

JSC NC “KazMunayGas”

Consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

| <i>In millions of tenge</i>                                                                                     | Note   | 2024               | 2023<br>(restated)* |
|-----------------------------------------------------------------------------------------------------------------|--------|--------------------|---------------------|
| <b>Cash flows from investing activities</b>                                                                     |        |                    |                     |
| 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                 |
| <b>Net cash flows used in investing activities</b>                                                              |        | <b>(1,042,955)</b> | <b>(759,636)</b>    |
| <b>Cash flows from financing activities</b>                                                                     |        |                    |                     |
| 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)            | –                   |
| <b>Net cash flows used in financing activities</b>                                                              |        | <b>(780,560)</b>   | <b>(604,362)</b>    |
| Effects of exchange rate changes on cash and cash equivalents                                                   |        | 145,268            | (15,942)            |
| Change in allowance for expected credit losses                                                                  |        | (27)               | 14                  |
| <b>Net change in cash and cash equivalents</b>                                                                  |        | <b>165,578</b>     | <b>287,688</b>      |
| Cash and cash equivalents, at the beginning of the year                                                         |        | 1,050,873          | 763,185             |
| <b>Cash and cash equivalents, at the end of the year</b>                                                        |        | <b>1,216,451</b>   | <b>1,050,873</b>    |

\* 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”

Consolidated financial statements

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



D.A. Aryssova

Chief accountant

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.

JSC “National Company “KazMunayGas”

Consolidated financial statements

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.

JSC “National Company “KazMunayGas”

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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*.

JSC “National Company “KazMunayGas”

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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)         |                                        |                          |                      |                   |

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.

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<br>(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.

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.

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)        |
| <b>Net decrease in cash and cash equivalents</b> | <b>(118)</b> |

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

In millions of tenge

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

|                                                                   |               |
|-------------------------------------------------------------------|---------------|
| 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         |
| <b>Gain from disposal of subsidiary</b>                           | <b>16,410</b> |

\* 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)          |
| <b>Loss for the period</b>          | <b>(233)</b> |

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    |
| <b>Net increase in cash and cash equivalents</b> | <b>20</b> |

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

In millions of tenge

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

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

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         |
| <b>Gain from disposal of subsidiary</b>                                          | <b>186,225</b> |

\* 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”

Consolidated financial statements

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 |
|---------------------------------------------------------------|----------------------------|
| <b>Assets</b>                                                 |                            |
| <b>Non-current assets</b>                                     |                            |
| 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                      |
| <b>Current assets</b>                                         |                            |
| 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                      |
| <b>Total assets</b>                                           | <b>223,973</b>             |
| <b>Non-current liabilities</b>                                |                            |
| Provisions (Note 29)                                          | 4,346                      |
| Deferred income tax liabilities (Note 32)                     | 48,752                     |
| Other non-current financial liabilities                       | 447                        |
| <b>Current liabilities</b>                                    |                            |
| Trade accounts payable                                        | 8,802                      |
| Other current financial liabilities                           | 5,527                      |
| <b>Total liabilities</b>                                      | <b>67,874</b>              |
| <b>Total identifiable net assets at fair values</b>           | <b>156,099</b>             |
| <br>                                                          |                            |
| 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      |
|--------------------------------------|-----------|-----------|
| <b>Type of goods and services</b>    |           |           |
| 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 |
| <b>Geographical markets</b>          |           |           |
| 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 |
| <b>Timing of revenue recognition</b> |           |           |
| At a point in time                   | 8,093,554 | 8,121,191 |
| Over time                            | 236,707   | 198,352   |
|                                      | 8,330,261 | 8,319,543 |

JSC “National Company “KazMunayGas”

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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     |
|----------------------------------------------|---------|----------|
| <b>Joint ventures</b>                        |         |          |
| 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  |
| <b>Associates</b>                            |         |          |
| 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 |

