

JSC NC “KazMunayGas”

Consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

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

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

Non-cash transactions

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

Deputy Chairman of the Management Board

Chief accountant



[Signature]
D.A. Aryssova

A.S. Yesbergenova

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

JSC NC “KazMunayGas”

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

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

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

JSC NC “KazMunayGas”

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

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

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

Deputy Chairman of the Management Board



[Signature]
D.A. Aryssova

Chief accountant

[Signature]
A.S. Yesbergenova

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

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

Statement of compliance

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Statement of compliance (continued)

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

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

Group Companies

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

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

Exchange rates

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Changes in accounting policies and disclosures

New and amended standards and interpretations

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

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

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

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Standards issued but not yet effective

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

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

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

Amended standards the Group applied the exception to recognizing and disclosing information in 2023

Pillar 2

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

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

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

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

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

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

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

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

The Group continues to progress on the assessment.

JSC “National Company “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation

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

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

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

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

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

Subsidiaries

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Business combinations and goodwill

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

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

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

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

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

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

Acquisition of subsidiaries from parties under common control

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

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

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

Acquisition of joint ventures and associates from parties under common control

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in associates and joint ventures

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

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

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

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

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

Oil and natural gas exploration, evaluation and development expenditure

Costs incurred before obtaining subsoil use rights (licenses)

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

Subsoil use rights and property acquisition costs

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

Exploration and evaluation costs

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration, evaluation and development expenditure (continued)

Exploration and evaluation costs (continued)

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

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

Development costs

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

Oil and gas assets and other property, plant and equipment

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

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

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

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

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

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

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

An item of property, plant and equipment, inclusive of production wells which stop producing commercial quantities of hydrocarbons and are scheduled for abandonment, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognized.

Intangible assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets (continued)

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

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

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

Impairment of exploration and evaluation assets

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

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

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

Asset retirement obligation (decommissioning)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

Derecognition

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

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

Impairment of financial assets

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

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition (continued)

Impairment of financial assets (continued)

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

Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

Lease liabilities

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Inventories

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

Cash and cash equivalents

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

Financial liabilities

Initial recognition and measurement

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

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

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

Trade and other payables

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

Loans and borrowings

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

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

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

Financial guarantee contracts

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

Net investment hedges

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provisions

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

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

Provision for obligations to the Government

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

Employee benefits

Pension scheme

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

Long-term employee benefits

The Group provides long-term employee benefits to employees before, on and after retirement, in accordance with the collective agreements between the Group entities and their employees. The collective agreement provides for certain one-off retirement payments, financial aid for employees’ disability, anniversaries, funeral and other benefits. The entitlement to benefits is usually conditional on the employee remaining in service up to retirement age.

The expected costs of the benefits associated with one-off retirement payments are accrued over the period of employment using the same accounting methodology as used for defined benefit post-employment plans with defined payments upon the end of employment. Actuarial gains and losses arising in the year are taken to other comprehensive income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. Other movements are recognized in the current period, including current service cost, any past service cost and the effect of any curtailments or settlements.

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

Employee benefits other than one-off retirement payments are considered as other long-term employee benefits. The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for the defined benefit plan. Actuarial gains and losses on other long-term employee benefits are recognized in the profit or loss. These obligations are valued by independent qualified actuaries on an annual basis.

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition

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

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

The Group mainly recognizes revenue for the following types:

Revenue from sale of crude oil and oil products

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

Revenue from transportation services

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

Revenue from oil and oil products refinery services

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

Interest income and expense

For all financial instruments measured at amortized cost, and interest income and interest expense are recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income and interest expense is included in finance costs in the consolidated statement of comprehensive income.

