and current accounts were 0.70% in tenge, 3.12% in US dollars, 2.90 % 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>	50	723,663,220	36,183
	40	586,110,925	23,445
<i>Shares issued and paid by contribution of property</i>	1,000	16,915,397	16,915
As at June 30, 2023 (unaudited)	3,481,962,499		5,345,362

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. 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.

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 (continued)

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 59,628 million tenge with respective decrease in the retained earnings in these interim condensed consolidated financial statements.

Property contributions

On April 14, 2023 the Fund issued 1,000 shares at par value of 16,915,397 tenge, which were paid off by the Shareholder by an immovable property with a fair value of 16,915 million tenge.

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

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 six months ended June 30, 2022: 2,241 million tenge and 1,857 million tenge, respectively, 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.

Dividends attributable to non-controlling interests

During the six months ended June 30, 2023 the Group declared dividends of 161,800 million tenge to the holders of non-controlling interests in National Company “KazMunayGas” JSC (hereinafter – “NC KMG”) group, National Atomic Company “Kazatomprom” JSC (hereinafter – “NAC KAP”), Kazakhstan Electricity Grid Operating Company JSC (hereinafter – “KEGOC”) and Air Astana JSC. Total amount of dividends paid to the holders of non-controlling interests during the six months ended June 30, 2023 equaled 113,171 million tenge.

During the six months ended June 30, 2022 the Group declared dividends of 160,465 million tenge to the holders of non-controlling interests in NC KMG group, NAC KAP and KEGOC. Total amount of dividends paid to the holders of non-controlling interests during the six months ended June 30, 2022 equaled 102,634 million tenge.

17.3 Other distributions to the Shareholder

Social projects financing

During the six months ended June 30, 2023 in accordance with the Shareholder’s resolutions the Fund recognised liabilities for financing of various social projects for the amount 30,049 million tenge as other distributions to the Shareholder in the interim condensed consolidated statement of changes in equity. As at June 30, 2023 the Group made repayment of these liabilities of 17,887 million tenge.

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

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

17. EQUITY (continued)

Financing construction of social facilities

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

17.4 Other transactions with the Shareholder

During the six months ended June 30, 2023, in accordance with the Order of the President of the RK on the construction of the multifunctional sport and recreation complex in Uralsk (further 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 Discount on loans from the Government

During the six months, ended June 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 six months, ended June 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.

During the six months, ended June 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.

17.6 Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. During the six months ended June 30, 2023 foreign translation difference amounted to 250,918 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 gain for the six months ended June 30, 2023 of 60,958 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

17.7 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 June 30, 2023 shall remain in equity until the forecasted revenue cash flows are received.

During the six months ended June 30, 2023 amount reclassified from the hedging reserve to foreign exchange loss from inception of the hedge was 2,115 million tenge before tax of 422 million tenge (during the six months ended June 30, 2022: 2,654 million tenge before tax of 531 million tenge).

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

17. EQUITY (continued)

17.7 Hedge reserve (continued)

Air Astana JSC (continued)

Hedge income attributable to non-controlling interests comprised 1,036 million tenge before tax of 207 million tenge (during the six months ended June 30, 2022: 1,301 million tenge before tax of 260 million tenge).

NC KMG

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

During the six months ended June 30, 2023, the effective part of 986 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 six months ended June 30, 2022: 37,121 million tenge as net fair value loss on cash flow hedging instruments). Hedge income attributable to non-controlling interests comprised 124 million tenge (during the six months ended June 30, 2022: hedge loss of 3,556 million tenge).

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

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

As at June 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 six months ended June 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.

17.8 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>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Total assets	35,222,400	33,623,432
Less: intangible assets	(2,035,510)	(1,945,589)
Less: total liabilities	(14,519,923)	(13,837,385)
Net assets for common shares	18,666,967	17,840,458
Number of common shares	3,481,962,499	3,481,961,409
Book value per common share, tenge	5,361	5,124

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

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

17. EQUITY (continued)

17.8 Book value per share (continued)

Earnings per share

<i>In millions of tenge</i>	For the six months ended June 30, 2023 (unaudited)	For the six months ended June 30, 2022 (unaudited) (restated)
Net profit for the period attributable to Equity holder of the Parent	1,030,277	959,387
Weighted average number of common shares for basic and diluted earnings per share	3,481,961,873	3,481,961,408
Basic and diluted share in net profit for the period per share attributable to Equity holder of the Parent, tenge	295.89	275.53

18. BORROWINGS

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	Weighted average interest rate	December 31, 2022 (audited)	Weighted average interest rate
Fixed interest rate borrowings	5,193,668		5,517,313	
Loans received	1,033,881	11.70%	1,041,195	11.12%
Debt securities issued	4,159,787	6.07%	4,476,118	6.70%
Floating interest rate borrowings	1,377,731		1,150,362	
Loans received	1,112,976	9.94%	900,560	9.85%
Debt securities issued	264,755	18.98%	249,802	15.63%
	6,571,399		6,667,675	
Less: amounts due for settlement within 12 months	(1,061,840)		(1,267,512)	
Amounts due for settlement after 12 months	5,509,559		5,400,163	

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited)
US dollar-denominated borrowings	3,707,752	3,859,503
Tenge-denominated borrowings	2,225,586	2,162,421
Other currency-denominated borrowings	638,061	645,751
	6,571,399	6,667,675

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

18. BORROWINGS (continued)

The bonds comprised:

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective interest rate	June 30, 2023 (unaudited)	December 31, 2022 (audited)
Bonds					
Bonds LSE 2018	1.5 billion USD	2048	6.375%	666,327	681,014
Bonds LSE 2018	1.25 billion USD	2030	5.375%	559,300	571,508
Bonds LSE 2017	1.25 billion USD	2047	5.75%	549,340	561,160
Bonds LSE 2017	1 billion USD	2027	4.75%	451,287	460,655
Bonds LSE 2020	750 million USD	2033	3.50%	332,978	340,415
Bonds ISE 2017	750 million USD	2027	4.448%	321,695	328,757
Bonds KASE 2019	0.3 billion KZT	2034	11.50%	308,433	308,433
Bonds LSE 2021	500 million USD	2026	2.36%	224,548	229,241
			TONIA Compounded 6M + 3%		
Bonds LSE 2022	118.9 billion KZT	2024	margin	129,303	128,216
Bonds KASE 2020	129 billion tenge	2023	10.90%	100,041	100,041
Bonds SIX Swiss Exchange 2018	170 million Swiss Francs	2023	3.25%	86,684	84,925
Bonds KASE 2019	70 billion KZT	2024	4%	84,384	84,161
Bonds KASE 2018	75 billion KZT	2024	9.25%	80,299	76,831
Bonds KASE 2019	80 billion KZT	2026	11.86%	80,253	80,244
			Inflation rate +		
Bonds KASE 2016	50 billion KZT	2026	2.52%	51,672	53,750
Bonds KASE 2016	47.5 billion KZT	2031	15.70%	48,275	51,630
Bonds LSE 2018	500 million USD	2025	4.75%	-	232,586
Other	-	-		349,723	352,353
Total				4,424,542	4,725,920

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 six months ended June 30, 2023 the Group received Syndicated loan used to finance its working capital for the total amount of 310 million US dollars (equivalent to 140,091 million tenge).

During the six months ended June 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 193 million euro (equivalent to 93,998 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 six months ended June 30, 2023 based on the notification of the Ministry of Energy of RK 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 4,289 million tenge (*Note 28*).

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

18. BORROWINGS (continued)

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 Halyk Bank of Kazakhstan JSC

In March 2022, the Group represented by its subsidiary JV Alaigyr LLP entered into a credit line agreement with Halyk Bank of Kazakhstan JSC for a total amount of 56,000 thousand US dollars. Repayment of interest and principal on the credit line is made monthly, while the principal debt is paid starting from 2024.

JV Alaigyr LLP has certain financial and non-financial covenants in accordance with the terms of the credit line. In accordance with the terms of the covenants, among other conditions, the lender has the right to demand repayment of loans in advance. As of December 31, 2022, the JV Alaigyr LLP did not comply with the covenant on maintaining the debt-equity ratio and notified the lender of the violation. On February 10, 2023, the JV Alaigyr LLP received a letter from the bank stating that there were no violations and unfulfilled obligations under the covenants as at December 31, 2022. Since the letter was received after the reporting date, the long-term part of the loans of 21,104 million tenge was classified as short-term.

On May 5, 2023, Halyk Bank of Kazakhstan JSC sent a letter to temporarily close the availability of the credit line due to a violations of the terms of the loan agreement, in particular, the presence of a loss in 2022 of the National Mining Company “Tau-Ken Samruk” (hereinafter “TKS”), which is the guarantor of this loan, as well as pending litigation between the JV Alaigyr LLP and the contractor. Based on the results of the six months ended June 30, 2023, TKS shows positive net profit. Thus, the issue of resuming financing under the agreement on opening a credit line can be considered after providing a construction contract between JV Alaigyr LLP and a new contractor to complete the construction of the plant and the outcome of litigation with the previous contractor. On September 14, 2023 the JV Alaigyr LLP received a letter from the bank stating that there were no violations and unfulfilled obligations under the covenants as at June 30, 2023. Since the letter was received after the reporting date, the Group continues to classify the long-term portion of loan of 20,710 million tenge as at June 30, 2023 as current liabilities.

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

Changes in borrowings for the six months ended June 30:

<i>In millions of tenge</i>	2023	2022
Balance as at January 1 (audited)	6,667,675	7,862,692
Received by cash	567,245	439,146
Purchase of property plant and equipment financed by borrowings	45,631	4,095
Interest accrued	230,750	245,690
Discount	(1,083)	(282)
Amortization of discount	8,777	8,673
Interest capitalized (<i>Note 8</i>)	24,807	34,214
Interest paid	(238,346)	(244,969)
Repayment of principal	(563,757)	(602,192)
Foreign currency translation	(161,918)	639,476
Commission for the early redemption of the loan	-	4,498
Write-off of transactions costs due to early redemption of the loan	-	13,035
Repayment of principal and interest by reserved cash	(152)	(259,459)
Derecognition of loan (<i>Note 28</i>)	(4,289)	-
Other	(3,941)	(1,533)
Balance as at June 30 (unaudited)	6,571,399	8,143,084

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

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

18. BORROWINGS (continued)

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

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited)
NC KMG and its subsidiaries	3,514,165	3,708,949
NC KTZh and its subsidiaries	1,113,002	1,098,347
The Fund	503,997	519,370
Qazaq Gaz and its subsidiaries	457,176	492,188
Kazakhtelecom and its subsidiaries	210,249	205,305
Samruk-Energy and its subsidiaries	182,971	190,790
KEGOC and its subsidiaries	169,349	156,352
CCGT Turkistan LLP	143,122	–
NAC KAP and its subsidiaries	110,539	138,270
EGRES-2	96,628	97,834
National Mining Company “Tau-Ken Samruk” and subsidiaries	52,445	52,319
Other subsidiaries of the Fund	17,756	7,951
Total borrowings	6,571,399	6,667,675

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	June 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%	746,303	672,208
Loans from the Government of the Republic of Kazakhstan	2029-2046	5.15-9.6%	34,700	11,396
			781,003	683,604
Less: amounts due for settlement within 12 months			(9,610)	(3,760)
Amounts due for settlement after 12 months			771,393	679,844

Changes in loans from the Government of the Republic of Kazakhstan for the six months ended June 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	8,621	8,686
Interest capitalized (Note 8)	6,385	–
Discount (Note 17.5)	(154,213)	78
Interest paid	(8,715)	(8,729)
Repayment of principal*	(440)	(577)
Amortisation of discount	9,452	10,417
Balance as at 30 June	781,003	589,244

* 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.

