

NC QazaqGaz JSC

**Interim condensed consolidated
financial statements (unaudited)**

For the three months and the six months ended 30 June 2023

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Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholder, Board of Directors and Management of JSC National Company QazaqGaz:

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of JSC National Company QazaqGaz and its subsidiaries (together – the “Group”) as at 30 June 2023 and the related interim condensed consolidated statements of comprehensive income for the three-month and six-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

PricewaterhouseCoopers LLP

8 August 2023
Astana, Kazakhstan

NC QazaqGaz JSC
Interim condensed consolidated statement of financial position

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,171,676,290	1,115,584,339
Exploration and evaluation assets		16,649,547	16,474,772
Right-of-use assets	8	77,940,170	90,661,610
Intangible assets		4,630,988	5,166,868
Investments in joint ventures	9	1,086,971,226	930,644,064
Advances paid for non-current assets	10	64,827,974	2,480,806
VAT recoverable	13	106,224,094	78,509,782
Deferred tax assets		1,232,279	1,216,148
Other non-current assets		116,599	118,725
Bank deposits	14	2,564,552	2,755,818
		2,532,833,719	2,243,612,932
Current assets			
Inventories	16	44,617,063	37,464,754
Trade and other receivables	17	253,703,250	170,562,796
Advances paid	10	1,301,111	3,701,240
Loans to related party	11	33,763,476	3,524,877
Prepaid taxes other than income tax	13	48,101,609	44,836,145
Corporate income tax prepaid		50,425,297	45,200,131
Other current assets		998,652	511,714
Other current financial assets	12	116,409,035	33,600,948
Bank deposits	14	5,215,093	11,351,931
Cash and cash equivalents	15	359,506,275	577,128,222
		914,040,861	927,882,758
TOTAL ASSETS		3,446,874,580	3,171,495,690

* Certain amounts shown in this column do not correspond to the amounts in the consolidated financial statements for the year ended 31 December 2022, as they reflect the restatement of comparative information disclosed in Note 6.

The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements (unaudited).

NC QazaqGaz JSC
Interim condensed consolidated statement of financial position

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (restated)*
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	447,874,886	430,959,489
Additional paid-in capital		25,946,130	25,946,130
Foreign currency translation reserve		2,202,563	2,562,805
Retained earnings		1,866,599,580	1,728,093,477
TOTAL EQUITY		2,342,623,159	2,187,561,901
Non-current liabilities			
Debt securities issued	19	323,876,962	330,925,389
Interest bearing loans	20	38,321,896	46,751,519
Loans from related party	21	7,960,394	8,109,740
Lease liabilities	23	76,669,795	77,780,710
Employee benefit obligations		650,410	577,165
Provisions	22	74,315,911	65,373,257
Other non-current financial liabilities	26	2,652,773	3,510,235
Non-current contract liabilities	24	11,018,265	11,127,184
Deferred tax liabilities		91,329,202	91,943,198
		626,795,608	636,098,397
Current liabilities			
Debt securities issued	19	3,783,771	3,772,898
Interest bearing loans	20	92,404,551	111,907,583
Loans from related party	21	8,065,883	7,737,372
Provisions	22	33,178,779	33,971,438
Trade and other payables	25	268,518,434	121,516,559
Corporate income tax payable		146	899,847
Taxes payable other than income tax		3,389,670	3,998,804
Lease liabilities	23	24,089,898	19,124,431
Contract liabilities	24	11,453,870	8,075,408
Other current financial liabilities	26	20,608,425	21,367,506
Other current liabilities		11,962,386	15,463,546
		477,455,813	347,835,392
TOTAL LIABILITIES		1,104,251,421	983,933,789
TOTAL EQUITY AND LIABILITIES		3,446,874,580	3,171,495,690

* Certain amounts shown in this column do not correspond to the amounts in the consolidated financial statements for the year ended 31 December 2022, as they reflect the restatement of comparative information disclosed in Note 6.

Deputy Chairman of the Management Board on economics and finance

Akan A.M.

Acting Chief accountant

Bokayev Ye.N.



The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements (unaudited).

NC QazaqGaz JSC
Interim condensed consolidated statement of comprehensive income

In thousands of tenge	Note	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
		2023	2022 (restated)*	2023	2022 (restated)*
Revenue from contracts with customers	27	266,064,554	249,819,093	475,603,643	524,145,986
Cost of sales	28	(221,130,473)	(187,407,117)	(445,870,302)	(418,908,456)
Gross profit		44,934,081	62,411,976	29,733,341	105,237,530
General and administrative expenses	29	(8,641,403)	(6,946,753)	(13,833,413)	(13,111,459)
Allowance for expected credit losses		(627,759)	(4,204,922)	(2,535,156)	(4,369,196)
Other operating income		979,928	1,689,856	1,680,619	2,197,558
Other operating expenses		(230,816)	(518,813)	(325,420)	(804,086)
Operating profit		36,414,031	52,431,344	14,719,971	89,150,347
Interest income calculated using the effective interest method	30	6,304,023	6,494,071	13,657,544	12,569,748
Finance income		1,648,406	1,007,292	2,755,692	1,780,689
Finance costs	31	(13,808,565)	(15,481,835)	(29,239,344)	(29,232,310)
Share in income of joint ventures	9	85,911,353	91,531,849	156,732,416	169,267,965
Foreign exchange gain/(loss), net		10,854,600	(33,730,936)	15,469,475	(25,321,972)
Profit before income tax		127,323,848	102,251,785	174,095,754	218,214,467
Income tax benefit/(expenses)	32	380,600	(13,280,628)	(8,524,287)	(24,450,472)
Net profit for the period		127,704,448	88,971,157	165,571,467	193,763,995
Other comprehensive (loss)/income					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods					
Foreign exchange gains less losses on translation of foreign operations		(247,099)	26,985	(360,242)	553,560
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods					
Actuarial remeasurements on defined benefit plan		-	-	-	-
Impact of income tax expenses		-	-	-	-
Other comprehensive (loss)/income for the period, net of income tax		(247,099)	26,985	(360,242)	553,560
Total comprehensive income for the period, net of income tax		127,457,349	88,998,142	165,211,225	194,317,555
Earnings per share					
Basic and diluted, earnings per share for the period attributable to the parent	18	0.28	0.24	0.38	0.52

* Certain amounts shown in this column do not correspond to the amounts in the interim condensed consolidated financial statements for the six months ended 30 June 2022, as they reflect the adjustments disclosed in Note 5.

Deputy Chairman of the Management Board on economics and finance

Akan A.M.

Acting Chief accountant

Bokayev Ye.N.



The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements (unaudited).

NC QazaqGaz JSC
Interim condensed consolidated statement of cash flows

<i>In thousands of tenge</i>	Note	For the six months ended 30 June (unaudited)	
		2023	2022
Cash flows from operating activities			
Receipts from customers		413,328,219	404,730,853
Interest received		12,828,385	11,324,292
Taxes refund from Tax authorities		4,332	23,082
Other receipts		2,283,693	14,141,028
Payments to suppliers		(293,001,606)	(258,028,079)
Income tax paid		(14,366,699)	(23,031,436)
Other taxes and payments to the budget		(25,562,186)	(28,280,046)
Interest paid		(16,825,128)	(18,727,960)
Payments to employees		(34,796,053)	(30,918,582)
Other payments		(4,684,469)	(7,712,528)
Net cash flows received from operating activities		39,208,488	63,520,624
Cash flows from investing activities			
Withdrawal of bank deposits		25,899,127	9,476,600
Proceeds from sale of property, plant and equipment and intangible assets		3,731,208	2,330
Proceeds from redemption of notes of the National Bank of Kazakhstan	12	60,000,000	-
Dividends received from joint ventures	9	90,851	27,058
Loans repaid by related parties		158	9,280,158
Other receipts		-	211,833
Acquisition of financial assets		(63,260,261)	(673,261)
Placement of bank deposits		(19,888,951)	(42,488,288)
Acquisition of property, plant and equipment, intangible assets and exploration and evaluation assets		(104,903,529)	(15,744,799)
Purchase of notes of the National Bank of Kazakhstan	12	(80,064,757)	-
Loans to related parties	11	(31,033,328)	(9,295,000)
Net cash flows used in investing activities		(209,429,482)	(49,203,369)
Cash flows from financing activities			
Repayment of interest-bearing loans and issued debt securities		(9,369,770)	(14,541,247)
Dividends paid to the Sole Shareholder	18	(27,065,364)	-
Repayment of lease liabilities		(1,430,212)	(4,106,849)
Net cash flows used in financing activities		(37,865,346)	(18,648,096)
Net change in cash and cash equivalents		(208,086,340)	(4,330,841)
Net foreign exchange difference on cash and cash equivalents		(9,535,607)	24,695,914
Cash and cash equivalents, at the beginning of the period	15	577,128,222	382,704,384
Cash and cash equivalents, at the end of the period	15	359,506,275	403,069,457

Deputy Chairman of the Management Board on economics and finance

Acting Chief accountant



The accompanying notes on pages 6 to 33 are an integral part of these interim condensed consolidated financial statements (unaudited).