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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    |
|--------------------------------------------------|----------|---------|
| <b>Impairment charge and reversal</b>            |          |         |
| 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<br>gas<br>assets | Pipelines | Refinery<br>assets | Buildings<br>and<br>improve-<br>ments | Machinery<br>and<br>equip-<br>ment | Vehicles  | Other     | Capital<br>work in<br>progress | Total       |
|---------------------------------------------------------------|--------------------------|-----------|--------------------|---------------------------------------|------------------------------------|-----------|-----------|--------------------------------|-------------|
| <i>In millions of tenge</i>                                   |                          |           |                    |                                       |                                    |           |           |                                |             |
| Net book value as at<br>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<br>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<br>(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<br>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<br>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<br>gas<br>assets | Pipelines | Refinery<br>assets | Buildings<br>and<br>improve-<br>ments | Machinery<br>and equip-<br>ment | Vehicles  | Other     | Capital work<br>in progress | Total       |
|---------------------------------------------------------------|--------------------------|-----------|--------------------|---------------------------------------|---------------------------------|-----------|-----------|-----------------------------|-------------|
| <i>In millions of tenge</i>                                   |                          |           |                    |                                       |                                 |           |           |                             |             |
| Net book value as at<br>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<br>impairment on disposals       | 31,438                   | 59        | 5,607              | 6,439                                 | 7,046                           | 3,069     | 6,349     | 1,857                       | 61,864      |
| (Impairment)/reversal of impairment<br>(Note 14)              | –                        | –         | (3,671)            | (2,942)                               | 15,985                          | (2,200)   | 12        | (72,585)                    | (65,401)    |
| Transfers from exploration and<br>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<br>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<br>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<br>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     |
|--------------------------------------------------------------|-----------|------------|-----------|
| <b>Net book value as at December 31, 2022</b>                | 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)     |
| <b>Net book value as at December 31, 2023</b>                | 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)      |
| <b>Net book value as at December 31, 2024</b>                | 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,<br>2024 | December 31,<br>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<br>rights (under<br>production) | Goodwill  | Marketing<br>related<br>intangible<br>assets | Software | Other    | Total     |
|----------------------------------------------------------|-----------|---------------------------------------------|-----------|----------------------------------------------|----------|----------|-----------|
| <b>Net book value as at December 31, 2022</b>            | 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)  | –         |
| <b>Net book value as at December 31, 2023 (restated)</b> | 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)   |
| <b>Net book value as at December 31, 2024</b>            | 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) |
| <b>Net book value as at December 31, 2024</b>            | 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) |
| <b>Net book value as at December 31, 2023 (restated)</b> | 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,<br>2024 | December 31,<br>2023<br>(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

| <i>In millions of tenge</i>                          | Oil and gas<br>assets | Refinery<br>assets | Buildings and<br>improve-<br>ments | Machinery<br>and equip-<br>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,<br>2024 | December 31,<br>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,<br>2024 | December 31,<br>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 |
| <b>Joint ventures</b>                  |                                                                                                  |                     |                   |                      |                   |                      |
| Tengizchevroil LLP (TCO) <sup>1</sup>  | 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) <sup>2</sup>     |                                                                                                  | 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) <sup>3</sup>    | 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) <sup>3</sup>   | 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            |                      |
| <b>Associates</b>                      |                                                                                                  |                     |                   |                      |                   |                      |
|                                        |                                                                                                  | Kazakhstan / Russia |                   |                      |                   |                      |
| Caspian Pipeline Consortium (CPC)      | Transportation of liquid hydrocarbons                                                            | 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         |                      |

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

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

<sup>3</sup>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.

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

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      |
|---------------------------------------------------------------------------|------------------|-----------|
| <b>On January 1</b>                                                       | <b>4,821,427</b> | 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     |
| <b>On December 31</b>                                                     | <b>5,378,513</b> | 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> | –               | –               | –               | –              | –               | –              |
| <b>Equity</b>                                                     | <b>19,936,117</b>  | <b>390,836</b>  | <b>(10,878)</b> | <b>198,968</b>  | <b>133,078</b> | <b>132,404</b>  | <b>129,128</b> |
| 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             | –               | –              | –               | –              |
| <b>Carrying amount of the investments as at December 31, 2024</b> | <b>3,987,223</b>   | <b>196,938</b>  | <b>88,018</b>   | <b>67,860</b>   | <b>66,539</b>  | <b>66,202</b>   | <b>65,079</b>  |
| 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)        | –              |
| <b>Profit/(loss) for the year from continuing operations</b>      | <b>1,517,402</b>   | <b>71,452</b>   | <b>(10,479)</b> | <b>(17,923)</b> | <b>38,314</b>  | <b>41,688</b>   | <b>(2,138)</b> |
| Other comprehensive income / (loss)                               | 2,693,108          | 4,365           | –               | 33,036          | 20,455         | (1)             | –              |
| <b>Total comprehensive income/(loss)</b>                          | <b>4,210,510</b>   | <b>75,817</b>   | <b>(10,479)</b> | <b>15,113</b>   | <b>58,769</b>  | <b>41,687</b>   | <b>(2,138)</b> |
| Dividends received                                                | 389,991            | 44,584          | –               | –               | 53,276         | 8,000           | –              |