Contract liabilities

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

Income taxes

Income tax for the year comprises current income tax, excess profit tax and deferred tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax (CIT) relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes (continued)

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

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

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Equity

Non-controlling interest

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

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

Dividends

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

Presentation of information

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and assets, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Impairment testing assumptions

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

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

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment testing assumptions (continued)

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

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

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

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

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

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

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

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

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

Oil and gas reserves

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

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

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Oil and gas reserves (continued)

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

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

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

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

KMG I CGU, including goodwill

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

Pavlodar refinery, including goodwill

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

Sensitivity to changes in assumptions

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

JSC “National Company “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Other CGUs

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

Assets retirement obligations

Oil and gas production facilities

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

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

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

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

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

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

Major oil and gas pipelines

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

Environmental remediation obligations provision

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. In accordance with the amendments to the Environmental Code of the RK effective from July1, 2021, the management believes that there are possible liabilities that may have an impact on the Group’s financial position and results of operations.

JSC “National Company “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Environmental remediation obligations provision (continued)

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

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

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

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

Employee benefits

The cost of defined long-term employee benefits payable before, on and after retirement and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Taxation

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

Useful lives of property, plant and equipment

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

Fair value of financial instruments

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

JSC “National Company “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. LOSS OF CONTROL

Karaton Operating Ltd. (further Karaton)

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

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

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

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

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

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

In millions of tenge

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

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

In millions of tenge

Assets	
Exploration and evaluation assets (Note 17)	291
Property, plant and equipment (Note 16)	28
Other assets	21
Cash and cash equivalents	178
Total assets	518
Liabilities	
Trade accounts payable	5
Other current liabilities	413
Total liabilities	418
Net assets directly associated with the disposal group	100

Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture (Note 21)*	8,255
Gain from disposal of subsidiary	16,410

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

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

KALAMKAS-KHAZAR OPERATING LLP (further KKO)

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. LOSS OF CONTROL (continued)

KALAMKAS-KHAZAR OPERATING LLP (further KKO) (continued)

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

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

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

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

In millions of tenge

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

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

In millions of tenge

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

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

In millions of tenge

Assets	
Property, plant and equipment (Note 16)	5,185
Exploration and evaluation assets (Note 17)	14,678
Cash and cash equivalents	20
Other assets	626
Total assets	20,509

Liabilities	
Borrowings	2,511
Trade accounts payable	3,548
Other liabilities	5
Total liabilities	6,064
Net assets directly associated with the disposal group	14,445

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. LOSS OF CONTROL (continued)

KALAMKAS-KHAZAR OPERATING LLP (further KKO) (continued)

In millions of tenge

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

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

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

6. BUSINESS COMBINATION

Acquisition of Dunga Operating GmbH

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

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

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

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

The 2023 comparative information was restated to reflect these adjustments.

JSC “National Company “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. BUSINESS COMBINATION (continued)

Acquisition of Dunga Operating GmbH (continued)

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

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

JSC “National Company “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. BUSINESS COMBINATION (continued)

Acquisition of Dunga Operating GmbH (continued)

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

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

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

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

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

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

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

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

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

10. PRODUCTION EXPENSES

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

JSC “National Company “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. TAXES OTHER THAN INCOME TAX

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

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

12. TRANSPORTATION AND SELLING EXPENSES

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

13. GENERAL AND ADMINISTRATIVE EXPENSES

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND EXPLORATION EXPENSES

<i>In millions of tenge</i>	2024	2023
Impairment charge and reversal		
Property, plant and equipment (<i>Note 16</i>)	65,401	101,782
Intangible assets (<i>Note 18</i>)	–	483
Non – current advances for fixed assets	(17,324)	17,560
	48,077	119,825

Exploration expenses (impairment and write-off) (*Note 17*)

Abai project	17,703	–
Aktoty and Kairan project	3,953	74,255
Jenis project	–	40,244
Liman project	–	8,847
Urikhtau project	–	4,876
Isatay project	–	93
	21,656	128,315
	69,733	248,140

Impairment charge and reversal was recognized for the following CGUs:

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

Impairment of property, plant and equipment

Impairment of a seawater desalination plant and supply infrastructure

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

Reversal of impairment of Drilling jackup rig

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND EXPLORATION EXPENSES (continued)

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

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

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

Impairment of KMGI CGU

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

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

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

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

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

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

Exploration expenses

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COST

Interest revenue calculated using the effective interest method

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

Other finance income

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

Finance costs

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. PROPERTY, PLANT AND EQUIPMENT

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. PROPERTY, PLANT AND EQUIPMENT (continued)

	Oil and gas assets	Pipelines	Refinery assets	Buildings and improve- ments	Machinery and equip- ment	Vehicles	Other	Capital work in progress	Total
<i>In millions of tenge</i>									
Net book value as at December 31, 2023 (restated)	4,647,662	261,762	1,008,653	243,107	375,432	78,095	114,411	442,120	7,171,242
Foreign currency translation	571,416	6,245	33,626	13,340	9,007	4,495	12,631	35,800	686,560
Change in estimate	(8,763)	(7,341)	(2,770)	(3,197)	687	–	–	–	(21,384)
Additions	56,890	59	69,497	947	7,706	10,187	3,910	519,302	668,498
Disposals	(38,605)	(59)	(5,681)	(6,650)	(7,267)	(3,124)	(7,612)	(2,217)	(71,215)
Loss of control over subsidiaries (Note 5)	–	–	–	–	–	–	(28)	–	(28)
Depreciation charge	(390,800)	(11,358)	(100,757)	(13,150)	(32,356)	(14,141)	(10,424)	–	(572,986)
Accumulated depreciation and impairment on disposals	31,438	59	5,607	6,439	7,046	3,069	6,349	1,857	61,864
(Impairment)/reversal of impairment (Note 14)	–	–	(3,671)	(2,942)	15,985	(2,200)	12	(72,585)	(65,401)
Transfers from exploration and evaluation assets (Note 17)	58	–	–	–	–	–	–	–	58
Transfers to investment property	–	–	(425)	(6,273)	(27)	–	(3)	–	(6,728)
Other changes	51	(4)	174	(301)	59	(1)	485	(16,783)	(16,320)
Transfers	231,203	4,322	50,335	36,164	26,561	7,687	7,487	(363,759)	–
Net book value as at December 31, 2024	5,100,550	253,685	1,054,588	267,484	402,833	84,067	127,218	543,735	7,834,160
At cost	8,656,287	425,890	3,205,635	681,123	840,291	259,995	292,885	710,089	15,072,195
Accumulated depreciation and impairment	(3,555,737)	(172,205)	(2,151,047)	(413,639)	(437,458)	(175,928)	(165,667)	(166,354)	(7,238,035)
Net book value as at December 31, 2024	5,100,550	253,685	1,054,588	267,484	402,833	84,067	127,218	543,735	7,834,160

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

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

Capital commitments are disclosed in *Note 35*.