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

19. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN (continued)

Bonds purchased by the National Bank of the Republic of Kazakhstan

During the six months ended June 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 17.5*).

Other loans from the Government

During the six months ended June 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 17.5*).

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	9,950	4,050	252	5,490	3,519	23,261
Change in estimate	(107,880)	4,588	-	(536)	2,859	(100,969)
Unwinding of discount	10,624	868	-	-	139	11,631
Provision for the period	15,165	1,815	701	14,283	5,503	37,467
Use of provision	(78)	(1,129)	(74)	(5,998)	(6,386)	(13,665)
Reversal of unused amounts	(71)	(392)	(1,148)	-	(626)	(2,237)
Provision at June 30, 2022 (unaudited)	274,130	77,994	17,458	68,149	60,499	498,230
Provision at January 1, 2023 (audited)	275,080	87,984	14,272	87,737	97,239	562,312
Foreign currency translation	(1,062)	(1,326)	1	(1,845)	(1,165)	(5,397)
Change in estimate	3,482	(524)	(548)	-	(58)	2,352
Unwinding of discount	12,330	1,007	-	655	105	14,097
Provision for the year	2,157	-	121	18,486	36,383	57,147
Use of provision	(137)	(1,541)	(214)	(4,580)	(1,250)	(7,722)
Reversal of unused amounts (<i>Note 34</i>)	(36)	-	-	(690)	(28,307)	(29,033)
Provision at June 30, 2023 (unaudited)	291,814	85,600	13,632	99,763	102,947	593,756

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

20. PROVISIONS (continued)

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	88,040	155,101
Non-current portion	266,285	77,155	-	54,572	9,199	407,211
Provision at December 31, 2022 (audited)	275,080	87,984	14,272	87,737	97,239	562,312
Current portion	10,256	10,286	13,632	28,432	75,838	138,444
Non-current portion	281,558	75,314	-	71,331	27,109	455,312
Provision at June 30, 2023 (unaudited)	291,814	85,600	13,632	99,763	102,947	593,756

During the six months ended June 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 Zhalspak 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 Zhalspak 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. According to preliminary calculations, as of the reporting date, the amount of compensation to the government is 11,357 million tenge. On August 15, 2023 MC Ortalyk LLP paid a compensation of 11,404 million tenge to the government for unauthorised volume of uranium.

During the six months ended June 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 June 30, 2023 other provisions included provision for gas transportation of 33,750 million tenge (as at December 31, 2022: 33,817 million tenge), abovementioned obligation for construction of the Sport Complex of 17,925 million tenge and compensation payment for the unauthorised volume of uranium of 16,014 million tenge.

21. TRADE AND OTHER PAYABLES, AND OTHER CURRENT LIABILITIES

Trade and other payables comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Trade accounts payable	1,130,720	893,218
Accounts payable for the supply of property, plant and equipment	114,027	198,991
Other accounts payable	26,020	34,313
	1,270,767	1,126,522

Trade accounts payable were expressed in the following currencies:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Tenge-denominated trade accounts payable	536,508	406,881
US dollar-denominated trade accounts payable	491,502	350,261
Other currency-denominated trade accounts payable	102,710	136,076
	1,130,720	893,218

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

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

Other current liabilities comprised the following:

<i>In millions of tenge</i>	June 30, 2023 (unaudited)	December 31, 2022 (audited) (restated)
Other financial liabilities		
Obligations to the Shareholder on the financing of social projects	210,080	127,276
Due to employees	89,430	49,740
Amounts due to customers	71,864	46,208
Dividends payable	51,376	2,797
Payable under repo transactions	42,898	20,469
Obligations under guarantee agreements	4,573	1,608
Historical costs associated with obtaining subsoil use rights	2,935	3,453
Other	61,307	51,996
Other non-financial liabilities		
Contract liabilities to customers	585,388	313,338
Other taxes payable	197,494	213,048
Vacation and other employee benefits allowance	115,048	132,269
Liabilities under inventory loan agreements	58,754	19,147
Advances received and deferred income	34,134	29,969
Pension and social contributions liabilities	25,174	27,578
Government grant liability	6,388	6,167
Amounts due under uranium swap contracts	-	4,709
Joint operations liabilities	-	4,569
Other	19,762	19,798
	1,576,605	1,074,139

As of June 30, 2023 on the basis of the Shareholder’s resolutions the Fund recognized liabilities to finance various social projects for total amount of 95,049 million tenge (for the six months ended June 30, 2022: 33,690 million tenge) (*Note 17.3*).

As at June 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.

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

22. REVENUE

	For the three months ended June 30		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
<i>In millions of tenge</i>				
Revenue from contracts with customers:				
Sales of crude oil	1,100,051	1,384,316	2,094,369	2,806,016
Sales of oil refined products	679,551	891,546	1,323,795	1,461,949
Railway cargo transportation	419,651	313,970	809,208	583,715
Sales of uranium products	230,931	336,162	602,304	475,101
Sales of gas products	255,717	244,158	436,472	492,391
Sales of refined gold	169,244	272,627	353,541	485,213
Telecommunication services	158,343	156,253	321,336	297,440
Air transportation	131,498	109,848	244,102	191,160
Electricity complex	104,157	81,994	230,423	187,174
Oil and gas transportation fee	68,156	69,391	151,492	150,942
Oil processing fees	66,694	56,143	129,879	107,389
Electricity transmission services	44,930	40,299	95,099	88,273
Railway passenger transportation	26,733	19,815	51,236	36,148
Postal services	12,450	11,714	23,954	21,515
Other revenue	117,505	92,924	217,533	191,877
	3,585,611	4,081,160	7,084,743	7,576,303
Interest revenue	14,572	14,006	28,536	27,262
Rental income	16,855	9,313	32,985	16,142
	3,617,038	4,104,479	7,146,264	7,619,707