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>  | –             | –              | –             | –            | –              |
| <b>Equity</b>                                                     | <b>88,528</b>   | <b>127,483</b>   | <b>56,630</b> | <b>48,057</b>  | <b>18,323</b> | <b>1,303</b> | <b>13,200</b>  |
| Share of ownership                                                | 50%             | 50%              | 49%           | 50%            | 49%           | 50%          | 48.996%        |
| Accumulated unrealized losses                                     | –               | (26,053)         | –             | –              | –             | –            | –              |
| Equity method adjustments                                         | –               | –                | –             | –              | –             | 8,255        | –              |
| <b>Carrying amount of the investments as at December 31, 2024</b> | <b>44,264</b>   | <b>37,688</b>    | <b>27,749</b> | <b>24,028</b>  | <b>8,978</b>  | <b>8,907</b> | <b>6,468</b>   |
| 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)      | –            | –              |
| <b>Profit/(loss) for the year from continuing operations</b>      | <b>50,672</b>   | <b>(353)</b>     | <b>55,690</b> | <b>11,973</b>  | <b>53,547</b> | <b>1,304</b> | <b>(3,556)</b> |
| Other comprehensive income/(loss)                                 | 9,658           | (86)             | –             | –              | –             | –            | –              |
| <b>Total comprehensive income/(loss)</b>                          | <b>60,330</b>   | <b>(439)</b>     | <b>55,690</b> | <b>11,973</b>  | <b>53,547</b> | <b>1,304</b> | <b>(3,556)</b> |
| 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> | –               | –             |
| <b>Equity</b>                                                     | <b>17,992,548</b>  | <b>410,183</b>   | <b>(276)</b>  | <b>55,281</b>    | <b>138,957</b>  | <b>106,717</b>  | <b>23,608</b> |
| 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)         |
| <b>Carrying amount of the investments as at December 31, 2023</b> | <b>3,598,510</b>   | <b>203,614</b>   | <b>93,258</b> | <b>7,641</b>     | <b>69,479</b>   | <b>53,358</b>   | <b>17,552</b> |
| 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)         | –             |
| <b>Profit/(loss) for the year from continuing operations</b>      | <b>1,704,419</b>   | <b>76,510</b>    | <b>(44)</b>   | <b>(94,011)</b>  | <b>64,648</b>   | <b>37,440</b>   | <b>(992)</b>  |
| Other comprehensive (loss)/income                                 | (325,499)          | 1,285            | –             | (3,243)          | (305)           | 1               | –             |
| <b>Total comprehensive income/(loss)</b>                          | <b>1,378,920</b>   | <b>77,795</b>    | <b>(44)</b>   | <b>(97,254)</b>  | <b>64,343</b>   | <b>37,441</b>   | <b>(992)</b>  |
| Dividends received                                                | 426,893            | –                | –             | –                | 553             | 2,500           | –             |

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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>  | –               | –             | –             |
| <b>Equity</b>                                                     | <b>73,012</b>   | <b>134,492</b>   | <b>36,084</b>   | <b>64,776</b> | <b>16,756</b> |
| Share of ownership                                                | 50%             | 50%              | 50%             | 49%           | 48.996%       |
| Impairment of the investment                                      | –               | –                | –               | –             | –             |
| Equity method adjustments                                         | –               | –                | –               | –             | –             |
| Accumulated unrealized losses                                     | –               | (25,731)         | –               | –             | –             |
| <b>Carrying amount of the investments as at December 31, 2023</b> | <b>36,506</b>   | <b>41,515</b>    | <b>18,042</b>   | <b>31,740</b> | <b>8,210</b>  |
| 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)       |
| <b>Profit/(loss) for the year from continuing operations</b>      | <b>41,965</b>   | <b>34,592</b>    | <b>(3,737)</b>  | <b>95,034</b> | <b>237</b>    |
| Other comprehensive loss                                          | (1,729)         | 16               | –               | –             | –             |
| <b>Total comprehensive income/(loss)</b>                          | <b>40,236</b>   | <b>34,608</b>    | <b>(3,737)</b>  | <b>95,034</b> | <b>237</b>    |
| 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                       | <b>2,109,714</b>  | <b>174,833</b>  |
| Current assets                           | <b>288,618</b>    | <b>139,072</b>  |
| Non-current liabilities                  | <b>(8,147)</b>    | <b>(16,382)</b> |
| Current liabilities                      | <b>(299,418)</b>  | <b>(27,971)</b> |
| <b>Equity</b>                            | <b>2,090,767</b>  | <b>269,552</b>  |
| Share of ownership                       | <b>20.75%</b>     | <b>33%</b>      |
| Goodwill                                 | <b>50,413</b>     | –               |
| Impairment of the investment             | –                 | <b>(6,778)</b>  |
| <b>Carrying amount of the investment</b> | <b>484,247</b>    | <b>82,175</b>   |
| Revenue                                  | <b>1,063,100</b>  | <b>132,943</b>  |
| Depreciation, depletion and amortization | <b>(221,309)</b>  | <b>(25,378)</b> |
| Finance income                           | <b>15,676</b>     | <b>2,011</b>    |
| Finance costs                            | <b>(1,558)</b>    | <b>(1,269)</b>  |
| Income tax expenses                      | <b>(95,835)</b>   | <b>(9,368)</b>  |
| <b>Profit for the year</b>               | <b>392,890</b>    | <b>6,828</b>    |
| Other comprehensive loss                 | <b>334,726</b>    | <b>20,354</b>   |
| <b>Total comprehensive income</b>        | <b>727,616</b>    | <b>27,182</b>   |
| Dividends received                       | <b>105,910</b>    | <b>17,920</b>   |

