

NC QazaqGaz JSC

**Consolidated Financial Statements
in accordance with IFRS Accounting Standards
and Independent Auditor's Report**

31 December 2024

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Independent Auditor's Report

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Independent Auditor's Report

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

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of NC QazaqGaz JSC (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

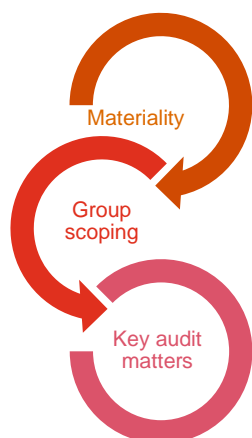
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Kazakhstan that are relevant to our audit of the consolidated financial statements.

Independent auditor's report (Continued)

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Our audit approach

Overview



- Overall Group materiality: Kazakhstani Tenge ("Tenge") 15,000,000 thousand, which represents approximately 5% of profit before tax.
- Group audit scope included the Company, four subsidiaries and two joint arrangements in Kazakhstan.
- Our audit scope addressed 98% of the Group's revenues and 100% of the Group's absolute value of underlying profit before tax.
- Impairment assessment of non-current assets
- Accounting for the acquisition and expected sale of GPC Investment LLP
- Trade payable for gas purchase

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	Tenge 15,000,000 thousand
How we determined it	Approximately 5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of the consolidated financial statements and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Independent auditor's report (Continued)

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of non-current assets</p> <p><i>Notes 3, 6, 7, 8 to the consolidated financial statements</i></p> <p>In 2024, the Group's profitability has been impacted by a significant increase in the purchase price of gas, the weakening of the Tenge against the US dollar, and changes in the economic environment in which the Group operates. These indicate that the Group's non-current assets with the carrying value of Tenge 1,648,142,206 thousand as of 31 December 2024 may be impaired (property, plant and equipment – Tenge 1,593,607,454 thousand, exploration and evaluation assets – Tenge 5,590,260 thousand, right-of-use assets – Tenge 44,539,508 thousand, intangible assets – Tenge 4,404,984 thousand). The recoverable amount of the assets was determined as their value in use. Determining the recoverable amount requires significant management judgement and assumptions in respect of projected future cash flows, discount rates and level of main production costs. These projections are exposed to significant variability due to uncertain market conditions.</p> <p>Based on the results of the impairment assessment performed by the management, the Group recognized an impairment loss of Tenge 2,997,888 thousand as of 31 December 2024.</p> <p>We focused on this area due to the significance of the carrying values of the assets, and the fact that there is significant judgement involved in determining the recoverable amounts.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of internal processes and controls and analysed the methodology applied by the management in assessing the non-current assets impairment estimation for compliance with IAS 36. • We obtained, understood and evaluated management's impairment models. We performed the evaluation of the methodology and assumptions used in the models, such as domestic sales tariffs, export sales prices, transportation and production volumes, discount rates, inflation rates, country specific risks and foreign exchange rates. • We involved our valuation experts to assist in the analysis of discounting rates applied by management in impairment models. • We compared operating and future capital expenditures and the revenue projections to the latest approved business plans and budgets. • We compared the key assumptions used within the impairment models to the historic performance of the respective CGUs. • We performed a sensitivity analysis over the key assumptions in order to assess their potential impact on impairment results and ranges of possible outcomes of the recoverable amounts. • We assessed the related disclosures in Notes 3, 6, 7, and 8 to the consolidated financial statements for compliance with the requirements of IAS 36.

Independent auditor's report (Continued)

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Key audit matter	How our audit addressed the key audit matter
<p>Accounting for the acquisition and expected sale of GPC Investment LLP</p> <p><i>Note 5 to the consolidated financial statements</i></p> <p>On 14 February 2024, the Group acquired from Samruk-Kazyna JSC, the parent company, 100% interest in GPC Investment LLP ("GPCI") by issuing ordinary shares for a total amount of Tenge 38,737,143 thousand. The acquisition of GPCI was accounted for as an acquisition of a subsidiary from parties under common control. Subsequently, the Group plans to sell 75% interest in GPCI by 30 June 2025, retaining a 25% stake.</p> <p>The accounting for the acquisition of GPCI and its subsequent classification as a disposal group requires significant judgment by the Group's management, particularly with respect to the accounting for the acquisition of a subsidiary from parties under common control and the classification and measurement of GPCI as a disposal group in accordance with IFRS 5, including assessing the likelihood of a sale and estimating the value of the disposal group.</p> <p>We focused on this deal due to the significance of the carrying values of the disposal group assets classified as held for sale and the fact that it involves significant accounting judgements and estimates.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We analysed the sale and purchase agreement between the parent company and the Group and the related documents confirming the sale of GPCI in 2024. • We analysed the draft sale and purchase agreement between the Group and the potential buyer in relation to the expected sale of a 75% interest in GPCI and the relevant draft documents confirming the parties' intention to complete this deal in 2025. • We analyzed the acquisition cost and the carrying amount of GPCI's assets and liabilities at the acquisition date. • We analyzed management judgments with respect to the accounting for the acquisition as a transaction between parties under common control. • We analyzed the draft version of the GPCI Foundation Agreement and other draft versions of documents describing corporate governance and the process for making key decisions at the level of participants, the Supervisory Board and the CEO. • Based on the analyzed documents mentioned above, we have gained an understanding of the most significant activities for assessing the control over GPCI. • We discussed with management their plans, the likelihood of completing the deal as planned and an analysis of the transition of control over GPCI. • We compared the fair value of the disposal group with its carrying amount as of 31 December 2024. • We engaged our technical accounting specialists to assist in assessing the accounting approach for transactions and disclosures related to the expected sale of the 75% interest in GPCI. • We assessed the related disclosures in Note 5 to the Group's consolidated financial statements for compliance with the requirements of IFRS 5.

Independent auditor's report (Continued)

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Key audit matter	How our audit addressed the key audit matter
<p>Trade payable for gas purchase</p> <p><i>Notes 3 and 23 to the consolidated financial statements</i></p> <p>In 2023 and 2024, the Group purchased commercial gas from one of its key suppliers without the price agreement. On 14 February 2025, both parties signed an agreement for the purchase of gas for the period of 2023-2033.</p> <p>The Group recognized the trade payable in the amount of Tenge 266,342,015 thousand as of 31 December 2024 based on prices set in the agreement signed by the Group.</p> <p>We focused on this area due to the significance of trade payable and the fact that the agreement was signed by the parties after the reporting date.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We analysed the gas purchase agreement for 2023-2033 signed by the Group. • We received a letter of confirmation for the trade payable in the amount of Tenge 266,342,015 thousand from the supplier as of 31 December 2024. • We tested the mathematical accuracy of the trade payable calculation. • We assessed the related disclosures in Notes 3 and 23 to the consolidated financial statements for compliance with the requirements of IFRS Accounting Standards.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team or component auditors.

The Group's gas transportation and production facilities are located in the Republic of Kazakhstan. The assets and operations of the Group are spread amongst twenty subjects (components), including seven jointly controlled entities. Out of these, we have identified seven components as material components, including the Company, its four subsidiaries and two joint ventures.

For six material components we carried out a full scope audit of the financial information of the components, which the Group uses for the preparation of the consolidated financial statements.