	For the three months ended June 30		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
<i>In millions of tenge</i>				
Geographical markets				
Kazakhstan	1,420,815	1,352,094	2,893,356	2,575,433
Other countries	2,196,223	2,752,385	4,252,908	5,044,274
	3,617,038	4,104,479	7,146,264	7,619,707

**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 June 30		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Materials and supplies	1,450,110	1,887,652	2,959,829	3,722,700
Personnel costs, including social tax and contributions	389,570	328,269	780,428	616,355
Depreciation, depletion and amortization	280,380	254,128	568,337	502,185
Fuel and energy	115,383	133,947	251,539	284,894
Production services received	90,031	73,963	175,736	136,346
Repair and maintenance	95,400	70,430	163,626	131,673
Taxes other than social taxes and withdrawals	51,385	49,622	100,380	77,321
Mineral extraction tax	45,608	49,010	87,143	96,247
Rent	33,111	33,661	72,690	58,314
Transportation expenses	39,781	21,838	64,707	38,655
Interest expense	6,059	10,372	28,471	29,296
Communication services	11,980	11,948	22,636	23,626
Security services	8,715	7,945	17,525	14,235
Other	105,543	96,823	148,012	159,809
	2,723,056	3,029,608	5,441,059	5,891,656

24. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In millions of tenge</i>	For the three months ended June 30		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Personnel costs, including social tax and contributions	59,996	54,016	120,050	108,591
Depreciation and amortization	9,704	8,419	18,543	19,045
Provision for compensation payment for the unauthorised volume of uranium (<i>Note 20</i>)	1,955	3,900	16,014	3,900
Taxes other than social taxes and withdrawals	6,502	8,553	12,377	14,230
Audit and consulting services	6,654	6,581	11,930	12,404
Other services by third parties	5,995	4,941	10,307	9,340
Repair and maintenance	1,974	1,761	4,162	3,382
Business trips	2,312	1,484	3,958	2,266
Insurance	1,408	1,748	2,683	2,459
Rent	1,449	1,241	2,680	2,312
Utilities expenses and maintenance of buildings	1,015	823	2,173	1,964
Transportation services	848	846	1,490	1,365
Communication services	624	774	1,277	1,522
Bank services	639	726	1,146	1,254
Professional education and advanced trainings	742	679	1,140	975
Fines and penalties	603	2,846	722	2,931
Sponsorship and charitable donations	–	3,143	–	3,348
Other	17,295	14,087	24,423	24,638
	119,715	116,568	235,075	215,926

**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 six months ended	
	June 30		June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Transportation	125,125	117,545	247,759	236,526
Rent tax	30,105	66,829	64,306	103,360
Custom duties	28,757	40,205	55,165	61,699
Commission fees to agents and advertising	7,489	3,438	13,325	6,666
Personnel costs, including social tax and contributions	6,686	5,128	12,866	10,274
Depreciation and amortization	5,367	4,955	10,185	9,946
Rent expenses	2,223	1,774	3,972	3,763
Other	8,918	7,260	17,662	15,078
	214,670	247,134	425,240	447,312

26. IMPAIRMENT LOSS

<i>In millions of tenge</i>	For the three months ended		For the six months ended	
	June 30		June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets (<i>Notes 8, 9</i>)	144,340	605	144,684	1,019
Impairment of investments in joint ventures and associates (<i>Note 10</i>)	2,634	1,620	7,119	3,202
Impairment/(reversal of impairment) of VAT receivable	55	(78)	74	55
Impairment of assets held for sale	–	27	23	27
Other	9,053	383	10,396	(2,420)
	156,082	2,557	162,296	1,883

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 six months ended	
	June 30		June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Impairment expense				
CGUs of KMGI (<i>Note 4</i>)	98,655	–	98,655	–
Ereymentau Wind Power LLP assets (<i>Note 4</i>)	4,858	–	4,858	–
Others	505	605	816	1,019
Exploration expenses (impairment and write-off)				
Jenis project	40,244	–	40,244	–
Others	78	–	111	–
	144,340	605	144,684	1,019

Jenis project

During the six months ended June 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)**

27. FINANCE COSTS

	For the three months ended June 30		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
<i>In millions of tenge</i>				
Interest on loans and debt securities issued	127,799	122,892	255,789	257,108
Interest on lease liabilities	14,457	8,561	28,644	17,500
Amortization of discount on provisions and other payables	10,794	6,490	20,960	12,108
Revaluation loss on financial assets at fair value through profit/loss	4,661	16,237	8,265	24,697
Discount on assets at rates below market	3,064	263	6,772	576
Commission for the early redemption of the loan	–	–	–	4,498
Other	6,891	7,500	12,217	14,218
	167,666	161,943	332,647	330,705

28. FINANCE INCOME

	For the three months ended June 30		For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
<i>In millions of tenge</i>				
Interest income on amounts due from credit institutions and cash and cash equivalents	75,484	35,362	148,573	60,601
Income from loans and financial assets	20,377	9,041	31,688	17,021
Revaluation gain on financial assets at fair value through profit/loss	390	20,836	15,812	28,475
Derecognition of loan (Note 18)	156	–	4,289	–
Unwinding of discount on long-term receivables	998	318	1,657	978
Discount on liabilities at rates below market	1,134	920	1,141	935
Income from financial guarantees	749	1,648	1,008	2,696
Income from subsidized interest rates on financial liabilities	523	15,102	916	15,582
Other	1,561	1,513	3,145	3,090
	101,372	84,740	208,229	129,378