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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>              | <b>December 31, 2023</b> |                |
|------------------------------------------|--------------------------|----------------|
|                                          | <b>CPC</b>               | <b>PKI</b>     |
| 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)       |
| <b>Equity</b>                            | <b>1,967,580</b>         | <b>308,074</b> |
| Share of ownership                       | 20.75%                   | 33%            |
| Goodwill                                 | 43,640                   | –              |
| Impairment of the investment             | –                        | (6,778)        |
| <b>Carrying amount of the investment</b> | <b>451,913</b>           | <b>94,887</b>  |
| 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)        |
| <b>Profit for the year</b>               | <b>310,160</b>           | <b>14,814</b>  |
| Other comprehensive loss                 | (42,915)                 | (4,927)        |
| <b>Total comprehensive income</b>        | <b>267,245</b>           | <b>9,887</b>   |
| 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>                                 | <b>December 31, 2024</b> | December 31, 2023 |
|-------------------------------------------------------------|--------------------------|-------------------|
| <b>Group share in:</b>                                      |                          |                   |
| Non-current assets                                          | <b>70,182</b>            | 46,566            |
| Current assets                                              | <b>30,806</b>            | 19,485            |
| Non-current liabilities                                     | <b>(27,553)</b>          | (16,170)          |
| Current liabilities                                         | <b>(17,652)</b>          | (10,560)          |
| Goodwill                                                    | <b>172</b>               | 172               |
| Accumulated unrecognized share of losses                    | <b>1,961</b>             | 1,300             |
| <b>Carrying amount of the investments as at December 31</b> | <b>57,916</b>            | 40,793            |
| Profit for the year from continuing operations              | <b>2,497</b>             | 4,286             |
| Other comprehensive loss                                    | <b>(118)</b>             | (844)             |
| <b>Total comprehensive income</b>                           | <b>2,379</b>             | 3,442             |
| Unrecognized share of loss                                  | <b>(761)</b>             | (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>                                 | <b>December 31, 2024</b> | December 31, 2023 |
|-------------------------------------------------------------|--------------------------|-------------------|
| <b>Group share in:</b>                                      |                          |                   |
| Non-current assets                                          | <b>65,590</b>            | 60,636            |
| Current assets                                              | <b>85,423</b>            | 92,172            |
| Non-current liabilities                                     | <b>(12,685)</b>          | (17,916)          |
| Current liabilities                                         | <b>(80,094)</b>          | (81,358)          |
| Accumulated unrecognized share of losses                    | <b>–</b>                 | 875               |
| <b>Carrying amount of the investments as at December 31</b> | <b>58,234</b>            | 54,409            |
| Profit for the year from continuing operations              | <b>1,672</b>             | 7,103             |
| Other comprehensive income                                  | <b>3,066</b>             | 375               |
| <b>Total comprehensive income</b>                           | <b>4,738</b>             | 7,478             |

**22. INVENTORIES**

| <i>In millions of tenge</i>                                  | <b>December 31, 2024</b> | December 31, 2023 |
|--------------------------------------------------------------|--------------------------|-------------------|
| Materials and supplies (at cost)                             | <b>231,205</b>           | 232,469           |
| Crude oil (at cost)                                          | <b>92,028</b>            | 61,621            |
| Refined products (at lower of cost and net realizable value) | <b>90,508</b>            | 82,354            |
|                                                              | <b>413,741</b>           | 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>                | <b>December 31, 2024</b> | December 31, 2023 |
|--------------------------------------------|--------------------------|-------------------|
| <b>Trade accounts receivable</b>           |                          |                   |
| Trade accounts receivable                  | <b>472,143</b>           | 593,448           |
| Less: allowance for expected credit losses | <b>(29,086)</b>          | (32,190)          |
|                                            | <b>443,057</b>           | 561,258           |
| <b>Other current financial assets</b>      |                          |                   |
| Other receivables                          | <b>117,313</b>           | 97,771            |
| Dividends receivable                       | <b>7,997</b>             | 20,952            |
| Less: allowance for expected credit losses | <b>(61,782)</b>          | (43,853)          |
|                                            | <b>63,528</b>            | 74,870            |
| <b>Other current non-financial assets</b>  |                          |                   |
| Advances paid and prepaid expenses         | <b>137,553</b>           | 91,769            |
| Taxes receivable, other than VAT           | <b>37,414</b>            | 63,188            |
| Other                                      | <b>6,643</b>             | 5,659             |
| Less: impairment allowance                 | <b>(856)</b>             | (3,359)           |
|                                            | <b>180,754</b>           | 157,257           |
| <b>Total other current assets</b>          | <b>244,282</b>           | 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,<br>2024 | December 31,<br>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                |
|                             | <b>443,057</b>       | <b>561,258</b>       |