In general, the scope of our audit covered 99% of total assets, 98% of total revenue and 100% of the absolute value of profit before tax. The procedures performed have enabled us to obtain sufficient appropriate audit evidence in relation to the consolidated financial statements of the Group and provide a basis for our audit opinion on it.

Independent auditor's report (Continued)

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Other information

Management is responsible for the other information. The other information comprises the Annual report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent auditor's report (Continued)

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As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report (Continued)

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

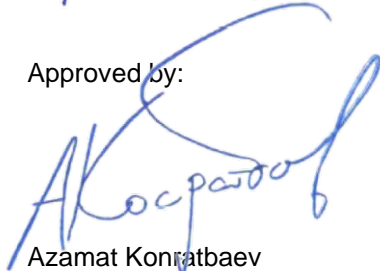
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Almaz Sadykov.

On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Approved by:



Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of
Finance of the Republic of Kazakhstan
№00000005 dated 21 October 1999)

Signed by:

Almaz Sadykov

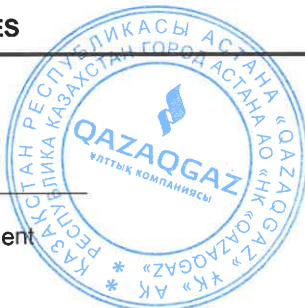
Almaz Sadykov
Auditor in charge
(Qualified Auditor's Certificate
№МФ-0000745 dated 8 February 2019)

28 February 2025
Astana, Kazakhstan

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,593,607,454	1,430,331,997
Exploration and evaluation assets	7	5,590,260	4,510,107
Right-of-use assets	8	44,539,508	66,806,648
Intangible assets		4,404,984	4,752,739
Investments in joint ventures	9	1,071,297,493	1,241,253,329
Advances paid for non-current assets		1,332,182	1,890,448
VAT recoverable	11	62,711,533	60,877,222
Deferred tax assets	31	28,449,891	6,450,522
Other non-current financial assets	10	5,028,994	–
Other non-current assets		1,549,398	114,565
Bank deposits	12	2,358,498	2,955,454
		2,820,870,195	2,819,943,031
Current assets			
Inventories	14	91,010,602	63,191,048
Trade and other receivables	15	237,132,221	287,464,653
Advances paid		1,881,600	1,659,507
Loans to related party		–	39,977,505
Prepaid taxes other than income tax	11	205,544,211	116,234,429
Corporate income tax prepaid	31	54,476,304	43,406,962
Other current assets		1,081,188	634,182
Other current financial assets	10	63,269,275	103,244,373
Bank deposits	12	1,599,578	482,975
Cash and cash equivalents	13	606,624,975	66,770,948
		1,262,619,954	723,066,582
Assets classified as held for sale	5, 6	239,864,465	–
		1,502,484,419	723,066,582
TOTAL ASSETS		4,323,354,614	3,543,009,613

In thousands of Tenge	Note	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	495,906,196	447,874,886
Additional paid-in capital		38,489,380	25,946,130
Foreign currency translation reserve		2,800,396	2,158,137
Other reserves		(107,241)	–
Retained earnings		2,292,823,933	2,026,909,132
TOTAL EQUITY		2,829,912,664	2,502,888,285
Non-current liabilities			
Debt securities issued	17	492,737,184	325,433,246
Bank loans	18	9,632,819	29,965,552
Lease liabilities	21	29,612,848	54,969,380
Employee benefit obligations		292,673	447,939
Provisions	20	82,984,016	78,093,857
Other non-current financial liabilities	24	3,287,370	4,192,701
Liabilities from contracts with customers	22	10,518,617	10,820,812
Deferred tax liabilities	31	73,300,600	62,741,275
		702,366,127	566,664,762
Current liabilities			
Debt securities issued	17	15,962,435	3,800,488
Bank loans	18	7,978,557	17,947,310
Borrowings	19	–	7,968,020
Provisions	20	39,657,735	34,665,401
Trade and other payables	23	495,846,492	353,711,924
Taxes payable other than income tax		4,576,144	4,365,154
Lease liabilities	21	25,372,441	21,717,317
Contract liabilities	22	3,523,237	4,941,775
Other current financial liabilities	24	22,292,727	21,852,939
Other current liabilities		3,149,240	2,486,238
		618,359,008	473,456,566
Liabilities associated with assets classified as held for sale	5	172,716,815	–
		791,075,823	473,456,566
TOTAL LIABILITIES		1,493,441,950	1,040,121,328
TOTAL EQUITY AND LIABILITIES		4,323,354,614	3,543,009,613

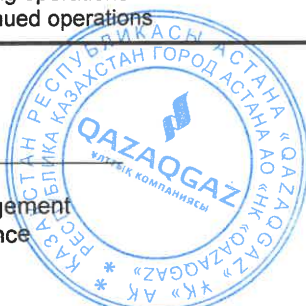
A.M. Akan
Deputy Chairman of the Management
Board on Economics and Finance



Y.N. Bokayev
Chief Accountant

<i>In thousands of Tenge</i>	Note	2024	2023
Revenue from contracts with customers	25	1,259,400,155	1,080,715,085
Cost of sales	26	(1,289,657,733)	(1,023,092,705)
Gross (loss)/profit		(30,257,578)	57,622,380
Management fee	27	47,568,050	493,854
General and administrative expenses	28	(43,843,721)	(63,155,929)
Net expected credit losses		(5,264,781)	(2,296,278)
Other operating income		4,675,651	2,869,912
Other operating expenses		(4,416,151)	(3,579,486)
Operating loss		(31,538,530)	(8,045,547)
Interest income calculated using the effective interest method	29	43,095,509	37,651,233
Finance income		7,197	308,737
Finance costs	30	(40,628,529)	(60,583,175)
Share of profit of joint ventures	9	371,144,276	321,932,666
Foreign exchange (loss)/gain, net		(39,645,529)	19,995,722
Profit before income tax		302,434,394	311,259,636
Income tax (expenses)/benefit	31	(2,969,285)	14,594,047
Profit for the year from continuing operations		299,465,109	325,853,683
Discontinued operations			
Loss after tax from discontinued operations	5	(10,372,547)	–
Net profit for the year		289,092,562	325,853,683
Other comprehensive income			
<i>Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss</i>			
Unrealized loss on revaluation of financial assets measured at fair value through other comprehensive income		(107,241)	
Exchange differences on translation of foreign operations		642,259	(404,668)
Net comprehensive income /(loss) that may be reclassified subsequently to profit or loss		535,018	(404,668)
<i>Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss</i>			
Actuarial (loss)/income on defined benefit plant		(31,960)	34,170
Effect of income tax expenses	31	5,722	(6,834)
Net comprehensive (loss)/income that will not be reclassified subsequently to profit or loss		(26,238)	27,336
Other comprehensive income/(loss) for the year less income tax		508,780	(377,332)
Total comprehensive income for the year less income tax		289,601,342	325,476,351
Earnings per share			
Basic and diluted	16	0,77	0,87
Basic and diluted, from continuing operations		0,80	0,87
Basic and diluted, from discontinued operations		(0,03)	–

A.M. Akan
Deputy Chairman of the Management
Board on Economics and Finance



Y.N. Bokayev
Chief Accountant

The accompanying notes on pages 6 to 63 are an integral part of these consolidated financial statements.