**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		For the six months ended	
	June 30		June 30	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Joint ventures				
Tengizchevroil LLP	133,492	201,213	262,489	401,091
Asian Gas Pipeline LLP	71,836	79,005	122,906	143,192
Beineu-Shymkent Pipeline LLP	14,012	12,481	33,636	25,976
Petrosun LLP	11,424	–	20,979	–
Mangistau Investments B.V.	9,876	6,050	20,534	40,587
JV Kazgermunai LLP	6,641	6,060	11,704	10,758
Valsera Holdings B.V. Group	3,487	6,983	10,292	5,537
Kazakhstan – China Pipeline LLP	4,457	6,295	9,624	8,977
Forum Muider B. V.	2,290	5,809	8,903	8,338
Semizbay-U LLP	3,423	6,926	6,115	7,651
KazRosGas LLP	9,658	5,998	5,589	8,512
Ural Group Limited BVI	(2,747)	(2,222)	(5,543)	(4,491)
Other	9,375	1,253	13,026	3,630
	277,224	335,851	520,254	659,758
Associates				
Caspian Pipeline Consortium JSC	19,164	41,105	45,817	63,709
JV KATCO LLP	5,198	4,272	15,398	9,332
JV South Mining Chemical Company LLP	1,705	4,095	9,978	5,566
Other	5,050	5,706	20,164	36,620
	31,117	55,178	91,357	115,227
	308,341	391,029	611,611	774,985

30. INCOME TAX EXPENSES

<i>In millions of tenge</i>	For the three months ended		For the six months ended	
	June 30		June 30	
	2023 (unaudited)	2022 (unaudited) (restated)	2023 (unaudited)	2022 (unaudited) (restated)
Current income tax expenses				
Corporate income tax (“CIT”)	72,100	103,719	162,805	200,277
Withholding tax on dividends and interest income	23,133	10,998	25,755	12,340
Excess profit tax	(159)	3,589	(131)	3,589
Deferred income tax expense/(benefit)				
Corporate income tax (“CIT”)	52,895	(996)	83,223	45,931
Withholding tax on dividends and interest income	4,033	25,182	23,383	70,164
Excess profit tax	–	–	–	239
Income tax expenses	152,002	142,492	295,035	332,540

**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		
			June 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	52.03%	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 six months ended June 30, 2023 and 2022 and the related balances as at June 30, 2023, and December 31, 2022, respectively:

<i>In millions of tenge</i>		Associates	Joint ventures	Other state-controlled entities
	June 30, 2023	4,519	37,893	50,271
Trade and other accounts receivable	December 31, 2022	6,546	63,217	48,761
	June 30, 2023	48,482	369,078	11,605
Trade and other payables	December 31, 2022	60,274	213,335	10,152
	June 30, 2023	57,254	290,951	440,473
Sale of goods and services	June 30, 2022	76,066	190,221	570,242
	June 30, 2023	120,717	1,219,367	66,097
Purchase of goods and services	June 30, 2022	135,840	1,401,910	49,430
	June 30, 2023	2,098	(257)	(6,597)
Other income/(loss)	June 30, 2022	5,966	3,111	9,356
	June 30, 2023	–	119	48,977
Cash and cash equivalents, and amounts due from credit institutions	December 31, 2022	–	242	278,176
	June 30, 2023	9,000	107,087	36,947
Loans issued	December 31, 2022	10,947	117,605	7,952
	June 30, 2023	3,504	14,307	1,091,243
Borrowings	December 31, 2022	7,002	13,262	1,017,795
	June 30, 2023	31,672	25,566	754,591
Other assets	December 31, 2022	19,023	19,218	326,227
	June 30, 2023	20,738	175,242	62,333
Lease and other liabilities	December 31, 2022	26,483	189,399	59,078
	June 30, 2023	711	7,791	17,318
Interest accrued due from related parties	June 30, 2022	598	12,059	6,134
	June 30, 2023	1,267	8,770	43,456
Interest accrued due to related parties	June 30, 2022	1,563	201	39,732

As at June 30, 2023 some of the Group’s borrowings in the amount of 14,711 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 six months ended June 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 3,185 million tenge (for the six months ended June 30, 2022: 2,605 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 June 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	June 30, 2023 (unaudited)
Financial instruments category				
Assets				
Loans issued at fair value through profit and loss	-	-	107,087	107,087
Financial assets measured at fair value through OCI	1,160	56,427	73	57,660
Financial assets at fair value through profit and loss	51,380	53,811	26,844	132,035
Derivative financial assets	-	258	1,262	1,520

<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 June 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>	June 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	131,060	128,896	–	9,361	119,535	101,104	83,451	–	10,392	73,059
Amounts due from credit institutions	1,110,915	1,100,569	620,422	480,096	51	1,703,873	1,694,238	1,206,833	487,386	19
Financial liabilities										
Borrowings	7,510,852	7,009,407	3,399,492	2,443,678	1,166,237	7,609,261	6,917,679	3,546,266	2,192,828	1,178,585
Loans from the Government of the Republic of Kazakhstan	781,003	541,111	–	541,111	–	683,604	500,904	–	500,904	–
Guarantee obligations	34,506	34,928	–	33,704	1,224	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 June 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	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	5.8%-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 six months ended June 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 will last until December 31, 2024. In 2021 SRC, as part of a pilot project on horizontal monitoring, inspected the historical data of the EGRES-1 and Samruk-Energy (Head office) for the five years period. Based on the results, SRC completed tax audits and issued acts with the results of tax audit. The main non-compliances relate to the interest expense deducted for tax purposes and underaccrual of withholding tax. The Group expressed its disagreement with these notifications and continues to work to appeal its position in the court.

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 SRC 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 Stathi’s claim to enforce the award against the Fund.

On December 18, 2020 the Supreme Court quashed the decision of the Amsterdam Court of Appeal from 7 May 2019 to uphold the arrest.