1 Corporate information

The accompanying interim condensed consolidated financial statements include the financial statements of NC "QazaqGaz" JSC (hereinafter the "Company" or "QG") and its subsidiaries (hereinafter collectively referred to as the "Group").

NC "QazaqGaz" JSC was renamed from NC "KazTransGas" JSC. The Company is a joint stock company established in accordance with the Resolution of the Government of the Republic of Kazakhstan (hereinafter the "Government") No. 173 dated 5 February 2000 and registered as a closed joint stock company on 13 March 2000. On 9 June 2004, the Company was re-registered as a joint stock company under the laws of the Republic of Kazakhstan. The Group's head office is registered in the Republic of Kazakhstan, Astana, Yesil district, Alikhan Bokeykhan avenue, 12.

As at 30 June 2023, National Wealth Fund Samruk-Kazyna JSC (hereinafter "Samruk-Kazyna" or the "Sole Shareholder") is the sole shareholder of QG, and all subsidiaries of Samruk-Kazyna are considered as related parties of the Company and the Group.

In accordance with the Resolution of the Government of the RK No. 914 dated 5 July 2012, QG was appointed as the national operator in the area of gas and gas supply. As a national operation, the Company primarily aims to ensure reliable supply of commercial gas to meet the domestic demand in Kazakhstan.

The main activities of the Group also include the following:

- Managing investment activities for the overall development of the main gas pipeline systems within Kazakhstan;
- Managing investment activities for gas fields development within Kazakhstan;
- Providing consulting services related to research and development of gas industry projects;
- Sale of gas on foreign and domestic markets;
- Participating in elaboration and implementation of state programs for the gas industry development.

The Group's operating activities are regulated by the Law of the Republic of Kazakhstan on Natural Monopolies (hereinafter the "Law"), as the Group is a natural monopolist in transportation and supply of gas on domestic market. According to the Law, the Group's tariffs for gas transportation and sales on domestic market are approved by the Committee of the Republic of Kazakhstan for the Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan.

As at 30 June 2023, the Group has commitments in the amount of 166,552,220 thousand tenge under the approved investment programs for 2022-2027 (31 December 2022: 204,010,697 thousand tenge).

The accompanying interim condensed consolidated financial statements were authorized for release by the Deputy Chairman of Management Board on economics and finance and Acting Chief accountant of the Company on 8 August 2023.

Exploration and production of hydrocarbons

In December 2000, the Group signed the Contract with the Investment agency of the Republic of Kazakhstan on exploration and production of hydrocarbons on North-Ucharal, Ucharal-Kempirtobe territories and blocks XXXIII-48, XXXIII-49, XXXIV-49, XXXIV-50, XXXIV-51, XXXV-50, including the Amangeldy, Anabai, Airakty and Kumyrlы gas fields, in Zhambyl region, South Kazakhstan (hereinafter the "Hydrocarbon Agreement"). The Group also operates in accordance with the Contract dated 30 July 2018 for gas production at the Pridorozhnoye field within blocks XXXI-44-D (partially), E (partially) in the Sozak district of the Republic of Kazakhstan. The Group started the production and sale of gas at the Amangeldy gas field in November 2003 and at the Zharkum field in December 2014.

Under the terms of the Hydrocarbon Agreement, the Group has the right to relinquish any of the block areas unless commercially viable hydrocarbon reserves are discovered.

2 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

2 Basis of preparation (continued)

Subsidiaries

As at 30 June 2023 and 31 December 2022, the Company had interest in equity of the following entities, which are included into the interim condensed consolidated financial statements:

Name	Place of incorporation	Principal activities	Ownership	
			30 June 2023	31 December 2022
Intergas Central Asia JSC (ICA)	Kazakhstan	Transportation and storage of gas and rendering technical services for gas pipelines in Kazakhstan	100%	100%
KazTransGas Aimak JSC (KTG Aimak)	Kazakhstan	Sale of gas to local power distributors, legal entities and individuals	100%	100%
KazTransGas Onimderi LLP	Kazakhstan	Transportation services	100%	100%
Exploration and Production QazaqGaz (EP QazaqGaz)	Kazakhstan	Production of natural gas and gas condensate	100%	100%
Qazaq Gas Qurylys LLP	Kazakhstan	Exploration of natural gas and gas condensate	100%	100%
KazTransGas Bishkek LLC	Kyrgyzstan	Repair and renewal operations and modernization of the main gas pipeline "Bukhara gas area – Tashkent – Bishkek – Almaty"	100%	100%
KTG Finance B.V.	Netherlands	Financial activities	100%	100%
KazMunayGas Service-NS JSC	Kazakhstan	Construction and operation of the golf club	100%	100%
Tegis Munay LLP (Tegis Munay)	Kazakhstan	Production of natural gas	100%	–
Mangyshlak Munay LLP (Mangyshlak Munay)	Kazakhstan	Geological exploration and surveys	100%	–

In 2022, Amangeldy Gas LLP was renamed to Exploration and Production QazaqGaz LLP.

On 28 December 2022, the Group entered into a purchase and sale agreement with Samruk-Energy JSC for 100% shares in the authorized capital of Tegis Munay LLP. On 13 January 2023, the re-registration process was completed (Note 6).

On 31 May 2023, a decision was made to reduce the authorized capital of Tegis Munay LLP by transferring a 100% stake in the authorized capital of Mangyshlak-Munay LLP to NC QazaqGaz JSC. Mangyshlak-Munay LLP was a 100% subsidiary of Tegis Munay LLP.

Investments in joint ventures

As at 30 June 2023 and 31 December 2022, the Group had interests in the following joint ventures which are accounted for in the consolidated financial statements using the equity method:

Name	Place of incorporation	Principal activities	Share, %	
			30 June 2023	31 December 2022
Asian Gas Pipeline LLP (AGP)	Kazakhstan	Construction and operating of Kazakhstan – China gas pipeline	50%	50%
Beineu-Shymkent Pipeline LLP (BShP)	Kazakhstan	Construction and operating of Beineu-Bozoy-Shymkent gas pipeline	50%	50%
AvtoGaz LLP (AG)	Kazakhstan	Organization, operation, construction and maintenance of gas filling compressor stations	50%	50%
Otan Gas LLP (OG)	Kazakhstan	Construction of gas processing plant	50%	50%

2 Basis of preparation (continued)

The conflict on the territory of Ukraine and the impact of anti-Russian sanctions

The conflict in Ukraine, which began in 2022, has resulted in a number of aspects in IFRS accounting affecting financial reporting. Many countries have already imposed and continue to impose new sanctions on certain Russian entities and Russian citizens. The situation itself, as well as potential fluctuations in commodity prices, exchange rates, import and export restrictions, availability of local materials and services and access to local resources have directly affected the companies with significant volumes of operations within the CIS.

Due to the current unstable geopolitical situation, and international sanctions against the Russian Federation, which remain relevant, the demand for Russian gas has decreased. In this connection, the Group is experiencing a decrease in the volume of international transit under agreements with the Gazprom Group and, as a result, some economic indicators. Management is unable to predict either the extent or duration of developments in the economy or assess their potential impact on the Group's future financial position. Management believes that, in the normal course of its business, it regularly takes all available mechanisms to prevent cooperation with companies on the sanctions lists of the European Union, the Office of Foreign Assets Control (OFAC) and any other applicable sanctions, and takes all necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

Foreign exchange rates

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan. As at 30 June 2023, the currency exchange rate of KASE was 452.51 tenge to 1 US dollar and 5.14 tenge to 1 Russian ruble. These rates were used for translation of monetary assets and liabilities denominated in US dollar and Russian ruble at 30 June 2023 (31 December 2022: 462.65 tenge to 1 US dollar and 6.43 tenge to 1 Russian ruble).

3 Changes in accounting policy of the Group

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

A list of new standards, as well as amendments and clarifications, is provided below:

- IFRS 17 Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IFRS 17 and Amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).
- A transition option for insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IFRS 1 and Statement of Practice IFRS 2: Accounting Policies Disclosures (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 8: Determination of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Deferred tax on single transaction assets and liabilities – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 12 Income Taxes: International Tax Reform – Second Pillar Model Rules (issued on 23 May 2023).