In thousands of Tenge	Note	2024	2023
Cash flows from operating activities			
Proceeds from customers		1,384,417,164	1,021,509,278
Management fee		53,829,332	-
Interest received		38,916,947	28,009,395
VAT refund from tax authorities		12,476,177	9,151
Proceeds from tariff recalculation		22,239,953	-
Other proceeds		4,493,064	6,528,297
Payments to suppliers		(1,214,303,107)	(829,045,089)
Income tax paid		(25,341,188)	(17,680,149)
Other taxes and payments to the budget		(84,883,441)	(52,090,223)
Interest paid	34	(23,027,862)	(30,976,493)
Interest paid on leases	21, 34	(11,775,188)	(14,988,904)
Payments to employees		(84,161,418)	(74,733,572)
Other payments		(18,791,877)	(13,436,207)
Net cash flows from operating activities		54,088,556	23,105,484
Cash flows from investing activities			
Withdrawal of bank deposits		61,123,228	47,174,581
Proceeds from the sale of property, plant and equipment and intangible assets		2,172,471	7,585,737
Dividends received from joint ventures	9	541,462,793	10,954,351
Redemption of debt securities		61,850,600	-
Proceeds from redemption of notes of the National Bank of the Republic of Kazakhstan	10	49,919,356	228,797,391
Cash of the acquired company		1,263,164	-
Acquisition of financial assets		(65,514,443)	(63,260,261)
Placement of bank deposits		(61,604,224)	(36,968,493)
Acquisition of property, plant and equipment, intangible assets and exploration and evaluation assets		(283,685,630)	(305,051,235)
Loans provided to related parties		(6,500,394)	(42,730,371)
Purchase of notes of the National Bank of the Republic of Kazakhstan	10	(15,093,674)	(233,623,073)
Net cash flows from/(used in) investing activities		285,393,247	(387,121,373)
Cash flows from financing activities			
Proceeds on interest-bearing loans	34	116,472,264	-
Proceeds on debt securities issued	34	142,621,853	-
Repayment of interest-bearing loans	34	(30,057,527)	(92,009,799)
Repayment of loans from related party	19, 34	(8,222,333)	(8,504,752)
Repayment of lease liabilities	21, 34	(21,703,583)	(18,788,145)
Dividends paid to the Sole Shareholder	16, 32	(22,809,827)	(27,065,364)
Net cash flows from/(used in) financing activities		176,300,847	(146,368,060)
Net changes in cash and cash equivalents		515,782,650	(510,383,949)
Net foreign exchange difference on cash and cash equivalents		43,556,700	26,675
Change in cash reserves		13,357	-
Cash and cash equivalents at the beginning of the year	13	66,770,948	577,128,222
Cash and cash equivalents at the end of the year*	13	626,123,655	66,770,948

* The amount of cash and cash equivalents at the end of the year ended 31 December 2024 does not correspond to the amount of cash and cash equivalents presented in the consolidated statement of financial position for the year ended 31 December 2024, as it includes the amount of cash and cash equivalents of disposal groups classified as held for sale, information about which is disclosed in Note 5.


A.M. Akan
Deputy Chairman of the Management
Board on Economics and Finance




Y.N. Bokayev
Chief Accountant

The accompanying notes on pages 6 to 63 are an integral part of these consolidated financial statements.

<i>In thousands of Tenge</i>	Note	Share capital	Additional paid-in capital	Foreign currency translation reserve	Other reserves	Retained earnings	Total
As at 31 December 2022		430,959,489	25,946,130	2,562,805	–	1,728,093,477	2,187,561,901
Net profit for the year		–	–	–	–	325,853,683	325,853,683
Other comprehensive loss for the year		–	–	(404,668)	–	27,336	(377,332)
Total comprehensive income for the year		–	–	(404,668)	–	325,881,019	325,476,351
Issue of shares	16	16,915,397	–	–	–	–	16,915,397
Dividends	16	–	–	–	–	(27,065,364)	(27,065,364)
As at 31 December 2023		447,874,886	25,946,130	2,158,137	–	2,026,909,132	2,502,888,285
Net profit for the year		–	–	–	–	289,092,562	289,092,562
Other comprehensive income for the year		–	–	642,259	(107,241)	(26,238)	508,780
Total comprehensive income for the year		–	–	642,259	(107,241)	289,066,324	289,601,342
Issue of shares	16	48,031,310	–	–	–	(341,696)	47,689,614
Dividends	16, 32	–	–	–	–	(22,809,827)	(22,809,827)
Other transactions with the Shareholder	16	–	12,543,250	–	–	–	12,543,250
As at 31 December 2024		495,906,196	38,489,380	2,800,396	(107,241)	2,292,823,933	2,829,912,664


A.M. Akan
 Deputy Chairman of the Management
 Board on Economics and Finance




Y.N. Bokayev
 Chief Accountant

1 Corporate Information

The accompanying consolidated financial statements include the financial statements of NC QazaqGaz JSC (the "Company", "QG" or the "Parent company") and its subsidiaries (together referred to as the "Group").

QG is a joint stock company established in accordance with the Decree of the Government of the Republic of Kazakhstan (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 at 12, Alikhan Bokeykhan Avenue, Yesil district, Astana, Republic of Kazakhstan.

As at 31 December 2024, Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna" ("Samruk-Kazyna" or "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, NC KazTransGas JSC was determined a national operator in gas and gas supply. According to the Decree of the Government of the Republic of Kazakhstan dated 30 November 2021 No. 852, KazTransGas was given the status of a National Company. According to the Decree of the Government of the Republic of Kazakhstan No. 982 dated 31 December 2023, NC KazTransGas JSC was renamed into NC QazaqGaz JSC. The Company's main objective as a national operator is to reliably satisfy Kazakhstan's domestic commercial gas needs.

The main activities of the Group also include the following:

- managing investment activities for the overall development of the main gas pipeline system within Kazakhstan;
- managing investment activities for the development of gas fields within Kazakhstan;
- providing consultancy services in research and development for gas industry;
- sale of gas in foreign and domestic markets;
- participation in the development and implementation of the state program for the development of gas industry.

The Group's operating activities are regulated by the Law of the Republic of Kazakhstan "On Natural Monopolies" (the "Law") as the Group is a natural monopolist in gas transportation and sales in the domestic market. According to the Law, the Group's tariffs related to gas transportation and sales in the 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.

These consolidated financial statements were authorised for issue by the Deputy of Chairman of the Management Board on Economics and Finance and the Chief Accountant on 28 February 2025.

In 2024, audit and non-audit services provided to the Group by the current auditor PricewaterhouseCoopers LLP amounted to Tenge 245,845 thousand and nil (2023: Tenge 92,960 thousand and Tenge 81,700 thousand), respectively.

Exploration and production of hydrocarbons

In December 2000, the Group signed a contract with the Investment agency of the Republic of Kazakhstan for the 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 Amangeldy, Anabai, Airakty and Kumyrlı gas fields in Zhambyl oblast, South Kazakhstan (the "Hydrocarbon Agreement"). The Group also operates in accordance with the Contract for the exploration and development of hydrocarbons dated 30 July 2018 for gas production at the Pridorozhnoye field within blocks XXXI-44-D (partially), E (partially) in the Sozak region of the Republic of Kazakhstan.