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

On June 9, 2023 Specialized Court for Administrative Offenses of Pavlodar city issued a decision on the consumption of administrative proceedings. On June 30, 2023 Decree on the consumption of administrative proceedings and the abolition of the restriction in legal force. As a result, in June 2023, Pavlodar Refinery recovered a provision 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

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.

As at June 30, 2023, as a result of the analysis the Group concluded that it did not obtain joint control over LPGSP in accordance with *IAS 28 Investments in Associates and Joint Ventures*, as JT is in process of appealing and the court decision is not final. Accordingly, the Group did not recognize the investment to LPGSP under *IAS 28 Investments in Associates and Joint Ventures* or *IFRS 10 Consolidated Financial Statements* 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 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 Asiagas Chunja LLP, as well as one of the former members of the 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.

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 7 December 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 December 7, 2022 and the decision of the Arbitration Court of the Irkutsk Region of May 3, 2023 were made with violations and intends to appeal the judicial acts to all higher instances.

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

34. COMMITMENTS AND CONTINGENCIES (continued)

NAC KAP legal proceedings (continued)

NAC KAP filed a supervisory appeal against the decision of the Supreme Court of the Russian Federation dated December 7, 2022. However, by the decision of the Supreme Court of the Russian Federation from April 18, 2023, it was refused to transfer the supervisory appeal for consideration by the Presidium of the Supreme Court of the Russian Federation. Also, 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, the consideration of which is scheduled for October 19, 2023. As of June 30, 2023, the NAC KAP has not recognized a liability under this court case.

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

The Group shares the concerns of the world community climate change and supports global efforts to reducing greenhouse gas emissions, increasing energy efficiency, transition to renewable sources energy and phasing out carbon fuels. The Group has the strategic goal to reduce the carbon footprint of the Group by 10% by 2032 compared to 2021 and aims to achieve carbon neutrality by 2060. In general, carbon neutrality does not mean complete exclusion of greenhouse gas emissions - the volume of emissions that not possible to reduce, must be compensated.

The Group is continuously assessing climate related and environmental risks and their impact on the Group's operation. For the identified risks, the Group has assessed their impact on the recognition/derecognition of assets and liabilities and measurement of such assets and liabilities as well as the disclosure provided in its interim condensed consolidated financial statements.

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

During the first half of 2023 the following activities have been carried out within the framework of the project:

- On June 6, 2023, a loan agreement between AIES and the Development Bank of Kazakhstan was signed. On June 9, 2023, a loan agreement was signed 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 signed between AIES JSC 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
- The conclusion of an investment agreement and the receipt of an individual capacity tariff to finance the project of converting CHP-2 to gas is expected by the end of 2023.

Modernisation of Almaty CHP-3

During the first half 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: 2023-2027);
- 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.

Environmental audits

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).

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

34. COMMITMENTS AND CONTINGENCIES (continued)

Environmental audits (continued)

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.

Cost recovery audits

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

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

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

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

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

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

As of June 30, 2023, the Group’s share in the total amounts of claims of the audit results of Recoverable Costs of PSA and FPSA is 2,595 million US dollars (equivalent to 1,174,053 million tenge as at reporting date) (as of December 31, 2022: 2,595 million US dollars, equivalent to 1,200,386 million tenge).

The RK and the Contractors under the PSA and FPSA (except for Kashagan and KMG Karachaganak LLP) have a number of disputes concerning the application of certain PSA and FPSA provisions, which are subject to arbitration and expert determination under the PSA and FPSA. The Contractors consider that they have acted in accordance with the PSA and FPSA, the RK laws and applicable standards and best practices. As at June 30, 2023 Arbitrators have been appointed by the RK and the Contractors.

Kazakhstan local market obligation

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

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such supplies will take precedence over market sales and will generate substantially less revenue than crude oil sold on the export market, which may materially and adversely affect the Group’s business, prospects, consolidated financial position and performance.

During the six months ended June 30, 2023 in accordance with its obligations, the Group delivered 3,844 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 June 30, 2023, the Group had commitments to supply oil products under the oil supply agreements in the total amount of 5.0 million tons. (December 31, 2022: 6.6 million tons).

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

34. COMMITMENTS AND CONTINGENCIES (continued)

Commitments under subsoil use contracts

As at June 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	390,629	133,303
2024	449,307	109,981
2025	553,040	114,782
2026	508,778	113,483
2027-2049	3,156,221	1,625,209
Total	5,057,975	2,096,758