4 Critical accounting estimates and judgments in applying accounting policies

Management's significant judgments regarding the accounting policies applied and the principal sources of estimation uncertainty used in preparing this interim condensed information are consistent with those in the Group's 2022 IFRS annual financial statements.

Accounts payable under gas purchase agreements

As at 30 June 2023, the Group has trade payables for gas purchases from December 2022 to June 2023 totaling 60,025,470 thousand tenge without contracts. Due to the fact that the previous contracts were terminated, and the procedure for entering into new ones has not yet been completed, the Group recognized accounts payable on an accrual basis, in accordance with the best estimate of the Group's management. As at the date of issue of these interim condensed consolidated financial statements, Management is in the process of negotiating and expects to sign the contracts by the end of 2023.

Income tax

Income tax expense is accrued based on the expected weighted average annual effective tax rate applied to the actual profit before tax for the interim period, adjusted for the tax effect of individual items that were recognized in the interim period.

The expected average annual tax rate used for the period ended 30 June 2023 was 5% (for the period ended June 30, 2022: 11%).

5 Restatement of comparative information

The Group has revised the presentation of certain items of the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2022 in line with the presentation of those items in 2022. Management believes that this restatement is more consistent with the requirements of IFRS 16 Leases.

On 31 December 2021, the Group entered into a lease agreement for the Saryarka MG pipeline with JSC AstanaGas KMG for the lease term of 5 years from 2022 to 2026, which entered into force from the date of approval of the tariffs for gas transportation in the domestic market by the CRNM, i.e., from 1 January 2022. This agreement was concluded on the terms of variable lease payments, variability of which depends on the volume of gas transported through the Saryarka gas pipeline. During the six months ended 30 June 2022, the Group recognized expenses under this agreement in the amount of 16,869,509 thousand tenge as an operating lease in Cost of sales.

At the end of 2022, Management revised its judgments. Due to inevitability and absence of real variability in lease payments, they are in-substance fixed and therefore should be included in the measurement of the lease liability. The Group recognized lease liabilities for the Saryarka gas pipeline and the right-of-use assets at the inception date of the agreement in the amount of 111,326,816 thousand tenge. Accordingly, in these financial statements the Group has recognized the depreciation expense of the right-of-use assets and the amortization of the discount on the lease, and reversed the operating lease expense.

There was no impact on the respective line items of the consolidated statement of financial position as at 31 December 2022 and the interim condensed consolidated statement of cash flows for the six months ended 30 June 2022. The effect on the respective line items of the interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2022 is as follows:

<i>In thousands of tenge</i>	As presented in the current financial statements	Change of classification and corrections	As presented previously
Cost of sales	(418,908,456)	5,736,828	(424,645,284)
Gross profit	105,237,530	5,736,828	99,500,702
Operating profit	89,150,347	5,736,828	83,413,519
Finance costs	(29,232,310)	(5,736,828)	(23,495,482)
Profit before income tax	218,214,467	-	218,214,467

5 Restatement of comparative information (continued)

The effect on the respective line items of the interim condensed consolidated statement of comprehensive income for the three months ended 30 June 2022 is as follows:

<i>In thousands of tenge</i>	As presented in the current financial statements	Change of classification and corrections	As presented previously
Cost of sales	(187,407,117)	2,901,415	(190,308,532)
Gross profit	62,411,976	2,901,415	59,510,561
Operating profit	52,431,344	2,901,415	49,529,929
Finance costs	(15,481,835)	(2,901,415)	(12,580,420)
Profit before income tax	102,251,785	–	102,251,785

6 Acquisitions under common control

Tegis Munay LLP

On 28 December 2022, the Group entered into an agreement for the sale and purchase of a 100% of the shared capital of Tegis Munay LLP (hereinafter "TM") with Samruk-Energy JSC for 13,178,650 thousand tenge. As at 31 December 2022, the Group has made an advance payment in the amount of 13,178,650 thousand tenge, recognized as long-term advances.

On 13 January 2023, the re-registration process was completed. The acquisition was accounted for as an acquisition of a subsidiary from parties under common control using the predecessor values method at the carrying amount of assets and liabilities of Tegis Munay LLP as determined by Samruk-Energy JSC.

The consolidated statement of financial position as at 31 December 2022 and the related notes to the consolidated financial statements for the year ended 31 December 2022 have been restated as if the acquisition had occurred at the beginning of the earliest period presented, 31 December 2021. The difference between the consideration transferred and the net assets of TM was recognized in equity.

Comparative interim condensed consolidated statement of comprehensive income for the period ended 30 June 2022, consolidated statement of cash flows for the period ended 30 June 2022 and related notes to the condensed interim consolidated financial statements for the period ended 30 June 2022 were not restated due to the amounts being immaterial.

6 Acquisitions under common control (continued)

Below is the fair value of the total consideration transferred and the carrying value of the TM's assets and liabilities at the acquisition date (based on the predecessor's books):

<i>In thousands of tenge</i>	31 December 2022	31 December 2021
Property, plant and equipment	14,708,919	14,738,571
Right-of-use assets	7,434	4,623
Intangible assets	2,214	2,491
VAT recoverable	570,302	569,482
Bank deposits	54,251	54,251
Inventories	362	1,043
Advances paid	361	-
Prepaid taxes other than income tax	1,148	-
Corporate income tax prepaid	6,151	-
Other current assets	132	1,469
Cash and cash equivalents	6,028	15,232
Total assets	15,357,302	15,387,162
Lease liabilities	8,138	4,703
Provisions	14,010	13,094
Other financial liabilities	2,183,180	2,102,129
Taxes payable other than income tax	622	522
Trade and other payables	1,167	10,048
Other current liabilities	-	27,634
Total liabilities	2,207,117	2,158,130
Net assets	13,150,185	13,229,032
Consideration transferred for the purchase of the subsidiary		13,178,650
The difference between the consideration and the carrying amount of net assets recognized in equity		50,382

NC QazaqGaz JSC
Notes to the Interim condensed consolidated financial statements (unaudited) as at and for the six months ended 30 June 2023

7 Property, plant and equipment

Property, plant and equipment and related accumulated depreciation and impairment are as follows:

<i>In thousands of tenge</i>	Note	Land	Gas assets	Buildings and constructions	Gas transportation system	Equipment	Vehicles	Other	Construction in-progress	Total
Cost										
At 31 December 2022 (restated)		558,913	64,050,444	109,088,915	709,024,571	380,681,320	26,119,065	10,801,847	166,052,322	1,466,377,397
Additions		9,100	1,694,893	17,756,197	200,399	868,189	1,567,811	215,791	47,973,991	70,286,371
Change in estimate	22	-	238,207	379,134	3,406,469	774,258	-	-	-	4,798,068
Transfers		14	-	9,258,879	19,152,399	67,602,357	(24,509)	839,411	(96,828,551)	-
Disposals		-	(22,410)	(470)	(383,051)	(36,991)	(170)	(28,708)	-	(471,800)
At 30 June 2023 (unaudited)		568,027	65,961,134	136,482,655	731,400,787	449,889,133	27,662,197	11,828,341	117,197,762	1,540,990,036
Accumulated depreciation and impairment										
At 31 December 2022 (restated)		-	(16,314,147)	(25,851,481)	(160,572,216)	(115,246,950)	(20,877,749)	(6,227,441)	(5,703,074)	(350,793,058)
Charge for the period		-	(974,896)	(1,673,952)	(7,857,086)	(7,607,373)	(502,927)	(334,537)	-	(18,950,771)
Transfers		-	-	25,498	-	(25,185)	-	(313)	-	-
Disposals		-	1,748	470	369,373	29,152	170	29,170	-	430,083
At 30 June 2023 (unaudited)		-	(17,287,295)	(27,499,465)	(168,059,929)	(122,850,356)	(21,380,506)	(6,533,121)	(5,703,074)	(369,313,746)
Net book value										
At 31 December 2022 (restated)		558,913	47,736,297	83,237,434	548,452,355	265,434,370	5,241,316	4,574,406	160,349,248	1,115,584,339
At 30 June 2023 (unaudited)		568,027	48,673,839	108,983,190	563,340,858	327,038,777	6,281,691	5,295,220	111,494,688	1,171,676,290

7 Property, plant and equipment (continued)

Additions

For the six months ended 30 June 2023, additions to construction in progress are mainly related to the cost of construction of a backup gas pipeline to the existing Makat-North Caucasus (MNC) gas pipeline in the amount of 28,528,761 thousand tenge, the second line of the Beineu-Zhanaozen gas pipeline in the amount of 7,006,885 thousand tenge and for the construction of a main gas pipeline from the Kashagan gas processing unit to the MNC main gas pipeline with a compressor station in the amount of 6,211,703 thousand tenge.

In the six months ended 30 June 2023 the Group received an administrative building from the Sole Shareholder at a fair value of 16,915,397 thousand tenge (Note 18).