The Group started production and sale of gas at Amangeldy gas field in November 2003, at the Zharkum field in December 2014 and at the Anabay field in November 2023. Further details are provided in Notes 6 and 7.

In 2023, the Group also concluded a Contract for Securing the Production Ste of the Barkhannaya Field. On 5 April 2024, the Group has been assigned a production period at the Barkhannaya field until 2048. The field is planned to be commissioned in 2025, preparations are underway.

In 2024, the Group has been awarded a Contract for Exploration and Production of Hydrocarbons for Complex Projects at the Maldybai Site in the Zhambyl Region of the Republic of Kazakhstan. The term of the Contract is combined and consists of an exploration period of eighteen (18) years and a production period of twenty-five (25) years.

1 Corporate Information (Continued)

Under the Joint Operating Agreement dated 30 July 2024 between QazaqGaz and KOR Oil Company JSC ("KOR"), the Group, together with Bozoy Operating LLP, became parties to the Contract for Exploration and Production of Hydrocarbons for Complex Projects in the Shalkar Area in the Aktobe Region. On 6 January 2025, Shalqar Energy LLP, the operating company was registered jointly with Bozoy Operating LLP with a 50% to 50% participation share, which was founded to carry out all subsoil use operations.

According to 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 accompanying consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared under the historical cost convention, except for assets and liabilities measured at fair value as described in the accounting policies and notes to these consolidated financial statements. All values in these consolidated financial statements are rounded to the nearest thousands, unless otherwise stated.

The consolidated financial statements have been prepared based on a going concern basis. To assess this assumption, the Group performed a liquidity forecast based on various stress tests to ensure that it continues to apply the going concern principle in preparing these consolidated financial statements.

Basis of consolidation

The financial statements of the subsidiaries have been prepared for the same reporting period as the Parent company's financial statements, using consistent accounting policies for all entities of the Group. All intra-group balances, transactions, unrealized gains and losses, and cash flows resulting from intra-group transactions and dividends were fully eliminated.

Subsidiaries

As at 31 December 2024 and 31 December 2023, the Company had ownership interest in the following companies included in the consolidated financial statements:

Name	Place of incorporation	Principal activities	Ownership interest	
			2024	2023
Intergas Central Asia JSC (ICA)	Kazakhstan	Transportation and storage of gas and rendering technical services for gas pipelines in Kazakhstan	100%	100%
QG Aimaq JSC (QG Aimaq)	Kazakhstan	Sale of gas to local power distributors, legal entities and individuals	100%	100%
QazaqGaz Onimderi LLP	Kazakhstan	Transportation services	100%	100%
Exploration and Production QazaqGaz (EP QazaqGaz)	Kazakhstan	Production of natural gas and gas condensate	100%	100%
QazaqGaz Scientific and Technical Center LLP (QazaqGaz STC)	Kazakhstan	Engineering design, research activities	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 Golf Club	100%	100%
Tegis Munay LLP (Tegis Munay)	Kazakhstan	Production of natural gas	100%	100%
Mangyshlak Munay LLP (Mangyshlak Munay)	Kazakhstan	Geological exploration and surveys	100%	100%
AsiaGas Chundja LLP (AsiaGas Chundja)	Kazakhstan	Transportation and sales of gaseous fuels via pipelines, design and operation of gas supply facilities, oil pipelines and petrochemical plants	100%	–
GPC Investment LLP (GPCI)	Kazakhstan	Construction of a gas processing plant	100%	–

In 2023, Qazaq Gas Qurylys LLP was renamed to QazaqGaz Scientific and Technical Center LLP.

In 2023, KazTransGas Onimderi LLP was renamed to QazaqGaz Onimderi LLP.

2 Basis of Preparation (Continued)

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

In 2024, KazTransGas Aimak JSC rebranded and was renamed to QazaqGaz Aimaq JSC.

On 14 February 2024, ordinary shares of NC QazaqGaz JSC in the quantity of 1,000 (one thousand) shares were placed at the offering price of Tenge 38,737,143 under the preemptive purchase right by transferring 100% of the share in GPC Investment LLP ("GPCI") in accordance with Transfer Agreement between Samruk-Kazyna JSC and NC QazaqGaz JSC for a total of Tenge 38,737,143 thousand. On 16 February 2024, the state re-registration of 100% of the share in GPCI to NC QazaqGaz JSC was completed.

On 7 October 2024, an agreement was signed on the transfer of 100% of the share in the authorized capital of AsiaGas Chundja LLP ("AsiaGas Chundja") between Samruk-Kazyna JSC and NC QazaqGaz JSC. On 9 October 2024, ordinary shares of NC QazaqGaz JSC in the quantity of 1,000 (one thousand) shares were placed at an offering price of Tenge 9,294,167 per ordinary share for a total amount of Tenge 9,294,167 thousand to the Sole Shareholder.

Investments in joint ventures

As at 31 December 2024 and 31 December 2023, 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	Ownership interest	
			31 December 2024	31 December 2023
Asian Gas Pipeline LLP (AGP)	Kazakhstan	Construction and operation of Kazakhstan-China gas pipeline	50%	50%
Beineu-Shymkent Gas Pipeline LLP (BShP)	Kazakhstan	Construction and operation of Beineu-Bozoi-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%
Private company Beineu-Bozoi-Shymkent 2 Ltd.	Kazakhstan	Construction and operation of the second line of the Beineu-Bozoi-Shymkent gas pipeline	50%	–
Private company CS-14-Qostanay Ltd.	Kazakhstan	Construction of pipeline infrastructure, including compressor station KS-14 and main gas pipeline KS-14	50%	–
Private company Kashagan Gas Treatment Plant 2.5 BCMA Ltd.	Kazakhstan	Construction of a gas processing plant with a capacity of 2.5 billion cubic meters.	25%	–

On 28 June 2024, the Private Company Beineu-Bozoi-Shymkent 2 Ltd. with 50% ownership of NC QazaqGaz JSC was registered at the Astana International Financial Center's platform.

On 1 July 2024, the Private Company CS-14-Qostanay Ltd. with 50% ownership of NC QazaqGaz JSC and 50% ownership of UCC Qazaqstan 5 LLC was registered on the Astana International Financial Center's platform.

On 1 July 2024, the Private Company Kashagan Gas Treatment Plant 2.5 BCMA Ltd. with 25% ownership of JSC NC QazaqGaz and 75% ownership of UCC Qazaqstan 2 LLC was registered on the Astana International Financial Center's platform.

The Group has interests in joint arrangements in the form of joint ventures, whereby the venturers have contractual arrangements that establish joint control over the economic activities of the entity. The agreement requires unanimous consent of the parties sharing control. Investments in joint ventures are accounted for by the Group using the equity method.

The Group's share of profit or loss of a jointly controlled entity is provided directly in the consolidated statement of comprehensive income. It represents the profit or loss attributable to participants of a joint venture and therefore is determined as profit or loss after tax and non-controlling interests in subsidiaries of a joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group's financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2 Basis of Preparation (Continued)

Acquisition of subsidiaries from parties under common control

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

The assets and liabilities of a subsidiary transferred between parties under common control are accounted for in these consolidated financial statements at the carrying amounts recorded in the financial statements of the transferring entity (the Predecessor) at the date of a transfer. The related goodwill, accounted for on the initial acquisition of the Predecessor, is also reflected in these consolidated financial statements. Any difference between the total present value of net assets, including the Predecessor's goodwill, and the consideration paid is accounted for in these consolidated financial statements as an adjustment to equity.