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

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

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 |          |
| <b>December 31, 2024</b>    |               |          |            |            |          |          |
| 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) |
| <b>December 31, 2023</b>    |               |          |            |            |          |          |
| 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) |

## JSC NC “KazMunayGas”

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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,<br>2024 | December 31,<br>2023 |
|--------------------------------------------------------|----------------------|----------------------|
| <b>At amortized cost</b>                               |                      |                      |
| 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)              |
|                                                        | <b>112,170</b>       | <b>120,002</b>       |

**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         |
|                                                             | <b>93,743</b>  | <b>99,901</b>  |
| <b>Total loans and receivables due from related parties</b> | <b>205,913</b> | <b>219,903</b> |

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

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

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

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>    |            |
|--------------------------------|------------|
| <b>As at December 31, 2022</b> | 1,878      |
| Charged, net                   | (17)       |
| Foreign currency translation   | 2          |
| <b>As at December 31, 2023</b> | 1,863      |
| Charged, net                   | (73)       |
| Written off                    | (1,086)    |
| Foreign currency translation   | 1          |
| <b>As at December 31, 2024</b> | <b>705</b> |

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,<br>2024 | December 31,<br>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,<br>2024 and 2023 |
|----------------------------------------------------|-------------------------------|
| <b>Number of shares issued and paid, including</b> | <b>610,119,493</b>            |
| 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                   |
| <b>Share capital (thousands of tenge)</b>          | <b>916,540,545</b>            |

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, KMGI 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*).

JSC NC “KazMunayGas”

Consolidated financial statements

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,<br>2024 | December 31,<br>2023<br>(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                          |
| <b>Net assets</b>                                        | <b>10,981,128</b>    | <b>9,513,331</b>                   |
| Number of ordinary shares                                | 610,119,493          | 610,119,493                        |
| <b>Book value per ordinary share (in thousand tenge)</b> | <b>17.998</b>        | <b>15.593</b>                      |

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)       |

JSC NC “KazMunayGas”

Consolidated financial statements

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. |
|-------------------------------------------------------------------|-----------------------------|----------------|---------------------------------|-----------------|-------------------------|
| <b>Summarized statement of financial position</b>                 |                             |                |                                 |                 |                         |
| 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)               |
| <b>Total equity</b>                                               | <b>182,323</b>              | <b>663,561</b> | <b>48,753</b>                   | <b>(65,064)</b> | <b>(684,169)</b>        |
| <b>Attributable to:</b>                                           |                             |                |                                 |                 |                         |
| 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)               |
| <b>Summarized statement of comprehensive income</b>               |                             |                |                                 |                 |                         |
| Revenue                                                           | 889,308                     | 311,900        | –                               | 87,742          | 1,522,309               |
| <b>Profit/(loss) for the year from continuing operations</b>      | <b>8,990</b>                | <b>65,092</b>  | <b>1,312</b>                    | <b>402</b>      | <b>(31,651)</b>         |
| <b>Total comprehensive income/(loss) for the year, net of tax</b> | <b>33,477</b>               | <b>72,136</b>  | <b>7,821</b>                    | <b>(9,257)</b>  | <b>(125,792)</b>        |
| <b>Attributable to:</b>                                           |                             |                |                                 |                 |                         |
| 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)        | –                               | –               | –                       |
| <b>Summarized cash flow information</b>                           |                             |                |                                 |                 |                         |
| 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                  |
| <b>Net decrease in cash and cash equivalents</b>                  | <b>(3,858)</b>              | <b>(4,029)</b> | <b>–</b>                        | <b>(28)</b>     | <b>(28,109)</b>         |

JSC NC “KazMunayGas”