Transfers

Significant portion of the fixed assets put into operation relates to completion of the construction of the main gas pipeline from the Kashagan gas processing unit to the MNC main gas pipeline and the overhaul of the BGR-TBA main gas pipeline and commissioning of the relevant fixed assets.

Other

As at 30 June 2023, the initial cost and related accumulated depreciation of fully depreciated property, plant and equipment still in use amounted to 19,323,811 thousand tenge (31 December 2022: 18,339,964 thousand tenge).

During the six months ended 30 June 2023, the Group capitalised borrowing costs of 1,178,157 thousand tenge in the carrying amount of property, plant and equipment, which relate to the construction of the assets (six months ended 30 June 2022: 611,995 thousand tenge).

8 Right-of-use assets

As at 30 June 2023 and 31 December 2022 right-of-use assets are as follows:

<i>In thousands of tenge</i>	Note	Gas transportation assets	Other	Total
At 31 December 2022 (restated)		89,061,453	1,600,157	90,661,610
Proceeds on lease agreements	23	–	5,209	5,209
Lease termination		–	(1,457,345)	(1,457,345)
Depreciation expenses	28, 29	(11,132,681)	(136,623)	(11,269,304)
At 30 June 2023 (unaudited)		77,928,772	11,398	77,940,170

9 Investments in joint ventures

As at 30 June 2023 and 31 December 2022, the carrying amount of investments in joint ventures are as follows:

<i>In thousands of tenge</i>	AGP	BSP	AG	OG	Total
At 31 December 2022 (audited)	710,273,099	219,039,220	1,121,606	210,139	930,644,064
Share in profit of joint ventures	122,906,409	33,636,249	189,758	–	156,732,416
Share in other comprehensive loss of joint ventures	(314,403)	–	–	–	(314,403)
Dividends	–	–	(90,851)	–	(90,851)
At 30 June 2023 (unaudited)	832,865,105	252,675,469	1,220,513	210,139	1,086,971,226

10 Advances paid

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (restated)
Advances paid for non-current assets			
Advances paid to third parties		63,266,942	919,774
Advances paid to related parties	33	1,836,519	1,836,519
Less: impairment provision		(275,487)	(275,487)
		64,827,974	2,480,806
Advances paid for current assets and services			
Advances paid to third parties		1,213,530	1,242,170
Advances paid to related parties	33	87,631	2,459,120
Less: impairment provision		(50)	(50)
		1,301,111	3,701,240

As at 30 June 2023 advances paid for non-current assets to third parties mainly include advances of 62,858,156 thousand tenge for the construction of the second line of the Beineu-Zhanaozen gas pipeline (31 December 2022: nil).

11 Loans to related party

As at 30 June 2023 and 31 December 2022, loans to related party comprised the following:

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Financial assets at amortised cost			
Interest-free loans to related party		34,967,147	3,933,819
Less: discount		(1,203,671)	(408,942)
		33,763,476	3,524,877
Less: current portion	33	(33,763,476)	(3,524,877)
Non-current portion		-	-

Interest-free loans

In 2022, the Group concluded the financial aid agreement with GPC Investment LLP for the amount of up to 40,000,000 thousand tenge to finance the project "Construction of a gas processing plant with a capacity of 1.15 billion cubic meters at the Kashagan field in Atyrau region". Within this agreement during 2022, the Group provided two tranches for the total amount of 3,933,819 thousand tenge with the maturity date of 12 September 2023. The difference between the given amounts and the fair values of the loans at the dates of issue, calculated using market rates of 16.1% - 18.2%, in the amount of 499,299 thousand tenge was recognized as finance costs.

During the six months ended 30 June 2023, the Group provided additional third and fourth tranches for the total of 31,033,328 thousand tenge with the maturity date of 12 September 2023. The difference between the given amounts and the fair values of the loans at the dates of issue, calculated using market rates of 18.9% and 19.4%, in the amount of 2,777,209 thousand tenge was recognized as finance costs (Note 31).

12 Other financial assets

As at 30 June 2023 and 31 December 2022, other financial assets included:

<i>In thousands of tenge</i>	Прим.	30 June 2023 (unaudited)	31 December 2022 (audited)
Financial assets at amortised cost			
Samruk-Kazyna bonds	33	63,382,196	–
NBRK notes	33	50,064,757	30,000,000
Finance lease receivables		2,962,082	3,600,948
		116,409,035	33,600,948
Less: current portion		(116,409,035)	(33,600,948)
Non-current portion		–	–

On 26 June 2023, the Group purchased 1,400 coupon bonds of Samruk-Kazyna placed on AIX with a par value of 100,000 US Dollars per bond with an interest rate of 3.5% per annum with a maturity date of 26 December 2023.

13 VAT recoverable and prepaid taxes other than income tax

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
VAT recoverable	168,475,097	137,403,060
Property tax	226,951	345,127
Withholding tax	29,247	–
Other taxes prepaid	110,261	116,933
	168,841,556	137,865,120
Less: allowance for non-recoverable VAT	(14,515,853)	(14,519,193)
	154,325,703	123,345,927
Non-current portion	106,224,094	78,509,782
Current portion	48,101,609	44,836,145

14 Bank deposits

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
Bank deposits in tenge with maturity of over five years	2,583,426	2,765,157
Less: allowance for expected credit losses	(18,874)	(9,339)
Non-current portion	2,564,552	2,755,818
Bank deposits in US dollars with maturity of over three months and less than one year	5,085,751	11,335,373
Bank deposits in rubles with maturity of over three months and less than one year	110,987	–
Bank deposits in tenge with maturity of over three months and less than one year	18,355	16,558
Current portion	5,215,093	11,351,931

14 Bank deposits (continued)

As at 30 June 2023, bank deposits in tenge with maturity of over five years include restricted deposits in Halyk Bank Kazakhstan JSC and ForteBank JSC in the amount of 2,001,330 thousand tenge and 582,096 thousand tenge, respectively. The deposits in Halyk Bank JSC were opened as collateral for housing loans of the Group's employees at a rate of 1% per annum (31 December 2022: 2,205,984 thousand tenge at the rate of 1% per annum). The deposits in ForteBank JSC are kept in a blocked account, designated as liquidation fund per requirements of subsoil use contracts at a rate of 1% and 5% per annum.

As at 30 June 2023, deposits were placed in banks at interest rates of 0-1% per annum in US dollars (2022: 0-2% per annum), 1% per annum in tenge (2022: 1% per annum) and 5% per annum in rubles for a period of 3 months and up to 1 year.

15 Cash and cash equivalents

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
Short-term deposits in foreign currency	96,060,414	191,776,854
Short-term deposits in tenge	21,531,941	76,478,579
Current accounts in foreign currency	97,261,058	195,744,964
Current accounts in tenge	43,312,006	50,900,414
Balances on brokerage accounts payable on demand	1,638	34,793,929
Reverse repurchase agreements ("reverse repo") with a maturity of less than three months in foreign currency	74,332,005	4,920,711
Reverse repurchase agreements ("reverse repo") with a maturity of less than three months in tenge	26,999,110	22,508,059
Cash in transit	4,576	3,284
Cash on hand	3,527	1,428
	359,506,275	577,128,222

As at 30 June 2023, deposits were placed in banks at interest rates of 7.25%-16.1% per annum in tenge (2022: 7.25-15.5% per annum) and 1%-2% per annum in foreign currency (2022: 1% -2% per annum).

As at 30 June 2023, interest rates for cash in the current accounts in banks were 0%-4.17% per annum in tenge (2022: 0-4% per annum) and nil in foreign currency.

16 Inventories

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
Gas	37,013,950	32,565,747
Materials and supplies	7,603,113	4,899,007
	44,617,063	37,464,754

Materials and supplies mainly include spare parts for maintenance of the gas transportation system, methanol and lubricating materials to be used in the gas transportation equipment and the goods for internal use. Gas includes fuel gas and gas for sale.

17 Trade and other receivables

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (restated)
Trade receivables from third parties		230,332,825	121,720,315
Trade receivables from related parties	33	21,662,546	41,119,205
Other receivables from related parties	33	7,272,328	9,711,870
Other receivables from third parties		4,485,739	6,019,324
		263,753,438	178,570,714
Less: allowance for expected credit losses		(10,050,188)	(8,007,918)
		253,703,250	170,562,796

Movement in the allowance for expected credit losses (ECL) was as follows:

<i>In thousands of tenge</i>	Individually impaired
At 31 December 2022 (audited)	(8,007,918)
Charge for the year	(4,029,315)
Foreign currency translation	61,516
Write off	421,835
Reversal	1,503,694
At 30 June 2023 (unaudited)	(10,050,188)

As at 30 June 2023 and 31 December 2022, trade and other receivables are denominated in the following currencies:

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
US Dollar	202,417,475	62,212,973
Tenge	51,285,775	108,349,823
	253,703,250	170,562,796

Trade and other receivables are non-interest bearing.