If such an acquisition is considered material, the consolidated financial statements, including comparative amounts, are presented based on the assumption that a subsidiary had been acquired by the Group on the date it was initially acquired by the Predecessor.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Kazakhstani Tenge ("Tenge"), which is the functional currency of the most entities of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Group companies

The results and financial position of all of the Group's subsidiaries and joint ventures (none of which operates in 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 as at the reporting date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average rate 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 transaction dates); and
- all resulting exchange differences are recognised as a separate component within other comprehensive income.

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 31 December 2024, the currency exchange rate of KASE was 525,11 Tenge per 1 US Dollar and 4,88 Tenge per 1 Russian Ruble. These rates were used for translation of monetary assets and liabilities denominated in US Dollars and Russian Rubles at 31 December 2024 (2023: 454,56 Tenge per 1 US Dollar and 5,06 Tenge per 1 Russian Ruble).

Operating environment

In November 2024, Fitch Ratings affirmed Kazakhstan's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB' with a Stable Outlook. According to Fitch, Kazakhstan's 'BBB' IDR is supported by a very large external buffer, the third-largest sovereign net foreign asset (SNFA) position in the 'BBB' rating category, which also provides funding flexibility, supported by cumulative oil revenue savings. These factors are offset by very high commodity dependence, export concentration risk, high inflation, which partly reflects a less developed macroeconomic policy framework compared to 'BBB' countries, and weak governance indicators.

Kazakhstan is expected to remain highly dependent on crude oil and oil condensates, which account for more than half of exports. In addition, almost 80% of Kazakhstan's crude oil is exported via Russia through the Caspian Pipeline Consortium (CPC), creating geopolitical risk. The share is likely to remain high given the cost advantages, despite some recent route diversification.

Overall, the economy of the Republic of Kazakhstan continues to display some characteristics of an emerging market. These characteristics also include, but are not limited to, a national currency that is not freely convertible outside the country and low levels of equity market liquidity.

2 Basis of Preparation (Continued)

The inflation rate was relatively stable during 2024 and amounted to 8.6% in December 2024 compared to 9.8% in December 2023. Economic growth slowed down to 3.8% in 2024 compared to 5.1% in 2023. Analysts forecast that GDP growth will accelerate to 5% in 2025.

The economic environment has a significant impact on the operations and financial position of the Group. Management takes necessary measures to ensure the sustainable operations of the Group. However, the future consequences of the current economic situation are difficult to predict, and management's current expectations and estimates may differ from actual results.

In addition, the oil and gas sector in the Republic of Kazakhstan remains vulnerable to political, legislative, tax and regulatory developments in the Republic of Kazakhstan. The prospects for economic stability in the Republic of Kazakhstan largely depend on the effectiveness of economic measures taken by the Government, as well as on the development and improvement of the legal framework within the country's political system, i.e. on circumstances beyond the Group's control.

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

The conflict in Ukraine, which began in 2022, has led to a number of IFRS accounting peculiarities affecting financial reporting. Many countries have already imposed and continue to impose new sanctions on certain Russian legal entities and Russian citizens, including a ban on Russian banks to use the Swift system. The current 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 companies with significant activities in the CIS territories.

Russia is Kazakhstan's largest trading partner. Russia is also a key trade transit route, particularly through the Caspian Pipeline Consortium (CPC), which carries up to 80% of its oil exports. The concentration of exports via CPC is expected to remain high in the medium term, given its cost advantages. Kazakhstan is making efforts to diversify routes, particularly via the Caspian Sea to Baku and with the start of non-CPC exports to Germany, but these shipments represent approximately 2% of CPC's annual volumes.

The ongoing conflict may lead to a risk of a shortage of commercial gas in the event of a stoppage of purchases from Russian suppliers, especially during the heating season, the risk of counter-sanctions from the Russian Federation and/or individual Russian companies, expressed in the refusal to supply Russian gas, processing of Kazakh gas, restrictions on oil transportation via the CPC system (reduction in associated gas production). Additional indirect consequences may include potential fluctuations in commodity prices, exchange rates, import and export restrictions, availability of local materials and services and access to local resources.

As part of its activities, the Group transports and transits gas through the territory of the Republic of Kazakhstan. In 2023, the Group and Gazprom PJSC signed a contract for gas transit to the Republic of Uzbekistan, in accordance with the Strategic Cooperation Agreement. The Group also entered into agreements on the purchase of Russian gas to cover the domestic gas deficit. During 2024, the share of Russian gas in the total volume of purchased gas is 15% (in 2023: 4%). The Group also has transactions on purchase of securities and placement of deposits with a Kazakhstani financial institution, the majority shareholder of which is subject to Ukrainian sanctions.

Continuing operations with Russia may result in the risk of secondary sanctions being imposed on the Group's operations. According to the list of sanctions published by the United States, some Russian companies are included in the "Non-SDN" (non-blocking sanctions) list, which prohibits operations to provide financing and other operations with new debt with a maturity of more than 14 days or new equity capital. The Group's management assesses the potential impact of anti-Russian sanctions on the Group's operations and will take all possible steps to mitigate the risks.

The current conflict and economic sanctions have not yet had a material impact on the Group, but there remains significant uncertainty regarding the outcome of the conflict and future economic sanctions. The Group takes into account the impact of anti-Russian sanctions in its operations and continuously monitors them to minimize negative effects. Based on the initial risk assessment and subsequent updates to the sanction's programs and lists, the Group has developed an action plan to minimize potential negative consequences. This action plan is updated as new risks are identified or sanctions programs and lists are updated.

During 2023 and 2024, QazaqGaz engaged an independent consultant to analyze the risks associated with the sanctions of the European Union, the United Kingdom and the United States that may affect the Group's operations. According to the expert's findings, the risks associated with the sanctions imposed by the United States, the United Kingdom and the European Union will not cause potential problems for the Group.

2 Basis of Preparation (Continued)

Once the restrictive measures had been applied to Russian banks, the Group faced risks associated with bank transfers (including in US dollars, rubles), as well as untimely and complex settlements with counterparties for services rendered. Currently, settlements with Russian banks are made through another correspondent bank and there were no payment delays as of the dates of issue of these consolidated financial statements.

The favorable geographic location, combined with developed infrastructure and the absence of competition, as well as the absence of alternative gas routes of comparable size, ensures transportation volumes for the Group's pipeline system for the foreseeable future. The Group also benefits from growing gas demand in large end markets (China, Russia and Central Asia).

In February 2025, Fitch Ratings affirmed QazaqGaz's long-term default ratings at 'BB+' with a 'stable' outlook. This decision was related to (i) new investment programs, (ii) increase in gas tariffs rates and (iii) increased natural gas consumption in Kazakhstan. The economy of the Republic of Kazakhstan continues to display characteristics of emerging markets, including the peculiarities of the national currency and the level of liquidity in the securities market. Management continues to monitor current developments and their potential impact, taking necessary measures to ensure the sustainability of the Group's operations.