17. EXPLORATION AND EVALUATION ASSETS

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. INTANGIBLE ASSETS

<i>In millions of tenge</i>	Licenses	Subsoil use rights (under production)	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value as at December 31, 2022	524,701	212,220	100,656	27,286	18,254	35,144	918,261
Foreign currency translation	(9,038)	(3,637)	(212)	(477)	(314)	(274)	(13,952)
Additions	148	68	–	–	1,056	14,457	15,729
Disposals	(699)	–	–	–	(1,198)	(297)	(2,194)
Amortization charge	(33,763)	(11,004)	–	–	(6,027)	(1,007)	(51,801)
Accumulated amortization and impairment on disposals	695	–	–	–	1,198	267	2,160
Business combination (<i>Note 6</i>)	–	667	–	–	3,088	1,716	5,481
Goodwill arising on acquisition (<i>Note 6</i>)	–	–	9,814	–	–	–	9,814
Impairment (<i>Note 14</i>)	–	–	–	–	–	(483)	(483)
Other changes	–	62	–	–	230	(24)	268
Transfers	1,265	–	–	–	969	(2,234)	–
Net book value as at December 31, 2023 (restated)	483,309	198,376	110,258	26,809	17,266	47,265	883,283
Foreign currency translation	71,153	29,423	1,846	4,161	882	2,243	109,708
Additions	1,100	151	–	–	3,619	3,752	8,622
Disposals	(319)	–	–	–	(1,736)	(219)	(2,274)
Amortization charge	(32,175)	(10,115)	–	–	(5,472)	(1,539)	(48,301)
Accumulated amortization and impairment on disposals	319	–	–	–	1,720	56	2,095
Other changes	1,002	–	–	–	1,320	(2,322)	–
Transfers	–	387	–	–	83	(9,447)	(8,977)
Net book value as at December 31, 2024	524,389	218,222	112,104	30,970	17,682	39,789	943,156
At cost	795,467	306,196	220,849	79,497	94,036	114,224	1,610,269
Accumulated amortization and impairment	(271,078)	(87,974)	(108,745)	(48,527)	(76,354)	(74,435)	(667,113)
Net book value as at December 31, 2024	524,389	218,222	112,104	30,970	17,682	39,789	943,156
At cost	687,462	265,055	219,003	68,816	85,944	112,936	1,439,216
Accumulated amortization and impairment	(204,153)	(66,679)	(108,745)	(42,007)	(68,678)	(65,671)	(555,933)
Net book value as at December 31, 2023 (restated)	483,309	198,376	110,258	26,809	17,266	47,265	883,283

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. INTANGIBLE ASSETS (continued)

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. RIGHT-OF-USE ASSETS

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. BANK DEPOSITS

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

JSC NC “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

JSC NC “KazMunayGas”

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

22. INVENTORIES

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. LOANS AND RECEIVABLES DUE FROM RELATED PARTIES

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

At fair value through profit or loss		
Loans due from related parties (<i>Note 33</i>)	82,945	86,173
Guaranteed returns from shareholders of joint venture	10,798	13,728
	93,743	99,901
Total loans and receivables due from related parties	205,913	219,903

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

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

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

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

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

As at December 31, 2024 and 2023 for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). Since initial recognition of the loans and receivables due from related parties there have been no significant increases in credit risk.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. CASH AND CASH EQUIVALENTS

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

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

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

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

26. EQUITY

Share capital

Total number of outstanding, issued and paid shares comprises:

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

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

Dividends

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)

Dividends (continued)

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

Transactions with Samruk-Kazyna

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

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

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

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

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

Distributions to Samruk-Kazyna

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

Contributions from the related party

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

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

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

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

Other operations with Samruk-Kazyna

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)

Other operations with Samruk-Kazyna (continued)

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

Book value per share

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

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

Earnings per share

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

Non-controlling interests

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)

Non-controlling interests (continued)

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)

Non-controlling interests (continued)