Consolidated financial statements

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<br>Downstream<br>S.R.L. | KTO            | Rompetrol<br>Petrochemicals<br>S.R.L. | KMG EP           | Rompetrol Vega  | Rompetrol<br>Refinare S.A. |
|-------------------------------------------------------------------|-----------------------------------|----------------|---------------------------------------|------------------|-----------------|----------------------------|
| <b>Summarized statement of financial position</b>                 |                                   |                |                                       |                  |                 |                            |
| 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)                  |
| <b>Total equity</b>                                               | <b>148,847</b>                    | <b>616,424</b> | <b>40,932</b>                         | <b>2,426,936</b> | <b>(55,807)</b> | <b>(558,377)</b>           |
| <b>Attributable to:</b>                                           |                                   |                |                                       |                  |                 |                            |
| 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)                  |
| <b>Summarized statement of comprehensive income</b>               |                                   |                |                                       |                  |                 |                            |
| Revenue                                                           | 1,012,646                         | 290,386        | –                                     | 1,184,834        | 108,639         | 1,696,983                  |
| <b>Profit/(loss) for the year from continuing operations</b>      | <b>5,439</b>                      | <b>69,508</b>  | <b>3,125</b>                          | <b>37,360</b>    | <b>(4,278)</b>  | <b>(98,216)</b>            |
| <b>Total comprehensive income/(loss) for the year, net of tax</b> | <b>2,352</b>                      | <b>70,146</b>  | <b>2,440</b>                          | <b>34,250</b>    | <b>(3,422)</b>  | <b>(90,054)</b>            |
| <b>Attributable to:</b>                                           |                                   |                |                                       |                  |                 |                            |
| 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)        | –                                     | –                | –               | –                          |
| <b>Summarized cash flow information</b>                           |                                   |                |                                       |                  |                 |                            |
| 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                  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>       | <b>1,251</b>                      | <b>(8,485)</b> | <b>5</b>                              | <b>(124,491)</b> | <b>–</b>        | <b>64,967</b>              |

JSC NC “KazMunayGas”

Consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS

| <i>In millions of tenge</i>                       | December 31,<br>2024 | December 31,<br>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%                |
|                                                   | <b>3,967,401</b>     | <b>3,757,094</b>     |

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

| <i>In millions of tenge</i> | December 31,<br>2024 | December 31,<br>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               |
|                             | <b>3,967,401</b>     | <b>3,757,094</b>     |

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

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

| <i>In millions of tenge</i> | Issuance<br>amount   | Redemption<br>date | Effective<br>Interest Rate                    | December 31,<br>2024 | December 31,<br>2023 |
|-----------------------------|----------------------|--------------------|-----------------------------------------------|----------------------|----------------------|
| <b>Bonds</b>                |                      |                    |                                               |                      |                      |
| KASE 2023                   | 70 billion KZT       | 2033               | 11.74%<br>(0.50%<br>nominal<br>interest rate) | 45,873               | 41,375               |
| KASE 2022                   | 751.6 billion<br>KZT | 2035               | 12.105%<br>(9.30% nominal<br>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              |
| <b>Total</b>                |                      |                    |                                               | <b>3,287,970</b>     | <b>3,046,278</b>     |

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.

JSC NC “KazMunayGas”

Consolidated financial statements

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).

JSC NC “KazMunayGas”

Consolidated financial statements

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

<sup>1</sup> 275.9 million USD with revolving credit facility;

<sup>2</sup> 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

|                                                                          | Asset retirement obligations | Provision for environmental obligation | Provision for taxes | Other    | Total    |
|--------------------------------------------------------------------------|------------------------------|----------------------------------------|---------------------|----------|----------|
| <i>In millions of tenge</i>                                              |                              |                                        |                     |          |          |
| 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:

|                             | Asset retirement obligations | Provision for environmental obligation | Provision for taxes | Other  | Total   |
|-----------------------------|------------------------------|----------------------------------------|---------------------|--------|---------|
| <i>In millions of tenge</i> |                              |                                        |                     |        |         |
| 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,<br>2024 | December 31,<br>2023 |
|----------------------------------------|----------------------|----------------------|
| <b>Trade accounts payable</b>          | <b>598,787</b>       | 663,930              |
| <b>Other financial liabilities</b>     |                      |                      |
| 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               |
|                                        | <b>176,246</b>       | 164,696              |
| Current portion                        | 169,150              | 145,953              |
| Non-current portion                    | 7,096                | 18,743               |
|                                        | <b>176,246</b>       | 164,696              |
| <b>Other non-financial liabilities</b> |                      |                      |
| Contract liabilities                   | 227,046              | 153,962              |
| Other                                  | 15,432               | 15,328               |
|                                        | <b>242,478</b>       | 169,290              |
| Current portion                        | 206,303              | 131,513              |
| Non-current portion                    | 36,175               | 37,777               |
|                                        | <b>242,478</b>       | 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,<br>2024 | December 31,<br>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                |
| <b>Total</b>                | <b>598,787</b>       | 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,<br>2024 | December 31,<br>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                |
|                                    | <b>83,631</b>        | 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) |
|--------------------------------------------------|---------|-----------------|
| <b>Current income tax</b>                        |         |                 |
| 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             |