Besides, the oil and gas sector in the Republic of Kazakhstan are still impacted by political, legislative, fiscal and regulatory changes. The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal, controlling and political development and improvement, which are beyond the Group's control.

Management is unable to predict the extent or duration of changes in the Kazakhstani economy or evaluate their possible impact on the financial position of the Group in the future. Management believes that it, as part of its normal business on a regular basis, uses all available mechanisms to prevent cooperation with companies on the sanction lists of the European Union, the Office of Foreign Assets Control (OFAC) and any other applicable sanctions, and takes all necessary measures to maintain the sustainability and growth of the Group's activities in the current circumstances.

3 Critical Accounting Estimates, Judgements and Assumptions

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

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Provision for VAT recoverable

The Group determines whether VAT recoverable amount is doubtful at least on an annual basis. Provision for doubtful VAT recoverable is based on the management's expectations of future turnovers subject to VAT and VAT refunds in cash. Significant management judgement is required to determine whether the Group can further defend its right for VAT refund or offset. Further details are provided in Note 11.

Impairment of property, plant and equipment and gas assets

The value in use calculation is based on a discounted cash flow model. Cash flows are budgeted for the next 5 (five) years and do not include restructuring activities, for which the Group is not yet committed, or significant future investments that would improve the results of the assets being tested for impairment in the cash generating unit.

A significant change in the volumes of gas transported, an increase in the cost of gas, a weakening of the tenge against the US dollar, as well as changes in macroeconomic forecasts were identified as the main indicators of impairment of non-current assets. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model, as well as to the expected cash inflows and growth rates used for extrapolation purposes. The Group measured the recoverable amount of the non-current assets of ICA and QG Aimaq as at 31 December 2024. The non-current assets of ICA and QG Aimaq were determined as separate cash-generating units. As at 31 December 2024, no indicators of impairment were identified for QazaqGaz EP and Mangyshlak Munai.

3 Critical Accounting Estimates, Judgements and Assumptions (Continued)*Transportation and storage of gas (ICA)*

The recoverable amount of the cash-generating unit is calculated using a discounted cash flow model. The discount rate was derived from the weighted average cost of capital after tax. The weighted average cost of capital takes into account both debt and equity capital. The cost of equity is derived from the expected return on ICA investments. The cost of debt capital is based on the interest-bearing loans that ICA is obligated to service. Inherent risk was included by applying an individual beta factor. Beta factor was estimated based on publicly available market data. The business plan, approved on an annual basis, is the main source of information for projected cash flows. It contains forecasts for gas transportation volumes, revenues, expenses and capital expenditures.

Various assumptions, such as transportation tariffs and cost inflation rates, take into account current prices, other macroeconomic factors and historical trends and fluctuations. The projected cash flows were based on ICA's five-year business plan and forecast data through 2055 calculated using management's current estimates of potential changes in operating and capital expenditures at the rate of tariff growth. The key assumptions used in the calculation were projected as follows:

- Transportation volume – average annual growth rate over a five-year forecast period; based on past performance and management's expectations regarding market development;
- Transportation tariff – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (CRED) for the domestic market and tariffs under contracts with international counterparties for transportation for export and transit, taking into account the average annual growth rate and long-term inflation forecasts after the five-year forecast period;
- Annual capital expenditures – based on management's historical experience and planned expenses according to five-year forecast data for maintaining production assets and other fixed assets directly involved in the production process, as well as investments in new projects;
- Macroeconomic forecasts – the model used auxiliary forecasts from the international source S&P Global and Oxford Economics, such as consumer and production forecasts, as well as interest rate forecasts, inflation and the forecast dollar/tenge exchange rate for the next 25 years. Data on consumer and output changes and the dollar exchange rate were obtained from S&P Global, and interest rate and inflation forecasts were obtained from Oxford Economics. Cash flows beyond the five-year period are extrapolated using the assumed growth rates shown below. These growth rates are in line with forecasts for the gas industry.

The following are the assumptions used to determine the value in use and to which the recoverable amount is most sensitive:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Assumptions		
Growth rates over 5 years	5.14%	4.19%
Discount rate before tax	15.21%	16.96%
Transportation volumes (for the entire forecast period):		
- transportation within Kazakhstan	1,032 bln.cubic meters	1,073 bln.cubic meters
- transportation of gas for export	115 bln.cubic meters	17 bln.cubic meters
- international transit	1,302 bln.cubic meters	1,245 bln.cubic meters
Transportation tariffs:		
- transportation within Kazakhstan (thousand cubic meters)	From 5,471.08 Tenge	From 5,425.26 Tenge
	2.42 US Dollars -	2.42 US Dollars –
- transportation of gas for export (thousand m3/100 km)	5 US Dollars	5 US Dollars
		2.42 US Dollars –
- international transit (thousand m3/100 km)	2.42 US Dollars	2.9 US Dollars

As at 31 December 2024, the recoverable amount of non-current assets was Tenge 1,469,769,704 thousand, which exceeds their carrying amount by Tenge 135,574,395 thousand (31 December 2023: Tenge 1,249,897,550 thousand, which exceeds their carrying amount by Tenge 61,869,915 thousand).

3 Critical Accounting Estimates, Judgements and Assumptions (Continued)

A sensitivity analysis for significant assumptions as at 31 December 2024 is presented below:

Assumptions	Changes in assumptions	Increase/(decrease) in recoverable amount	Impairment (Yes/No)	Impairment amount
Growth rate	1% increase	(93,764,384)	No	–
	1% decrease	102,951,137	No	–
Discount rate	1% increase	(141,619,012)	Yes	(6,044,615)
	1% decrease	163,674,095	No	–
Volumes of domestic transportation	1% increase	80,013,303	No	–
	1% decrease	(71,352,599)	No	–
Volumes of export transportation	20% increase	49,234,542	No	–
	20% decrease	(49,242,576)	No	–
Volumes of transit	1% increase	3,447,692	No	–
	1% decrease	(3,448,468)	No	–
Tariffs for domestic transportation	1% increase	13,145,396	No	–
	1% decrease	(13,144,821)	No	–
Tariffs for export transportation	20% increase	68,409,211	No	–
	20% decrease	(68,463,639)	No	–
Tariffs for transit	1% increase	9,327,898	No	–
	1% decrease	(9,328,085)	No	–

As at 31 December 2024, the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the key assumptions had changed as follows:

Assumption	Assumption value used	Assumption value at which recoverable amount equals carrying amount
Discount rate	15.21%	16.16%

Gas sales to local energy distributors, legal entities and individuals (QG Aimaq)

The recoverable amount of the cash-generating unit was determined as value in use using a discounted cash flow model. Cash flow estimates include many subjective factors, including operational and financial, using the best available evidence.

The discount rate was derived from the pre-tax weighted average cost of capital. The weighted average cost of capital includes both debt and equity. The cost of equity is derived from the expected return on QG Aimaq's investments. The cost of debt is based on the interest-bearing loans that QG Aimaq is obligated to service. Inherent risk was included by applying a beta factor. The beta factor was estimated based on publicly available market data.