Capital commitments

As at June 30, 2023 the Group, including its joint ventures, had capital commitments of approximately 1,662,267 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 June 30, 2023, the Group had commitments in the total amount of 1,562,840 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 June 30, 2023, the Group has unconditional purchase obligation to Asia Gas Pipeline LLP and Beineu-Shymkent Gas Pipeline LLP of 41,264 million tenge and 107,548 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 June 30, 2023 and for the six 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	4,314,730	974,239	1,148,996	345,805	320,400	9,736	24,490	7,868	–	7,146,264
Revenue from contracts with customers	4,308,053	974,014	1,125,696	345,805	320,396	9,736	–	1,043	–	7,084,743
Interest revenue	–	–	–	–	–	–	24,490	4,046	–	28,536
Rental income	6,677	225	23,300	–	4	–	–	2,779	–	32,985
Revenues from sales to other segments	103,525	21	10,736	2,642	55,263	8,837	523,546	8,412	(712,982)	–
Total revenue	4,418,255	974,260	1,159,732	348,447	375,663	18,573	548,036	16,280	(712,982)	7,146,264
Geographical markets										
Kazakhstan	930,178	411,040	983,272	338,111	361,020	18,401	548,036	16,280	(712,982)	2,893,356
Other countries	3,488,077	563,220	176,460	10,336	14,643	172	–	–	–	4,252,908
Gross profit	928,584	298,538	274,579	119,114	119,062	5,859	510,546	8,243	(527,337)	1,737,188
General and administrative expenses	(96,688)	(34,107)	(60,894)	(24,228)	(13,539)	(1,515)	(5,495)	(2,381)	3,772	(235,075)
Transportation and selling expenses	(395,527)	(13,562)	(6,488)	(9,357)	(7,642)	(533)	–	(14)	7,883	(425,240)
Finance income	91,422	18,377	17,189	18,193	10,084	1,518	47,821	19,297	(15,672)	208,229
Finance costs	(214,889)	(4,612)	(99,869)	(21,380)	(25,809)	(2,929)	(5,822)	(18,989)	61,652	(332,647)
Share in profits/(loss) of joint ventures and associates	555,970	37,462	4,886	–	8,840	(51)	4,516	(12)	–	611,611
Foreign exchange gain/(loss), net	58,879	(9,616)	3,720	(3,886)	(45)	(44)	(10,266)	3,478	4,412	46,632
Income tax expenses	(165,525)	(61,389)	(25,161)	(17,439)	(20,147)	(284)	(3,967)	(1,819)	696	(295,035)
Total net profit for the period	658,915	226,079	116,133	57,342	57,260	1,326	531,090	5,699	(463,379)	1,190,465
Other segment information										
Total assets of the segment	19,896,963	3,172,706	5,090,515	1,608,310	1,968,741	161,517	12,235,561	611,557	(9,523,470)	35,222,400
Total liabilities of the segment	(7,625,785)	(866,508)	(3,308,892)	(779,863)	(905,083)	(73,332)	(2,740,459)	(457,333)	2,237,332	(14,519,923)
Investments in joint ventures and associates	6,143,050	648,538	27,365	–	112,087	3,888	38,851	–	(32,341)	6,941,438

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 six months ended June 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	5,151,096	979,006	834,242	319,678	291,584	13,152	24,597	6,352	–	7,619,707
<i>Revenue from contracts with customers</i>	<i>5,144,926</i>	<i>978,862</i>	<i>827,793</i>	<i>319,678</i>	<i>291,580</i>	<i>13,152</i>	–	312	–	7,576,303
<i>Interest revenue</i>	–	–	–	–	–	–	24,597	2,665	–	27,262
<i>Rental income</i>	6,170	144	6,449	–	4	–	–	3,375	–	16,142
Revenues from sales to other segments	16,048	12	4,243	2,241	34,871	4,145	480,434	5,572	(547,566)	–
Total revenue	5,167,144	979,018	838,485	321,919	326,455	17,297	505,031	11,924	(547,566)	7,619,707
Geographical markets										
Kazakhstan	734,363	545,966	684,443	312,459	314,120	14,693	505,031	11,924	(547,566)	2,575,433
Other countries	4,432,781	433,052	154,042	9,460	12,335	2,604	–	–	–	5,044,274
Gross profit	1,192,567	206,306	126,512	105,810	116,379	5,078	472,957	6,857	(487,528)	1,744,938
General and administrative expenses	(93,625)	(20,507)	(52,941)	(26,888)	(14,426)	(1,971)	(8,924)	(1,842)	5,198	(215,926)
Transportation and selling expenses	(428,629)	(10,633)	(4,327)	(4,113)	(6,142)	(402)	–	(6)	6,940	(447,312)
Finance income	68,175	13,362	31,304	9,305	5,058	1,082	13,879	19,385	(32,172)	129,378
Finance costs	(179,383)	(5,162)	(78,715)	(22,756)	(27,996)	(3,041)	(32,970)	(31,415)	50,733	(330,705)
Share in profits/(loss) of joint ventures and associates	716,483	47,330	279	–	8,102	(104)	2,840	55	–	774,985
Foreign exchange (loss)/gain, net	(130,826)	17,221	34,748	8,933	6,429	(827)	(58,015)	(18,678)	(1,906)	(142,921)
Income tax (expenses)/benefit	(234,758)	(46,754)	(10,789)	(21,809)	(19,586)	(93)	(1,112)	4,766	(2,405)	(332,540)
Total net profit/(loss) for the period	903,043	191,922	44,598	45,853	67,281	(2,719)	384,280	(20,667)	(459,684)	1,153,907
Other segment information										
Total assets of the segment	19,835,479	2,969,563	4,632,180	1,593,990	1,750,872	179,461	9,603,793	337,055	(7,278,961)	33,623,432
Total liabilities of the segment	(7,774,919)	(610,219)	(3,077,764)	(835,531)	(801,496)	(73,385)	(2,527,357)	(201,901)	2,065,187	(13,837,385)
Investments in joint ventures and associates	5,896,273	689,774	28,799	–	103,247	3,788	45,006	35	(32,341)	6,734,581

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 June 30, 2023 and June 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	2,266,002	408,322	603,431	171,376	147,077	4,125	12,310	4,395	–	3,617,038
Revenue from contracts with customers	2,263,557	408,131	590,657	171,376	147,075	4,125	–	690	–	3,585,611
Interest revenue	–	–	–	–	–	–	12,310	2,262	–	14,572
Rental income	2,445	191	12,774	–	2	–	–	1,443	–	16,855
Revenues from sales to other segments	55,794	11	4,682	1,239	25,325	4,742	492,052	4,175	(588,020)	–
Total revenue	2,321,796	408,333	608,113	172,615	172,402	8,867	504,362	8,570	(588,020)	3,617,038
Geographical markets										
Kazakhstan	441,318	195,592	516,673	167,274	166,286	8,760	504,362	8,570	(588,020)	1,420,815
Other countries	1,880,478	212,741	91,440	5,341	6,116	107	–	–	–	2,196,223
Gross profit	501,879	146,873	149,257	56,429	52,912	2,433	490,532	4,406	(491,098)	913,623
General and administrative expenses	(51,685)	(15,159)	(29,732)	(12,050)	(7,012)	(745)	(2,881)	(1,323)	872	(119,715)
Transportation and selling expenses	(199,101)	(6,565)	(3,173)	(5,595)	(2,918)	(307)	–	(2)	2,991	(214,670)
Finance income	45,473	11,311	3,861	7,813	5,710	812	26,915	9,915	(10,438)	101,372
Finance costs	(109,174)	(2,260)	(50,481)	(10,557)	(13,122)	(1,448)	(2,810)	(9,389)	31,575	(167,666)
Share in profits/(loss) of joint ventures and associates	293,408	8,150	1,635	–	2,115	(24)	3,077	(20)	–	308,341
Foreign exchange gain/(loss), net	41,183	(172)	(5,159)	(116)	251	(17)	6,202	924	1,150	44,246
Income tax expenses	(90,844)	(33,155)	(10,761)	(7,240)	(9,121)	(172)	(1,832)	(696)	1,819	(152,002)
Total net profit/(loss) for the period	317,630	109,773	57,350	26,803	13,288	(520)	517,557	1,074	(461,502)	581,453