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS

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

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

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

<i>In millions of tenge</i>	Issuance amount	Redemption date	Effective Interest Rate	December 31, 2024	December 31, 2023
Loans					
The Syndicate of banks (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank, Alpha Bank, Garanti Bank, OTP Bank, Intesa Sanpaolo)	551.8 million USD ¹	2026	SOFR O/N+2.50%	149,937	141,506
			SOFR 1M+2.750%		
			SOFR1M+2.50%		
Bank of Tokyo-Mitsubishi UFJ, Ltd (London Branch)	200 million USD	2025	COF ² (4.33%) + 1.50%	91,405	62,800
Halyk bank JSC (Halyk bank)	110 billion KZT	2025	11.00%	64,883	94,999
Cargill	100 million USD	2026	SOFR 3M+2.80%	52,732	46,176
Halyk Bank	169 billion KZT	2032	Base rate of NBRK + 1.50%	49,219	–
			15.20%		
Development bank of Kazakhstan JSC (DBK)	79 billion KZT	2026	(7.99% nominal rate)	43,892	80,992
The European Bank for Reconstruction and Development (EBRD)	61 billion KZT	2028	CPI 6M + 4.00%	37,730	11,822
			CPI + 3.75%		
Halyk bank	41.4 billion KZT	2032	Key Rate of National Bank of RK + 1.50%	31,157	47,391
The Syndicate of banks (BCR, Raiffeisen Bank, OTP, Alpha, Garanti)	83 million EUR	2029	EURIBOR 6M + 3.00%	28,471	24,844
Eni Isatay	–	After the start of commercial mining	CME TERM SOFR + 3.00%	24,761	5,751
The European Development Bank	21 billion KZT	2033	Base rate of NBRK – 2.00%	22,107	–
BCP	170 million USD	2025	COF (4.63%) + 2.00%	21,181	37,893
			SOFR 1M + 2.50%		
Banca Transilvania	57.96 million EUR	2025	ROBOR 1M + 2.00%	17,975	15,710
OTP Bank	119 million RON	2030	ROBOR 3M + 1.10%	10,087	10,964
ING Bank NV	250 million USD	2025	COF (4.55%) + 1.80%	7,714	13,839
Halyk bank	41 billion KZT	2024	17.75 - 18.75%	–	31,487
Credit Agricole	150 million USD	2024	COF (5.6%) + 2.00%	–	26,936
Lukoil Kazakhstan Upstream	–	After the start of commercial mining	O/N SOFR + 2.85%	–	47,363
Other	–	–	–	26,180	10,343
Total				679,431	710,816

¹ 275.9 million USD with revolving credit facility;

² Cost of funding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

Changes in liabilities arising from financing activities:

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

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

Covenants

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

Hedge of net investment in the foreign operations

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

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

28. LEASE LIABILITIES

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. PROVISIONS

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. TRADE ACCOUNTS PAYABLE AND OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

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

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

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

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

31. OTHER TAXES PAYABLE

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. INCOME TAX EXPENSES

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. INCOME TAX EXPENSES (continued)

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. INCOME TAX EXPENSES (continued)

Deferred corporate income tax and excess profit tax are determined with reference to individual subsoil use contracts. Deferred corporate income tax is also determined for activities outside of the scope of subsoil use contracts. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax asset arising mainly from tax losses carry forward amounted to 583,520 million tenge as at December 31, 2024 (as at December 31, 2023: 551,341 million tenge).

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties

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

Transactions balances

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

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

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

Due from/to related parties

Samruk-Kazyna entities

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

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

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

Joint ventures

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. RELATED PARTY DISCLOSURES (continued)

Cash and deposits placed with related parties

Samruk-Kazyna entities

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

Borrowings payable to related parties

Samruk-Kazyna entities

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

Other state-controlled parties

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

Financial assets and loans due from related parties

Samruk-Kazyna entities

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

Other state-controlled parties

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

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

Joint ventures

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. RELATED PARTY DISCLOSURES (continued)

Transactions turnover

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

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

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

Sales to related parties / purchases from related parties

Joint ventures

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

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

Key management employee compensation

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

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

Market risk

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk

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

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

Interest rate risk

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Credit risk

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

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

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

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

Liquidity risk

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

<i>In millions of tenge</i>	Due less than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due after 5 years*	Total
As at December 31, 2024						
Borrowings*	8,311	4,279	508,247	1,760,405	5,449,825	7,731,067
Trade accounts payable	208,205	226,758	163,824	–	–	598,787
Financial guarantees**	–	59	32,269	14,991	–	47,319
Lease liabilities	2,788	4,488	19,195	56,149	102,326	184,946
Other financial liabilities	63,206	44,567	77,932	8,990	–	194,695
	282,510	280,151	801,467	1,840,535	5,552,151	8,756,814