The main assumptions used in the calculation were predicted as follows:

- Volume of gas purchase and supply – based on the Comprehensive Plan for the Development of the Gas Industry of the Republic of Kazakhstan for 2022–2026, approved by the Decree of the Government of the Republic of Kazakhstan, and the Gas Balance of the Republic of Kazakhstan for 2024–2030, approved by the order of the Minister of Energy of the Republic of Kazakhstan, as well as the Business Plan for 2025–2029, approved by the Board of Directors of QG Aimaq;
- Transportation tariffs – based on tariffs approved by the Committee for the Regulation of Natural Monopolies (KREM) for five years and considering the average annual growth rate and long-term inflation forecasts after the five-year forecast period;
- Annual capital expenditures – based on the historical experience of management and planned expenses for maintaining production assets and other fixed assets directly involved in the production process, as well as investments in new projects. Cash flows beyond the five-year period are extrapolated using the assumed growth rates shown below. These growth rates are in line with forecasts for the gas industry.

3 Critical Accounting Estimates, Judgements and Assumptions (Continued)

The following are the assumptions used to determine the value in use was and to which recoverable amount is most sensitive:

Assumptions regarding the recoverable amount of non-current assets:	At 31 December 2024
Growth rates over 5 years	5.16%
Discount rate	15.74%
Gas sales volumes until 2030	120,3 bln.cubic m
Gas transportation volumes until 2030	94 bln.cubic m
Tariffs for:	
- gas sales (thousand cubic meters)	from Tenge 27,6 thousand
- gas transportation (thousand cubic meters)	from Tenge 4,2 thousand

As at 31 December 2024, the recoverable amount of non-current assets was Tenge 284,627,866 thousand, which exceeds their carrying amount by Tenge 33,114,656 thousand (31 December 2023: Tenge 282,729,983 thousand, which exceeds their carrying amount by Tenge 32,923,047 thousand).

A sensitivity analysis for significant assumptions as at 31 December 2024 is presented below:

Assumptions	Changes in assumptions	Increase/ (decrease) in recoverable amount	Impairment (Yes/No)	Impairment amount
Growth rate	1% increase	(6,015,301)	No	–
	1% decrease	6,268,082	No	–
	1% increase	(18,340,404)	No	–
Discount rate	1% decrease	22,121,769	No	–
Gas sales and transportation volumes	5% increase	49,439,508	No	–
	5% decrease	(49,439,508)	Yes	(16,324,852)
Gas sales and transportation tariffs	5% increase	28,106,366	No	–
	5% decrease	(28,106,366)	No	–

As at 31 December 2024, the recoverable amount of the cash-generating unit would have been equal to its carrying amount if the key assumptions had changed as follows:

Assumptions	Assumption value used	Assumption value at which recoverable amount equals carrying amount
Gas sales and transportation volumes	120,3 bln cubic m and 94 bln cubic m	116,3 bln cubic m and 90,8 bln cubic m

Accounts payable for gas purchase agreements

As of 31 December 2024, the Group has trade accounts payable for the purchase of gas in the total amount of Tenge 266,342,015 thousand without a contract (Note 23). Since the previous contracts were terminated and the procedure for agreeing prices and concluding new contracts has not yet been completed, the Group recognized the accounts payable on an accrual basis based on the prices specified in the draft contract.

On 14 February 2025, the gas purchase contract was signed for the period from 2023 to 2033. The accounts payable do not require any adjustments or changes.

Initial recognition of related party transactions

In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. From time to time, the Group receives loans from the Shareholder and measures them at fair value on initial recognition (Note 16).

3 Critical Accounting Estimates, Judgements and Assumptions (Continued)

During 2024, the Group (ICA) issued debt securities, bonds with a coupon rate below the market rate. All issued bonds were placed on the platform of Kazakhstan Stock Exchange JSC. Samruk-Kazyna purchased all bonds issued by the Group. The Group recognized each tranche at fair value upon initial recognition. In determining the fair value upon initial recognition, the Group used data on issued long-term government treasury bonds adjusted for a credit default swap corresponding to the Group's rating. The difference between the fair value at the recognition date and the nominal value of the bonds was recognized in equity as other transactions with the Shareholder.

Right-of-use assets and lease liabilities

On 31 December 2021, the Group entered into a lease agreement for the Saryarka main gas pipeline with AstanaGas KMG JSC for a lease period of 5 years from 2022 to 2026, which came into force from the date of approval by CRNM of tariffs for gas transportation in the domestic market, that is from 1 January 2022. This agreement was concluded on the terms of variable lease payments, the variability of which depends on the volume of gas transported through the Saryarka main gas pipeline. The Group's management concluded that since the actual lease payments are inevitable and not in fact variable, they are in-substance fixed and should therefore be included in the measurement of the lease liability. At the lease commencement date, the Group recognized lease liabilities and the right-of-use asset for the Saryarka main gas pipeline in the amount of Tenge 111,326,816 thousand (*Note 8*). The option to extend the lease agreement is not included in the calculation of the lease liability since, in the opinion of management, the exercise of the option is not reasonably certain at the reporting date.

Asset retirement obligations

In accordance with the Law of the Republic of Kazakhstan "On Main Pipelines" dated 4 July 2012 and the Environmental Code of the Republic of Kazakhstan, the Group has legal obligations to dismantle and liquidate property, plant and equipment and restore land plots. In particular, the Group's obligation is related to the dismantling of gas pipelines and reclamation of land plots.

The calculation of liabilities for the liquidation of production assets as at 31 December 2024 and 31 December 2023 was performed by the Group based on the results of assessments carried out by internal specialists. The scope of work provided by law and included in the calculation included the dismantling of facilities and infrastructure (main pipeline, gas distribution stations, compressor stations of access roads, helipads, buildings and other facilities) and the subsequent restoration of land.

The liability amount is the present value of the estimated costs that are expected to be required to settle the liability. Provisions for well abandonment and site restoration are reviewed at each reporting date and adjusted to reflect the best estimate in accordance with IFRIC 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*.

Significant estimates and judgments made by management were used in estimating future costs. Most of these obligations relate to the distant future and, in addition to uncertainties in legal requirements, the Group's estimates may be affected by changes in asset disposal technology, costs and industry practices. Uncertainties relating to final closure costs are reduced by the effect of discounting the expected cash flows. The Group estimates the cost of future liquidation of gas pipelines, closure of all production gas wells and reclamation of the contract area using current year prices and the average long-term inflation rate.

Key assumptions in making these estimates include estimating the discount rate and the amount and timing of future cash flows. The discount rate is applied to the nominal costs that management expects to incur. Management's accounting estimates, made at current prices, are increased using assumed long-term inflation rates (2024: 5.14%, 2023: 4.19%) and subsequently discounted based on a discount rate that reflects current market estimates of the time value of money as well as the risks related to liabilities that were not included in the best cost estimates. The discount rate is based on the risk-free rate, defined as the yield on government bonds with maturities matching the terms of the subsoil use contracts.

Long-term inflation rates and discount rates used to determine the liability in the consolidated statement of financial position as at 31 December 2024 were 5.14% and 10.03%, respectively (31 December 2023: 4.19% and 9.08%). The carrying amount of the reserve for liquidation of the gas pipelines and compressor stations and restoration of the site as at 31 December 2024 amounted to Tenge 82,417,339 thousand (31 December 2023: Tenge 77,628,333 thousand). The carrying amount of the reserve for abandonment of wells and restoration of the site under the contract for exploration and production of hydrocarbons as at 31 December 2024 amounted to Tenge 566,623 thousand (31 December 2023: Tenge 461,928 thousand). See Note 20 for further details.