18 Equity

	Common shares outstanding (number of shares)						Total share capital
	Par value of 100 tenge	Par value of 138 tenge	Par value of 2,500 tenge	Par value of 10,000 tenge	Par value of 17,632 tenge	Par value of 16,915,397 tenge	
At 30 June 2023	312,167,670	1	30,976,655	30,455,065	1,006,717	1,000	447,874,886
At 31 December 2022	312,167,670	1	30,976,655	30,455,065	1,006,717	-	430,959,489

Common shares give their holders the right to vote on all matters within the competence of the General Shareholders Meeting. Dividends on common shares are paid at the Sole Shareholder's discretion. During the six months ended 30 June 2023 the Group paid dividends on common shares in the amount of 27,065,364 thousand tenge to the Sole Shareholder (2022: nil).

18 Equity (continued)

Share capital

On 12 April 2023, the Group issued 1,000 ordinary shares with a par value of 16,915,397 tenge each. The shares were purchased by the Sole Shareholder in exchange for property in the form of the administrative building of Bolashak Business Center at a fair value of 16,915,397 thousand tenge.

Additional information disclosed in accordance with Kazakhstan Stock Exchange ("KASE") requirements

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
Total assets	3,446,874,580	3,171,495,690
Less: intangible assets	(4,630,988)	(5,166,868)
Less: total liabilities	(1,104,251,421)	(983,933,789)
Net assets for calculation of cost of common share in accordance with listing requirements of KASE	2,337,992,171	2,182,395,033
Number of common shares	374,607,108	374,606,108
Cost of common share in accordance with the KASE requirements in thousands of tenge	6.241	5.826

In accordance with the decision of the Exchange Board of KASE dated 4 October 2010, the financial statements shall disclose cost per share (common and preferred) as at the reporting date, calculated in accordance with the KASE rules.

Earnings per share

Basic and diluted earnings per share are calculated by dividing net income for the period attributable to common shareholders by the weighted average number of shares outstanding during the period.

The following table reflects the income and share data used in the basic earnings per share computations for the reporting periods:

<i>In thousands of tenge</i>	For the six months ended 30 June (unaudited)	
	2023	2022
Net income attributable to the shareholder for basic and diluted earnings per share (in thousands of tenge)	165,571,467	193,763,995
Weighted average number of common shares for basic and diluted earnings per share	374,606,547	373,288,243
Basic and diluted, earnings per share for the period attributable to the parent (in thousands of tenge)	0.38	0.52

19 Debt securities issued

As at 30 June 2023 and 31 December 2022, debt securities issued comprised the following:

	Issue date	Maturity	Interest rate	30 June 2023 (unaudited)		31 December 2022 (audited)	
				US dollars	In thousands of tenge	US dollars	In thousands of tenge
QG bonds	2017	2027	4,375%	706,320,000	319,616,864	706,320,000	326,778,948
KTG Aimak bonds	2015	2025	7,5%	-	5,000,000	-	5,000,000
				706,320,000	324,616,864	706,320,000	331,778,948
Plus: interest payable				-	3,783,771	-	3,772,898
Less: unamortized transaction costs				-	(162,132)	-	(181,077)
Less: discount				-	(577,770)	-	(672,482)
Less: the amount due within 12 months from the reporting date				-	(3,783,771)	-	(3,772,898)
Amounts due after 12 months				-	323,876,962	-	330,925,389

20 Interest bearing loans

As at 30 June 2023 and 31 December 2022, interest bearing loans comprised the following:

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Interest bearing loans with floating rate	80,066,655	99,583,931
Interest bearing loans with fixed rate	49,701,488	57,930,032
	129,768,143	157,513,963
Plus: interest payable	1,459,351	1,813,391
Less: unamortized transaction costs	(501,047)	(668,252)
	130,726,447	158,659,102
Less: amount due within 12 months from the reporting date	(92,404,551)	(111,907,583)
Amounts due for settlement after 12 months	38,321,896	46,751,519

Covenants

Under the terms of bank loans, the Group is obliged to comply with certain covenants. The Group reviews compliance with loan covenants at each reporting date. Failure to comply with financial covenants gives the lenders the right to demand early repayment of loans. As at 30 June 2023, the Group complies with all covenants.

21 Loans from related parties

As at 30 June 2023 and 31 December 2022, loans from a related party included the following:

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Fixed interest rate borrowing	16,908,972	17,226,204
	16,908,972	17,226,204
Plus: interest payable	1,024	182
Less: unamortised discount	(883,719)	(1,379,274)
	16,026,277	15,847,112
Less: amount due within 12 months from the reporting date	(8,065,883)	(7,737,372)
Amounts due after 12 months	7,960,394	8,109,740

22 Provisions

<i>In thousands of tenge</i>	Provision for gas transportation expenses	Wells abandonment, site restoration provision	Gas pipeline abandonment and site restoration provision	Tax provisions	Other	Total
At 31 December 2022 (restated)	33,816,882	2,942,742	61,836,200	75,288	673,583	99,344,695
Created during the period	-	67,727	1,111,058	-	-	1,178,785
Foreign exchange difference	(741,172)	-	-	-	-	(741,172)
Change in estimates (Note 7)	-	238,207	4,559,861	-	-	4,798,068
Unwinding of discount	-	131,963	2,833,086	-	752	2,965,801
Utilised	-	-	-	(51,487)	-	(51,487)
At 30 June 2023 (unaudited)	33,075,710	3,380,639	70,340,205	23,801	674,335	107,494,690
Current provisions as at 30 June 2023 (unaudited)	33,075,710	-	-	23,801	79,268	33,178,779
Non-current provisions as at 30 June 2023 (unaudited)	-	3,380,639	70,340,205	-	595,067	74,315,911
Current provisions as at 31 December 2022 (restated)	33,816,882	-	-	75,288	79,268	33,971,438
Non-current provisions as at 31 December 2022 (restated)	-	2,942,742	61,836,200	-	594,315	65,373,257

Gas pipeline abandonment and site restoration provision

The Group's subsidiaries ICA and KTG Aimak recorded the provision for future costs of decommissioning of gas compressing plants and main gas pipelines on a discounted basis in accordance with the Law of the Republic of Kazakhstan on Main Pipelines and the Environmental Code of the Republic of Kazakhstan. As at 30 June 2023, gas pipeline abandonment and site restoration provision of 70,340,205 thousand tenge (31 December 2022: 61,836,200 thousand tenge) represents the current costs of gas pipeline abandonment and site restoration expected to be incurred from 2031 till 2101. As at 30 June 2023, the long-term inflation rate and discount rate used to determine the provision were 4.80% and 8.70%, respectively (31 December 2022: 4.90% and 9.26%, respectively).

23 Lease liabilities

The movements in the lease liabilities for the period ended 30 June 2023 are presented as follows:

<i>In thousands of tenge</i>	Note	Gas transportation assets	Other	Total
At 31 December 2022 (restated)		95,309,228	1,595,913	96,905,141
Lease termination		–	(1,439,075)	(1,439,075)
Interest expense	31	7,774,905	38,214	7,813,119
Lease payments		(2,352,491)	(168,840)	(2,521,331)
Proceeds on lease agreements	8	–	5,209	5,209
Other changes		–	(3,370)	(3,370)
At 30 June 2023 (unaudited)		100,731,642	28,051	100,759,693

24 Contract liabilities

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Contract liabilities to third parties		21,879,132	18,610,870
Contract liabilities to related parties	33	593,003	591,722
		22,472,135	19,202,592
Less: current portion of contract liabilities		(11,453,870)	(8,075,408)
Non-current portion of contract liabilities		11,018,265	11,127,184

25 Trade and other payables

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Trade payables to related parties	33	212,585,522	68,172,479
Trade payables to third parties		55,932,912	53,344,080
		268,518,434	121,516,559

Trade and other payables represent amounts due for the purchased gas, assets and services. Trade payables are non-interest bearing, usually settled within 30 days.