As at December 31, 2023						
Borrowings*	38,896	1,329	503,846	1,413,755	4,738,778	6,696,604
Trade accounts payable	122,306	340,634	200,991	–	–	663,931
Financial guarantees**	–	64	–	46,555	–	46,619
Lease liabilities	2,124	1,964	15,679	49,777	89,424	158,968
Other financial liabilities	71,323	24,605	69,792	20,067	–	185,787
	234,649	368,596	790,308	1,530,154	4,828,202	7,751,909

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

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

Capital management

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

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

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

35. CONTINGENT LIABILITIES AND COMMITMENTS

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

Commodity price risk

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

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan’s tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

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

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. *The transfer pricing legislation* requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm’s length principle. The law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Group’s position, which could result in additional taxes, fines and interest. As at December 31, 2024 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group’s positions with regard to transfer pricing will be sustained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Comprehensive tax audit at oil refineries of the Group

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

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

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

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

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

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

Legal issues and claims

The civil litigation at KMGI

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Competition investigation in Moldova

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

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

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Environmental issues

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

Environmental audits

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

Cost recovery audits

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

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Kazakhstan local market obligation

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

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

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

Commitments under subsoil use contracts

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

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

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

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

Oil supply commitments

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Other contractual commitments

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

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

Non-financial guarantees

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

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

36. SEGMENT REPORTING

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. SEGMENT REPORTING (continued)

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

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

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

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

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

Geographic information

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. SEGMENT REPORTING (continued)

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

	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
<i>In millions of tenge</i>							
Revenues from sales to external customers	798,948	292,817	6,157,822	874,685	205,989	–	8,330,261
Revenues from sales to other segments	1,687,114	156,087	197,018	104,826	186,154	(2,331,199)	–
Total revenue	2,486,062	448,904	6,354,840	979,511	392,143	(2,331,199)	8,330,261
Cost of purchased oil, gas, petroleum products and other materials	(53,766)	(20,815)	(5,447,383)	(553,840)	(63,400)	1,792,193	(4,347,011)
Production expenses	(639,251)	(254,754)	(387,897)	(236,265)	(299,386)	418,949	(1,398,604)
Taxes other than income tax	(397,851)	(21,315)	(33,173)	(128,808)	(11,837)	–	(592,984)
Transportation and selling expenses	(210,806)	(19,094)	(108,751)	(13,041)	–	83,868	(267,824)
General and administrative expenses	(52,639)	(17,651)	(61,045)	(113,171)	(27,673)	18,031	(254,148)
Share in profit of joint ventures and associates, net	359,311	104,204	55,150	–	12,565	–	531,230
EBITDA	1,491,060	219,479	371,741	(65,614)	2,412	(18,158)	2,000,920
EBITDA, %	74%	11%	19%	(3%)	–	(1%)	
Depreciation, depletion and amortization	(453,254)	(44,489)	(130,315)	(3,346)	(11,262)	–	(642,666)
Interest revenue calculated using the effective interest method	27,165	11,553	40,522	208,689	14,247	(117,784)	184,382
Other finance income	2,451	1,088	225	113,374	6,152	–	123,290
Finance costs	(45,579)	(19,788)	(109,221)	(237,334)	(12,421)	78,247	(346,096)
(Impairment)/reversal of impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses	(57,100)	(2,475)	(4,064)	(40,678)	11,609	22,975	(69,733)
Gain from disposal of subsidiary	–	–	–	16,410	–	–	16,410
Foreign exchange gain, net	20,602	1,799	2,922	160,363	651	(878)	185,459
Excepted credit losses	(16,787)	(752)	3,210	(458)	(260)	6,761	(8,316)
Other operating income	11,431	5,350	4,451	28,492	7,993	(3,340)	52,377
Other expenses	37,483	(2,079)	(3,884)	(6,017)	(12,404)	(51,802)	(38,703)
Income tax expenses	(220,400)	(9,426)	(38,129)	(90,576)	(4,556)	–	(363,087)
Profit/(loss) for the year from continuing operations	797,072	160,230	137,458	81,305	2,161	(83,979)	1,094,247
Other segment information							
Investments in joint ventures and associates	4,503,070	582,045	134,681	–	158,717	–	5,378,513
Capital expenditures	433,140	63,777	154,161	32,512	32,651	–	716,241
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	(30,523)	(7,554)	(54,589)	(31,966)	(10,170)	–	(134,802)
Assets of the segment	11,643,803	1,550,949	3,238,703	2,254,912	601,821	(355,541)	18,934,647
Liabilities of the segment	1,967,848	362,981	1,814,519	5,747,682	220,781	(3,103,448)	7,010,363