|                                    |                |          |
|------------------------------------|----------------|----------|
| <b>Deferred income tax</b>         |                |          |
| Corporate income tax               | 131,419        | 109,578  |
| Alternative mineral extraction tax | 5,734          | (10,391) |
| Withholding tax on dividends       | (27,554)       | (33,376) |
| <b>Income tax expenses</b>         | <b>363,087</b> | 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%             |
| <b>Income tax expense on accounting profit</b>       | <b>291,467</b> | 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)        |
| <b>Income tax expenses</b>                           | <b>363,087</b> | 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 | Total            | Recognized in profit and loss | Corporate income tax | Alternative mineral extraction tax | Withholding tax | Total            | Recognized in profit and loss |
| <i>In millions of tenge</i>                                    |                      |                                    |                 |                  |                               |                      |                                    |                 |                  |                               |
| <b>Deferred tax assets</b>                                     |                      |                                    |                 |                  |                               |                      |                                    |                 |                  |                               |
| 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)                      |
| <b>Deferred tax assets</b>                                     | <b>46,414</b>        | <b>4,291</b>                       | <b>–</b>        | <b>50,705</b>    | <b>68,613</b>                 | <b>55,495</b>        | <b>10,334</b>                      | <b>–</b>        | <b>65,829</b>    | <b>62,116</b>                 |
| <b>Deferred tax liabilities</b>                                |                      |                                    |                 |                  |                               |                      |                                    |                 |                  |                               |
| 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)                      |
| <b>Deferred tax liabilities</b>                                | <b>757,178</b>       | <b>231</b>                         | <b>634,427</b>  | <b>1,391,836</b> | <b>178,212</b>                | <b>551,129</b>       | <b>540</b>                         | <b>571,270</b>  | <b>1,122,939</b> | <b>127,927</b>                |
| <b>Net deferred tax liability</b>                              | <b>710,764</b>       | <b>(4,060)</b>                     | <b>634,427</b>  | <b>1,341,131</b> |                               | <b>495,634</b>       | <b>(9,794)</b>                     | <b>571,270</b>  | <b>1,057,110</b> |                               |
| <b>Deferred tax expense</b>                                    |                      |                                    |                 |                  | <b>109,599</b>                |                      |                                    |                 |                  | <b>65,811</b>                 |

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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>                                          |                      |                                    |                 |                  |                      |                                    |                 |                  |
| <b>Net deferred tax liability as at January 1, net</b>               | <b>495,634</b>       | <b>(9,794)</b>                     | <b>571,270</b>  | <b>1,057,110</b> | 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           |
| <b>Net deferred tax liability as at December 31, net</b>             | <b>710,764</b>       | <b>(4,060)</b>                     | <b>634,427</b>  | <b>1,341,131</b> | <b>495,634</b>       | <b>(9,794)</b>                     | <b>571,270</b>  | <b>1,057,110</b> |

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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<br>related<br>parties* | Purchases<br>from<br>related<br>parties* | Interest<br>earned<br>from<br>related<br>parties | Interest<br>incurred to<br>related<br>parties |
|--------------------------------|------|---------------------------------|------------------------------------------|--------------------------------------------------|-----------------------------------------------|
| <i>In millions of tenge</i>    |      |                                 |                                          |                                                  |                                               |
| 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/<br>(decrease)<br>in tenge to<br>US dollar<br>exchange rate | Effect<br>on profit<br>before tax |
|-----------------------------|--|----------------------------------------------------------------------|-----------------------------------|
| <i>In millions of tenge</i> |  |                                                                      |                                   |
| 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/<br>decrease<br>in basis points | Effect<br>on profit<br>before tax |
|-----------------------------|------|------------------------------------------|-----------------------------------|
| <i>In millions of tenge</i> |      |                                          |                                   |
| 2024                        |      | +4.50                                    | (25,680)                          |
|                             | SOFR | +0.39                                    | (2,226)                           |
| 2023                        |      | +3.97                                    | (19,982)                          |
|                             | SOFR | -3.97                                    | 19,982                            |

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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.

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

Liquidity risk (continued)

|                                | Due less<br>than<br>one month | Due later<br>than<br>one month<br>but not<br>later than<br>three months | Due later<br>than<br>three months<br>but not<br>later than<br>one year | Due later<br>than<br>one year<br>but not<br>later than<br>five years | Due after<br>5 years* | Total     |
|--------------------------------|-------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------|-----------|
| <i>In millions of tenge</i>    |                               |                                                                         |                                                                        |                                                                      |                       |           |
| <b>As at December 31, 2024</b> |                               |                                                                         |                                                                        |                                                                      |                       |           |
| 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 |

|                                |         |         |         |           |           |           |
|--------------------------------|---------|---------|---------|-----------|-----------|-----------|
| <b>As at December 31, 2023</b> |         |         |         |           |           |           |
| 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 cyclicity 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,<br>2024 | December 31,<br>2023<br>(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                          |
| <b>Net debt</b>                                           | <b>1,237,134</b>     | <b>1,709,109</b>                   |
| Equity                                                    | 11,924,284           | 10,396,614                         |
| <b>Capital and net debt</b>                               | <b>13,161,418</b>    | <b>12,105,823</b>                  |