As at 30 June 2023 and 31 December 2022 trade and other payables are denominated in the following currencies:

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Tenge	260,747,232	106,604,222
US Dollars	7,769,518	10,329,021
Russian rubles	1,684	4,568,743
Other currencies	–	14,573
	268,518,434	121,516,559

26 Other financial liabilities

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
Provision for unused vacations	2,262,614	2,305,856
Liabilities for reimbursement of historic costs	1,228,882	1,494,947
Liabilities for the socio-economic development of the region	786,873	779,647
Put option payable	679,744	679,744
Bonds payable	639,460	1,279,471
Salaries payable	368,557	1,825,185
Other	17,295,068	16,512,891
	23,261,198	24,877,741

27 Revenue from contracts with customers

<i>In thousands of tenge</i>	Timing of revenue recognition	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
		2023	2022	2023	2022
Type of goods or service					
Revenue from sales of gas	Over time	248,361,274	221,100,168	421,954,748	450,555,432
Revenue from gas transportation services	Over time	13,937,668	25,252,128	45,550,528	66,510,894
Revenue from technical maintenance of gas pipelines	Over time	1,953,097	2,482,273	5,143,588	5,439,894
Other	Over time	1,812,515	984,524	2,954,779	1,639,766
		266,064,554	249,819,093	475,603,643	524,145,986
Geographical markets					
China		200,358,654	166,285,649	246,145,005	290,444,770
Kazakhstan		60,479,090	66,503,201	214,945,520	198,196,725
CIS		5,226,810	17,030,243	14,513,118	35,504,491
		266,064,554	249,819,093	475,603,643	524,145,986

28 Cost of sales

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022 (restated)	2023	2022 (restated)
Cost of gas sold	99,851,195	73,717,532	208,507,332	176,610,625
Transportation expenses	75,945,276	70,943,592	145,180,510	154,413,110
Payroll and related contributions	17,477,674	15,391,522	36,012,376	31,734,007
Depreciation and amortization	9,687,249	9,655,911	18,813,000	19,296,297
Depreciation of the right-of-use assets (Note 8)	5,566,340	5,566,341	11,132,681	11,132,681
Fuel gas and gas losses	2,965,997	2,678,397	8,516,289	8,248,292
Taxes other than income tax	2,774,844	2,787,660	5,499,213	5,407,534
Billing services	1,844,518	2,371,601	3,410,482	3,079,408
Security	1,085,434	1,095,654	2,185,083	2,080,122
Repair and maintenance	846,441	821,611	1,101,577	1,580,572
Business trip expenses	520,724	470,479	921,476	756,278
Electricity	311,269	296,411	727,511	779,788
Materials and supplies	499,894	228,710	684,988	393,264
Communication expenses	276,639	242,677	533,664	577,340
Insurance	245,355	251,720	488,822	491,046
Expenses related to short-term leases	136,600	76,672	270,697	221,001
Other	1,095,024	810,627	1,884,601	2,107,091
	221,130,473	187,407,117	445,870,302	418,908,456

29 General and administrative expenses

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022	2023	2022
Payroll and related contributions	3,873,284	3,682,074	7,455,070	7,422,240
Taxes other than income tax	1,776,544	777,734	1,912,570	855,689
Depreciation and amortization	300,820	413,338	771,152	846,744
Consulting services	404,904	53,677	665,465	453,457
Repair and maintenance	494,523	231,017	664,105	544,148
Office maintenance expenses	154,513	105,076	345,202	174,631
Expenses related to short-term leases and leases of low-value assets	128,624	135,089	263,118	270,020
Business trip expenses	107,410	56,651	199,003	85,355
Personnel development and upskilling	102,485	56,675	160,764	91,023
Bank charges	75,093	48,292	139,046	59,745
Depreciation of the right-of-use assets (Note 8)	21,913	237,733	136,623	686,332
Communication services	39,005	29,292	82,778	72,345
Fines and penalties	669,590	411,622	20,891	421,428
Insurance	10,851	10,713	19,060	20,475
Festive and cultural events expenses	13,265	14,933	13,265	14,933
Security costs	1,198	10,258	6,062	32,789
Other	467,381	672,579	979,239	1,060,105
	8,641,403	6,946,753	13,833,413	13,111,459

30 Interest income calculated using the effective interest method

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022	2023	2022
Interest income on bank deposits	6,273,117	4,002,366	13,626,638	7,530,316
Interest income on other financial assets carried at amortized cost	30,906	–	30,906	–
Interest income on loans to related parties	–	2,491,705	–	5,039,432
	6,304,023	6,494,071	13,657,544	12,569,748

31 Finance costs

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022 (restated)	2023	2022 (restated)
Interest expense on lease liabilities (Note 23)	(3,972,434)	(2,954,646)	(7,813,119)	(5,886,226)
Interest on bank loans and overdrafts	(3,213,104)	(6,288,145)	(7,393,280)	(11,219,967)
Interest on debt securities issued	(3,582,014)	(3,541,456)	(7,264,052)	(7,135,110)
Unwinding of discount on abandonment and site restoration provisions	(1,633,264)	(1,645,768)	(2,965,049)	(3,229,723)
Discount on a loan issued to related party (Note 11)	(917,159)	–	(2,777,209)	–
Unwinding of discount on financial liabilities	(236,748)	(340,760)	(467,914)	(677,612)
Amortization of transaction costs related to interest bearing loans	(83,004)	(76,884)	(167,205)	(170,779)
Amortization of discount on debt securities issued	(45,094)	(23,559)	(86,999)	(82,003)
Interest on loans from related party	(420)	(623)	(841)	(1,256)
Other	(125,324)	(609,994)	(303,676)	(829,634)
	(13,808,565)	(15,481,835)	(29,239,344)	(29,232,310)

32 Income tax expenses

The Group is subject to corporate income tax at the prevailing statutory rate of 20%.

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022	2023	2022
Corporate income tax expense	479,171	12,599,174	8,956,362	19,942,894
Deferred income tax expense	(1,014,510)	938,545	(630,127)	4,494,115
Adjustment of prior year income tax	154,739	(257,091)	198,052	13,463
	(380,600)	13,280,628	8,524,287	24,450,472

33 Related party transactions

Terms and conditions of transactions with related parties

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

33 Related party transactions (continued)

The Management believes that the Group has appropriate procedures for identification and respective disclosure of information on related parties` transactions.

Major transactions with related parties are as follows:

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022 (restated)*	2023	2022 (restated)*
Sales of goods and services				
Joint ventures in which the Group is a venturer	3,463,296	62,872,119	22,688,428	74,250,798
Entities under control of Samruk-Kazyna and the Government	11,533,350	9,917,590	29,345,052	25,242,897
Joint ventures in which Samruk-Kazyna and the Government are venturers	268,746	1,045,176	414,631	3,469,076
Associates in which Samruk-Kazyna and the Government are venturers	35,799	30,961	76,902	72,598
	15,301,191	73,865,846	52,525,013	103,035,369
Purchases of goods and services				
Joint ventures in which the Group is a venturer	75,796,656	66,155,007	141,128,560	146,544,174
Entities under control of Samruk-Kazyna and the Government	3,004,578	2,808,350	6,529,298	6,108,971
Joint ventures in which Samruk-Kazyna and the Government are venturers	69,392,239	36,234,657	124,033,140	91,342,499
Associates in which Samruk-Kazyna and the Government are venturers	173,188	815,520	356,446	1,389,379
	148,366,661	106,013,534	272,047,444	245,385,023
Interest income*				
Joint ventures in which the Group is a venturer	-	2,491,705	-	5,039,432
Entities under control of Samruk-Kazyna and the Government	30,906	-	30,906	-
	30,906	2,491,705	30,906	5,039,432
Finance income				
Joint ventures in which the Group is a venturer	-	890,082	-	1,649,849
Entities under control of Samruk-Kazyna and the Government	1,648,406	-	2,755,692	-
	1,648,406	890,082	2,755,692	1,649,849

* The disclosure of transactions with related parties under the control or joint control of the Government and Associates in which Samruk-Kazyna and the Government are venturers for the six months ended 30 June 2022, as well as the disclosure of interest income from related parties differs from the presentation in the interim condensed consolidated financial statements for the six months ended 30 June 2022, as the Group did not disclose these amounts in the interim condensed consolidated financial statements for the six months ended 30 June 2022.