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	2,705,150	621,101	457,867	168,306	130,337	5,936	12,351	3,431	–	4,104,479
Revenue from contracts with customers	2,701,896	621,027	453,488	168,306	130,335	5,936	–	172	–	4,081,160
Interest revenue	–	–	–	–	–	–	12,351	1,655	–	14,006
Rental income	3,254	74	4,379	–	2	–	–	1,604	–	9,313
Revenues from sales to other segments	5,518	11	3,201	1,054	20,118	2,699	470,022	2,943	(505,566)	–
Total revenue	2,710,668	621,112	461,068	169,360	150,455	8,635	482,373	6,374	(505,566)	4,104,479
Geographical markets										
Kazakhstan	366,136	322,508	365,371	163,253	144,182	7,463	482,373	6,374	(505,566)	1,352,094
Other countries	2,344,532	298,604	95,697	6,107	6,273	1,172	–	–	–	2,752,385
Gross profit	737,797	130,322	102,735	56,699	53,106	2,795	470,605	3,762	(473,705)	1,084,116
General and administrative expenses	(47,212)	(12,477)	(27,969)	(15,710)	(7,913)	(1,006)	(6,134)	(987)	2,840	(116,568)
Transportation and selling expenses	(235,920)	(7,146)	(2,524)	(1,813)	(2,512)	(183)	–	(2)	2,966	(247,134)
Finance income	38,967	10,789	19,877	5,070	2,857	560	9,642	17,457	(20,479)	84,740
Finance costs	(83,525)	(2,707)	(38,262)	(11,077)	(13,295)	(1,440)	(19,461)	(20,051)	27,875	(161,943)
Share in profits/(loss) of joint ventures and associates	366,194	19,963	(2,208)	–	5,843	(56)	1,274	19	–	391,029
Foreign exchange (loss)/gain, net	(154,044)	(4,840)	4,487	727	502	211	(18,634)	(16,122)	(264)	(187,977)
Income tax (expenses)/benefit	(94,388)	(24,574)	(1,625)	(13,305)	(10,733)	(57)	(318)	3,506	(998)	(142,492)
Total net profit/(loss) for the period	520,896	108,175	49,990	19,123	27,021	(607)	433,184	(12,132)	(464,632)	681,018

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

36. SUBSEQUENT EVENTS

Dividends received

From July till September 2023, the Group received dividends from joint ventures Beineu-Shymkent Gas Pipeline LLP, Petrosun LLP, KMG Automation LLP, Kazakhstan-China Pipeline LLP and KazGerMunay LLP in the total amount of 29,961 million tenge and associates Caspian Pipeline Consortium and United Transport and Logistics Company - Eurasian Rail Alliance JSC in the amount of 14,780 million tenge and 1,376 million tenge (278 million russian rubles), respectively.

Dividends paid to the holders of non-controlling interest

In July 2023, the Group paid dividends to the holders of non-controlling interest in NAC KAP of 50,242 million tenge.

Power outage at Atyrau refinery

On July 3, 2023, a deep power outage from external networks occurred on the territory of the Atyrau Refinery. As a result, the technological units of the plant were emergency shut down, with the exception of the ELOU-AT-2 unit, and the power supply to the plant was completely cut off. In order to avoid consequences, excess pressure at the units, in accordance with the technological regulations and the accident elimination plan, was directed to the flare units. There are no victims or injured.

On July 6, 2023, all process units of the plant were brought into normal operation, the delayed coking unit, after carrying out the equipment cleaning event due to the consequences of a power outage, was put into operation on July 11, 2023.

Management of the Group made assessment of the impact of the power outage at Atyrau Refinery on the Group operations and determined that outcome is not significant.

Issue of shares

On August 9, 2023, the Fund issued 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 2,290 million tenge.

On September 12, 2023, the Fund issued 100 shares at par value of 64,469,200 tenge and 1 share at par value of 89,206,406,162 tenge for the total amount of 95,653 million tenge, which were paid off by the Shareholder by means of 100% of interest in “National geological exploration company “Kazgeology” JSC and 28.8% of interest in KTC.

Disposal of a subsidiary

On September 11, 2023, the Group sold 50% share in Kalamkas-Khazar Operating LLP to Lukoil PJSC. The realization amount is 200 million US dollars (equivalent to 94,644 million tenge). As a result, the Group and Lukoil PJSC exercise joint control over Kalamkas-Khazar Operating LLP which was recognised as joint venture of the Group.

Changes in legislation

On April 19, 2023, the Head of State signed the Law “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Administrative Reform”, which provides, among other things, amendments to the Law “On Electricity Industry” in terms of changing the target model of the wholesale electricity market from July 1, 2023 by introducing the institution of the Single Purchaser of Electricity and switching the balancing electricity market from simulation to real time. The Group is assessing the impact of the changes on its financial statements.