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. SEGMENT REPORTING (continued)

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

	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
<i>In millions of tenge</i>							
Revenues from sales to external customers	909,768	267,002	6,144,394	830,668	167,711	–	8,319,543
Revenues from sales to other segments	1,415,539	165,242	180,601	81,526	145,221	(1,988,129)	–
Total revenue*	2,325,307	432,244	6,324,995	912,194	312,932	(1,988,129)	8,319,543
Cost of purchased oil, gas, petroleum products and other materials*	(47,394)	(19,317)	(5,434,056)	(544,457)	(44,900)	1,468,243	(4,621,881)
Production expenses	(534,569)	(252,477)	(394,240)	(212,249)	(245,707)	419,520	(1,219,722)
Taxes other than income tax	(424,909)	(19,181)	(17,571)	(122,151)	(10,268)	–	(594,080)
Transportation and selling expenses	(191,482)	(10,514)	(99,054)	(10,505)	(2)	66,032	(245,525)
General and administrative expenses	(40,731)	(16,826)	(53,752)	(44,229)	(25,109)	14,750	(165,897)
Share in profit of joint ventures and associates, net	396,257	85,161	70,926	–	21,833	–	534,177
EBITDA*	1,442,479	199,090	397,248	(21,397)	8,779	(19,684)	2,006,619
EBITDA, %*	72%	10%	20%	(1%)	–	(1%)	
Depreciation, depletion and amortization*	(414,098)	(39,611)	(132,820)	(3,549)	(9,465)	–	(599,543)
Interest revenue calculated using the effective interest method	16,764	10,528	37,772	114,743	14,105	(54,463)	139,449
Other finance income	121	172	316	5,180	2,062	(519)	7,332
Finance costs	(28,732)	(8,773)	(113,789)	(190,867)	(9,227)	29,758	(321,630)
Impairment of property, plant and equipment, intangible assets, non– current advances for fixed assets and exploration expenses	(107,725)	(1,658)	(97,854)	(40,337)	(566)	–	(248,140)
Gain from disposal of subsidiary	–	–	–	186,225	–	–	186,225
Foreign exchange gain, net	(6,842)	643	47,910	(17,396)	(135)	1,042	25,222
Excepted credit losses	(2,403)	(627)	(2,171)	(8,061)	(141)	1,529	(11,874)
Other operating income	5,334	2,341	37,567	5,277	13,417	(8,558)	55,378
Other expenses	(5,001)	(2,219)	(11,564)	(12,068)	(12,031)	319	(42,564)
Income tax expenses*	(154,329)	(9,307)	(36,967)	(67,780)	(1,409)	–	(269,792)
Profit/(loss) for the year from continuing operations*	745,568	150,579	125,648	(50,030)	5,389	(50,476)	926,678
Other segment information							
Investments in joint ventures and associates	4,056,464	536,576	129,442	–	98,945	–	4,821,427
Capital expenditures*	389,846	193,008	153,989	44,097	22,597	–	803,537
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	(14,486)	(7,365)	(49,875)	(35,150)	(11,337)	–	(118,213)
Assets of the segment*	11,573,073	1,475,597	3,091,573	1,857,357	430,184	(1,486,683)	16,941,101
Liabilities of the segment*	1,626,832	370,240	1,844,550	4,546,456	137,282	(1,980,873)	6,544,487

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. SUBSEQUENT EVENTS

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