33 Related party transactions (continued)

<i>In thousands of tenge</i>	For the three months ended 30 June (unaudited)		For the six months ended 30 June (unaudited)	
	2023	2022 (restated)	2023	2022 (restated)
Finance costs				
Joint ventures in which the Group is a venturer	–	101,278	–	198,537
Entities under control of Samruk-Kazyna and the Government	1,808,860	1,180,099	4,625,937	2,399,390
Joint ventures in which Samruk-Kazyna and the Government are venturers	3,980,720	33,394	7,808,155	66,420
	5,789,580	1,314,771	12,434,092	2,664,347

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Loans to related party			
Entities controlled by the Government	11	33,763,476	3,524,877
		33,763,476	3,524,877

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Other financial assets			
Entities under control of Samruk-Kazyna and the Government	12	113,446,953	30,000,000
		113,446,953	30,000,000

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (restated)
Trade and other receivables			
Joint ventures in which the Group is a venturer	17	14,918,275	36,171,441
Entities under control of Samruk-Kazyna and the Government		13,888,628	14,616,421
Joint ventures in which Samruk-Kazyna and the Government are venturers		115,168	41,921
Associates in which Samruk-Kazyna and the Government are venturers		12,803	1,292
		28,934,874	50,831,075

33 Related party transactions (continued)

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (restated)
Advances paid	10		
Joint ventures in which the Group is a venturer		81,970	81,970
Entities under control of Samruk-Kazyna and the Government		5,342	4,048
Joint ventures in which Samruk-Kazyna and the Government are venturers		–	2,372,990
Associates in which Samruk-Kazyna and the Government are venturers		1,836,838	1,836,631
		1,924,150	4,295,639

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Trade and other payables	25		
Joint ventures in which the Group is a venturer		106,113,636	56,335,869
Entities under control of Samruk-Kazyna and the Government		1,858,844	1,604,357
Joint ventures in which Samruk-Kazyna and the Government are venturers		103,844,153	8,708,242
Associates in which Samruk-Kazyna and the Government are venturers		768,889	1,524,011
		212,585,522	68,172,479

<i>In thousands of tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Contract liabilities	24		
Joint ventures in which the Group is a venturer		359,972	361,122
Entities under control of Samruk-Kazyna and the Government		5,517	2,894
Joint ventures in which Samruk-Kazyna and the Government are venturers		227,365	227,365
Associates in which Samruk-Kazyna and the Government are venturers		149	341
		593,003	591,722

<i>In thousands of tenge</i>		30 June 2023 (unaudited)	31 December 2022 (audited)
Loans received			
Entities under control of Samruk-Kazyna and the Government		40,462,875	44,305,691
		40,462,875	44,305,691

<i>In thousands of tenge</i>		30 June 2023 (unaudited)	31 December 2022 (audited)
Lease liabilities			
Joint ventures in which Samruk-Kazyna and the Government are venturers		100,731,642	95,309,228
Entities controlled by the Government		–	1,571,721
		100,731,642	96,880,949

33 Related party transactions (continued)

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Other financial liabilities		
Entities under control of Samruk-Kazyna and the Government	39,526	31,054
Joint ventures in which Samruk-Kazyna and the Government are venturers	691,269	1,295,973
Associates in which Samruk-Kazyna and the Government are venturers	4,140	10,912
	734,935	1,337,939

Compensation to key management personnel

Key management personnel consist of members of the Management Board and independent directors of the Company. During the six months ended 30 June 2023 and 30 June 2022 the total remuneration of key management personnel of 127,499 thousand tenge and 78,697 thousand tenge, respectively, consisted primarily of salaries and other benefits and was included in general and administrative expenses in the interim condensed consolidated statement of comprehensive income.

34 Commitments and contingencies

In addition to the contractual commitments and contingencies disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2022, the following changes occurred during the six months ended 30 June 2023:

Environmental matters

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 Republic of Kazakhstan, which entered into force on 1 July 2022, Management believes that there are possible liabilities that may have an impact on the Group's financial position and results of operations.

At the date of issuance of the interim condensed consolidated financial statements, the Group analyses the changes and cannot reliably estimate the amount of additional potential liabilities related to the asset retirement and land recultivation, except for those reflected in these financial statements.

Taxation

Contingent tax liabilities of BShP

According to the terms of the intergovernmental agreement between the Republic of Kazakhstan and the People's republic of China on cooperation in the construction and operation of the Kazakhstan-China gas pipeline dated 18 August 2007 (the "Agreement"), as well as the clarifications of the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan dated 30 December 2014, BShP, which was established on the territory of the Republic of Kazakhstan for the purposes of the construction and operation of the "Beineu-Bozoy-Shymkent" gas pipeline, is exempt from paying value added tax on goods imported into the territory of the Republic of Kazakhstan until the completion of construction. In addition, BShP is exempt from corporate income tax and property tax until the date of repayment of loans obtained for the construction of the "Beineu-Bozoy-Shymkent" gas pipeline.

Management believes that as at 30 June 2023, it correctly interpreted the relevant provisions of legislation, and the probability of retaining the tax preferences mentioned above over the established period is high.

In addition, BShP is carrying out a project to amend the above Agreement, the implementation of which will confirm the current exemption from the above taxes in connection with the refinancing of the initial loan raised for the construction of the Second section of the Kazakhstan-China gas pipeline.

34 Commitments and contingencies (continued)

If BShP had not have tax benefits mentioned above related to modification of loan terms, following tax liabilities would have reduced share in income of joint ventures and investments in joint ventures:

- Corporate income tax of 46,155,823 thousand tenge, including penalties for understatement of tax amounts in tax returns of 36,924,659 thousand tenge, of which:
 - 2019 – 1,378,739 thousand tenge, penalties – 1,102,991 thousand tenge;
 - 2020 – 12,709,629 thousand tenge, penalties – 10,167,703 thousand tenge;
 - 2021 – 13,815,959 thousand tenge, penalties – 11,052,767 thousand tenge;
 - 2022 – 10,933,909 thousand tenge, penalties – 8,747,127 thousand tenge;
 - six months, ended 30 June 2023 - 7,317,588 thousand tenge, penalties - 5,854,071 thousand tenge.
- Property tax of 9,839,555 thousand tenge, including penalties for understated amounts in tax returns of 7,871,644 thousand tenge, of which:
 - 2019 – 1,258,627 thousand tenge, penalties – 1,006,901 thousand tenge;
 - 2020 – 2,428,808 thousand tenge, penalties – 1,943,047 thousand tenge;
 - 2021 – 2,468,665 thousand tenge, penalties – 1,974,932 thousand tenge;
 - 2022 – 2,461,140 thousand tenge, penalties – 1,968,912 thousand tenge;
 - six months, ended 30 June 2023 – 1,222,316 thousand tenge, penalties - 977,853 thousand tenge
- Deferred tax liability of 7,956,301 thousand tenge as at 30 June 2023 (31 December 2022: 8,127,889 thousand tenge).

BShP legal proceedings

StroyTechMontazh 2030 LLP

On 25 August 2021, a civil case was initiated by the Determination of the Special Inter-district Economic Court (SIEC) of Almaty on the claim of StroyTechMontazh 2030 LLP against BShP on a number of issues related to the volume and cost of construction work performed by StroyTechMontazh 2030 LLP. The share of the Group's contingent liabilities under this claim is 6,419,889 thousand tenge. On 6 September 2021, BShP filed a counterclaim against StroyTechMontazh 2030 LLP. On 4 January 2023 BShP filed a petition for an independent examination with more detailed calculations and description of the work done. On 16 January 2023, a regular meeting was held in the case of StroyTechMontazh 2030 LLP, during which the court decided to conduct additional comprehensive examination. The Group's management believes that the probability of losses in this lawsuit is low.

Konti-Stroy LLP

On 15 September 2021, BShP filed a claim against Konti-Stroy LLP in the SIEC of Almaty on termination of the contract for the design and construction of shift settlements and repair and maintenance sites. On 29 December 2021, Konti-Stroy LLP filed a counterclaim. On 12 August 2022, the SIEC of Almaty issued a decision to recover the amount of debt from GBSH in favor of Konti-Stroy LLP. The Group's share in the contingent liabilities of BShP is 5,323,288 thousand tenge. On 16 September 2022, BShP filed an appeal against the above-mentioned decision of the SIEC of Almaty. On 29 November 2022, BShP filed a petition to conduct a second comprehensive economic and construction examination. On 13 December 2022, the Court of Appeal granted the request of BShP. On 5 June 2023, the conclusion of the recurring forensic examination was received from the Institute of Forensic Examinations of Astana, the civil case was resumed in the Court of Appeal.

On 25 July 2023, the Resolution of the Almaty City Court of the Court of Appeal for Civil Cases was announced, where, the counterclaims of Konti-Stroy LLP against BShP were denied in full. The Group's management believes that the probability of losses in this lawsuit is low.

34 Commitments and contingencies (continued)

QG legal proceedings

In 2019, the Group purchased 2,026,419 thousand cubic meters of gas from Asiagas Chunja LLP. In 2022, the Financial Monitoring Agency of the Republic of Kazakhstan ("the Agency") investigated and initiated criminal proceedings against the owners of Asiagas Chunja LLP, as well as one of the former members of the Group's management, in relation to this transaction. During 2022, Asiagas Chunja LLP returned 14,565,318 thousand tenge to the Group's accounts. The Group recognized the amount returned by Asiagas Chunja LLP as part of other financial liabilities until the court decision.