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<br>amount | Fair value | Fair value by level of assessment |         |         | Carrying<br>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          |
| <b>Total</b>                     | <b>909,768</b>                            | <b>267,002</b>     | <b>6,144,394</b>                                       | <b>830,668</b> | <b>167,711</b> | <b>8,319,543</b> |

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

JSC NC “KazMunayGas”

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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)                  | –                 |
| <b>Total revenue</b>                                                                                                                                                                                              | <b>2,486,062</b>                          | <b>448,904</b>     | <b>6,354,840</b>                                       | <b>979,511</b>   | <b>392,143</b> | <b>(2,331,199)</b>           | <b>8,330,261</b>  |
| 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           |
| <b>EBITDA</b>                                                                                                                                                                                                     | <b>1,491,060</b>                          | <b>219,479</b>     | <b>371,741</b>                                         | <b>(65,614)</b>  | <b>2,412</b>   | <b>(18,158)</b>              | <b>2,000,920</b>  |
| <b>EBITDA, %</b>                                                                                                                                                                                                  | <b>74%</b>                                | <b>11%</b>         | <b>19%</b>                                             | <b>(3%)</b>      | <b>–</b>       | <b>(1%)</b>                  |                   |
| 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)                    | 184,392           |
| 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)         |
| <b>Profit/(loss) for the year from continuing operations</b>                                                                                                                                                      | <b>797,072</b>                            | <b>160,230</b>     | <b>137,458</b>                                         | <b>81,305</b>    | <b>2,161</b>   | <b>(83,979)</b>              | <b>1,094,247</b>  |
| <b>Other segment information</b>                                                                                                                                                                                  |                                           |                    |                                                        |                  |                |                              |                   |
| 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)         |
| <b>Assets of the segment</b>                                                                                                                                                                                      | <b>11,643,803</b>                         | <b>1,550,949</b>   | <b>3,238,703</b>                                       | <b>2,254,912</b> | <b>601,821</b> | <b>(355,541)</b>             | <b>18,934,647</b> |
| <b>Liabilities of the segment</b>                                                                                                                                                                                 | <b>1,967,848</b>                          | <b>362,981</b>     | <b>1,814,519</b>                                       | <b>5,747,682</b> | <b>220,781</b> | <b>(3,103,448)</b>           | <b>7,010,363</b>  |

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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<br>production of<br>oil and gas | Oil<br>transportation | Refining and<br>trading of<br>crude oil and<br>refined<br>products | Corporate        | Other          | Eliminations and<br>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)                     | –                 |
| <b>Total revenue*</b>                                                                                                                                                                                                   | <b>2,325,307</b>                                | <b>432,244</b>        | <b>6,324,995</b>                                                   | <b>912,194</b>   | <b>312,932</b> | <b>(1,988,129)</b>              | <b>8,319,543</b>  |
| 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           |
| <b>EBITDA*</b>                                                                                                                                                                                                          | <b>1,442,479</b>                                | <b>199,090</b>        | <b>397,248</b>                                                     | <b>(21,397)</b>  | <b>8,779</b>   | <b>(19,684)</b>                 | <b>2,006,619</b>  |
| <b>EBITDA, %*</b>                                                                                                                                                                                                       | <b>72%</b>                                      | <b>10%</b>            | <b>20%</b>                                                         | <b>(1%)</b>      | <b>–</b>       | <b>(1%)</b>                     |                   |
| 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–<br>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)         |
| <b>Profit/(loss) for the year from continuing operations*</b>                                                                                                                                                           | <b>745,568</b>                                  | <b>150,579</b>        | <b>125,648</b>                                                     | <b>(50,030)</b>  | <b>5,389</b>   | <b>(50,476)</b>                 | <b>926,678</b>    |
| <b>Other segment information</b>                                                                                                                                                                                        |                                                 |                       |                                                                    |                  |                |                                 |                   |
| 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<br>receivables, loans and receivables from related parties, other current<br>financial assets and impairment of other current non-financial assets | (14,486)                                        | (7,365)               | (49,875)                                                           | (35,150)         | (11,337)       | –                               | (118,213)         |
| <b>Assets of the segment*</b>                                                                                                                                                                                           | <b>11,573,073</b>                               | <b>1,475,597</b>      | <b>3,091,573</b>                                                   | <b>1,857,357</b> | <b>430,184</b> | <b>(1,486,683)</b>              | <b>16,941,101</b> |
| <b>Liabilities of the segment*</b>                                                                                                                                                                                      | <b>1,626,832</b>                                | <b>370,240</b>        | <b>1,844,550</b>                                                   | <b>4,546,456</b> | <b>137,282</b> | <b>(1,980,873)</b>              | <b>6,544,487</b>  |

\* 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.