On 31 March 2023, the Astana District Court announced a guilty verdict against the owners of Asiagaz Chundja LLP, as well as one of the former members of the Group's management, in relation to this gas sale and purchase transaction. On 29 June 2023, the sentence was canceled. The case is subject to consideration by the Court of Appeal according to the rules of the court of first instance in a collegiate composition.

Commitments for capital expenditures

As at 30 June 2023, the Group has capital commitments of approximately 127,286,748 thousand tenge, excluding VAT (31 December 2022: 60,450,473 thousand tenge, excluding VAT), related to acquisition and construction of property, plant and equipment. These capital commitments are partially related to the investment program described in Note 1 "Corporate information".

Obligations under subsoil use contract

In accordance with the minimum work program for the period 2023-2059 under the Subsoil Use Contracts, the Group has obligations for the total amount of 61,172,783 thousand tenge.

Unconditional gas purchase obligations to the joint ventures

As at 30 June 2023, the Group has unconditional purchase obligation of 41,264,464 thousand tenge, excluding VAT, to AGP comprising gas transportation services (31 December 2022: 95,557,990 thousand tenge).

As at 30 June 2023, the Group has unconditional purchase obligation of 107,548,107 thousand tenge, excluding VAT, to BShP comprising gas transportation services (31 December 2022: 216,130,641 thousand tenge).

Other obligations

As at 30 June 2023, AGP has contractual obligations to pay confirmed receivables in the amount of 3,573,574 thousand tenge (31 December 2022: 3,473,241 thousand tenge), including expenses and losses incurred by PetroChina International Company Limited in connection with the gas borrowing and return processes. In turn, the Group is obliged to reimburse AGP these amounts.

Commitments of AGP and BShP

The Company's share in the commitments for capital expenditures of AGP and BShP is as follows:

<i>In thousands of tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
AGP	2,763,854	3,801,046
BShP	9,065,457	8,764,528

35 Financial instruments and financial risk management objectives and policies

The following tables provide a fair value hierarchy for the Group's assets and liabilities and a comparison by carrying amount and fair value of all of the Group's financial instruments:

<i>In thousands of tenge</i>	30 June 2023 (unaudited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in active markets (Level 1)	Essential observable input data (Level 2)	Essential unobservable input data (Level 3)
Financial assets					
Interest-free loans to related party	33,763,476	33,750,052	-	-	33,750,052
Financial liabilities					
Debt securities issued	(327,660,733)	(304,029,376)	(304,029,376)	-	-
Interest bearing loans	(130,726,447)	(127,433,349)	-	(127,433,349)	-
Loans from related party	(16,026,277)	(15,897,629)	-	(15,897,629)	-

<i>In thousands of tenge</i>	31 December 2022 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in active markets (Level 1)	Essential observable input data (Level 2)	Essential unobservable input data (Level 3)
Financial assets					
Interest-free loans to related party	3,524,877	3,485,757	-	-	3,485,757
Financial liabilities					
Debt securities issued	(334,698,287)	(303,878,064)	(303,878,064)	-	-
Interest bearing loans	(158,659,102)	(154,726,326)	-	(154,726,326)	-
Loans from related party	(15,847,112)	(15,891,668)	-	(15,891,668)	-

Estimates and assumptions

The management of the Group has determined that the fair value of cash and bank deposits, trade receivables, interest-free loans provided to related parties, trade and other payables, short-term loans received and all other financial instruments approximates their carrying amount mainly due to short-term nature of these instruments.

Fair value of quoted bonds is based on price quotations at the reporting date.

The fair value of long-term loans is determined using DCF method using current rates for debt with similar terms, credit risk and remaining maturities.

During the six months ended 30 June 2023, and the year ended 31 December 2022, there were no transfers between Levels 1 and 2.

36 Segment reporting

The Group determines its operating segments based on the nature of their operations. The performance of the operating segments is assessed by management on a regular basis.

The following reportable segments within the Group were determined:

- Gas trading – sales of gas within the Republic of Kazakhstan and abroad;
- Transportation and storage of gas – transportation of gas and storage of purchased gas in underground gas storages.

The remaining operating segments (exploration and production of gas and rendering transportation services) have been aggregated and presented as other operating segment due to their insignificance.

36 Segment reporting (continued)

The following table represents information about revenues and net profit for the six months ended 30 June 2023, as well as the assets and liabilities of the Group's operating segments as at 30 June 2023:

<i>In thousands of tenge</i>	Gas trading	Transportation and storage of gas	Other segments	Elimination	Total
Revenue from sales to external customers	441,288,082	18,710,124	15,605,437	-	475,603,643
Revenue from sales to other segments	5,182,370	75,210,409	10,485,270	(90,878,049)	-
Total revenue	446,470,452	93,920,533	26,090,707	(90,878,049)	475,603,643
Gross profit	(5,617,489)	24,159,172	13,426,180	(2,234,522)	29,733,341
Interest income calculated using the effective interest method	10,900,593	770,177	3,777,970	(1,791,196)	13,657,544
Finance income	6,703,822	-	-	(3,948,130)	2,755,692
Finance costs	(16,885,946)	(13,674,474)	(224,756)	1,545,832	(29,239,344)
Depreciation and amortization	(5,481,229)	(12,360,978)	(1,741,945)	-	(19,584,152)
Share in profit of joint ventures	-	156,542,658	189,758	-	156,732,416
Income tax expenses	(3,487,728)	(1,132,993)	(3,903,566)	-	(8,524,287)
Net profit for the period	16,828,057	160,674,533	11,861,066	(23,792,189)	165,571,467
Other segment information					
Investments in joint ventures	-	1,085,750,713	1,220,513	-	1,086,971,226
Capital expenditures	5,080,988	49,462,968	4,509,116	(5,563,266)	53,489,806
Allowance for expected credit losses	(7,401,200)	(2,603,657)	(64,207)	-	(10,069,064)
Allowances for obsolete inventories and advances paid	(180,252)	(1,471,908)	(275,537)	-	(1,927,697)
Assets of the segment	1,778,624,179	2,182,854,753	136,993,394	(651,597,746)	3,446,874,580
Liabilities of the segment	831,010,273	394,402,056	20,136,592	(141,297,500)	1,104,251,421

The following table summarizes revenues and net income for the six months ended 30 June 2022, as well as the assets and liabilities of the Group's operating segments as at 31 December 2022:

<i>In thousands of tenge</i>	Gas trading	Transportation and storage of gas	Other segments	Elimination	Total
Revenue from sales to external customers	453,180,289	43,997,874	26,967,823	-	524,145,986
Revenue from sales to other segments	4,901,875	73,484,547	8,684,685	(87,071,107)	-
Total revenue	458,082,164	117,482,421	35,652,508	(87,071,107)	524,145,986
Gross profit	32,044,714	48,051,518	22,988,115	2,153,183	105,237,530
Interest income calculated using the effective interest method	13,021,181	508,583	887,051	(1,847,067)	12,569,748
Finance income	3,261,842	636,170	3,940	(2,121,263)	1,780,689
Finance costs	(18,084,404)	(11,193,000)	(434,516)	479,610	(29,232,310)
Depreciation and amortization	(5,498,638)	(13,048,825)	(1,595,578)	-	(20,143,041)
Impairment of property, plant and equipment	-	(451,217)	-	-	(451,217)
Share in profit of joint ventures	-	169,168,072	99,893	-	169,267,965
Income tax expenses	(11,571,708)	(8,439,230)	(4,439,534)	-	(24,450,472)
Net profit for the period	63,774,632	200,115,264	14,668,102	(84,794,003)	193,763,995
Other segment information					
Investments in joint ventures	-	929,522,458	1,121,606	-	930,644,064
Capital expenditures	10,133,806	167,793,352	7,321,936	(8,128,453)	177,120,641
Allowance for expected credit losses	(6,463,061)	(1,493,496)	(60,688)	-	(8,017,245)
Allowances for obsolete inventories and advances paid	(180,425)	(1,471,908)	(275,537)	-	(1,927,870)
Assets of the segment	1,650,268,904	1,954,558,120	126,743,964	(560,075,298)	3,171,495,690
Liabilities of the segment	713,674,204	336,663,978	23,895,472	(90,299,865)	983,933,789

Substantially all of the Group's operations and assets are located in the Republic of Kazakhstan.

36 Segment reporting (continued)

Segment performance is evaluated based on both revenues and net profit, which are measured on the same basis as in the consolidated financial statements. Inter-segment transactions were made on terms agreed to between the segments that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

Eliminations represent the exclusion of intra-group turnovers.

During the six months ended 30 June 2023, the Group generated 52% of its revenues from PetroChina Group (six months ended 30 June 2022: 55%) and 3% from Gazprom Group (six months ended 30 June 2022: 6%).

37 Subsequent events

The Group had no significant events after the end of the interim period.