3 Critical Accounting Estimates, Judgements and Assumptions (Continued)

A quantitative sensitivity analysis for significant assumptions as at 31 December is provided below:

<i>In thousands of Tenge</i>	Impact on gas pipeline abandonment and site restoration provision	
	31 December 2024	31 December 2023
Assumptions for gas pipeline abandonment and site restoration		
Liquidation cost per 1 km:		
- Increase by 10%	7,914,136	7,470,764
- Decrease by 10%	(7,914,136)	(7,470,764)
Inflation rate		
- Increase by 1%	27,009,634	26,730,998
- Decrease by 1%	(20,302,493)	(19,848,940)
Discount rate		
- Increase by 1%	(19,366,055)	(18,930,318)
- Decrease by 1%	25,909,111	25,624,745

4 Material Accounting Policy Information***New standards, amendments and interpretations***

In 2024, the Group applied for the first time certain standards, amendments and interpretations that were effective for annual periods beginning on or after 1 January 2024. The application of these standards, amendments and interpretations did not have a material impact on the Group's consolidated financial statements. The Group has not applied early any standards, interpretations or amendments that have been issued but not become effective.

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

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023).

Standards and amendments issued but not yet effective

The new standards, amendments and interpretations that have been issued, but not yet effective as of the issue date of the Group's consolidated financial statements are disclosed below. The Group intends to apply these standards, amendments and interpretations, if applicable, from their effective date. The Group does not expect these standards and amendments to have a material impact on the consolidated financial statements.

- Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).

4 Material Accounting Policy Information (Continued)

Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — market quotations at active market for identical assets or liabilities (without any adjustments);
- Level 2 – techniques for which all inputs that relate to the lower hierarchy level which have a significant effect on the fair value are observable, either directly or indirectly;
- Level 3 — techniques for which all inputs that relate to the lower hierarchy level which have a significant effect on the fair value are not observable.

For the purpose of disclosing the fair value, the Group classified assets and liabilities based on their nature, characteristics and risks attributable to them as well as applicable level in the fair value hierarchy as mentioned above.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment (except for gas assets) is calculated on a straight-line basis over the estimated useful lives. The average useful life by class of property, plant and equipment is shown in the following table:

	<u>Years</u>
Buildings and constructions	36
Gas transportation system	66
Machinery and equipment	28
Vehicles	16
Other	16

Land is not depreciated.

Provision for decommissioning is recognized in full, on a discounted basis, when the Group has an obligation to dismantle and decommission a facility or an item of construction or equipment and to restore the site on which it is located and when a reasonable estimate of that provision can be made.

Construction in progress represents property, plant and equipment under construction and is stated at cost. This includes cost of construction, equipment and other direct costs. Depreciation of construction in progress starts when construction of such assets is completed, and they are put into operation.

Costs incurred prior to acquisition of subsurface use right

Costs incurred prior to signing subsurface use contract are expensed in the period in which they are incurred.

Subsurface use right costs

Subsurface use right acquisition costs are capitalized and classified as intangible assets. Each property under exploration is reviewed on an annual basis to confirm that drilling operations are planned, and it is not impaired. If no future operations are planned, the carrying amount of the subsurface use right and related property acquisition costs are written off. Upon determination of economically recoverable reserves ('proved reserves' or 'commercial reserves') and internal approval of development, the carrying amount of the subsurface use right and related property acquisition costs by fields are aggregated with exploration and evaluation costs and transferred to gas assets.

4 Material Accounting Policy Information (Continued)

Exploration and evaluation costs

Once the legal right to explore has been acquired, geological and geophysical exploration costs and costs directly associated with an exploratory drilling 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 lease costs and payments made to contractors. If no reserves are found, the exploration and evaluation assets are tested for impairment, if extractable hydrocarbons are found and are to be further assessed which may include the drilling of other wells that are likely to be further developed commercially, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing commercial recovery of the hydrocarbons. All such assets are subject to technical, commercial and management review as well as impairment test at least once a year to confirm the continued intent to continue development or benefit in other ways from the discovery. Otherwise, the costs are written off. When proved reserves of gas are determined and decision is made to continue development, the relevant expenditures are transferred to gas assets after impairment is assessed and any resulting impairment loss is recognised.

Development costs

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

Depreciation of gas assets

Gas assets are depreciated using the unit of production method based on proved developed gas reserves, except for infrastructure facilities, which are depreciated using the straight-line basis.

Leases

The Group assesses whether an agreement is a lease or contains elements of a lease at the commencement date of the lease relationship.

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 recognised lease liabilities in respect of lease payments to be made 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. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The initial measurement of right-of-use assets includes the amount of lease liabilities recognised, 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 lease terms.

If ownership of a 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 an asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include 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 that is 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.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

4 Material Accounting Policy Information (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Financial assets

All purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the transaction date, i.e. the date that the Group commits to purchase or sell an asset.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method less impairment provision. Gains or losses are recognized in profit or loss when an asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost include loans to related parties, cash and cash equivalents, bank deposits, trade and other receivables and other financial assets.

Cash and short-term bank deposits

Cash and cash equivalents represent cash at banks and short-term bank deposits with an original maturity of 3 (three) months or less. Cash and cash equivalents also include reverse repurchase agreements — an investment in highly liquid government securities with an agreement to sell them at a higher price within 1 to 30 days. Repos are easily convertible into cash and cash equivalents and are subject to insignificant risk of changes in value since they are collateralized by the Government of the Republic of Kazakhstan.

Other financial assets

The Group's other financial assets carried at amortized cost mainly include NBRK notes, Samruk-Kazyna bonds and finance lease debt. Samruk-Kazyna bonds and NBRK notes with a maturity of up to 3 months are highly liquid investments that can be easily sold if necessary. At the same time, the purchase of NBRK notes and Samruk-Kazyna bonds is part of the Group's investment activities, and not part of the organization's daily cash management. When purchasing these securities, there is no intention to sell them ahead of schedule; they are mainly held until maturity, and therefore the Group classifies them as current- financial assets.

Impairment of financial assets

Expected credit losses (ECLs) are recognized in two steps. For financial instruments for which credit risk has not increased significantly since initial recognition, a loss allowance is created for credit losses that could arise from defaults that are possible within the next 12 months (12-month expected credit losses). For financial instruments for which credit risk has increased significantly since initial recognition, a loss allowance is created for credit losses expected over the remaining life of the financial instrument, regardless of the timing of default (lifetime expected credit losses).

To assess the increase in credit risk, the Group compares the risk of default on a financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition. Reasonable and verifiable information that is available without excessive costs is analyzed.

For trade and other receivables, the Group applies a simplified approach to calculate ECL. Consequently, the Group recognizes lifetime expected credit losses. Expected credit losses on such financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for borrower-specific factors, general economic conditions and an assessment of both current and expected development of conditions at the reporting date.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at fair value through profit or loss or at amortized cost.

All financial liabilities are recognised initially at fair value and in case of debt securities and borrowings net of directly attributable transaction costs.

4 Material Accounting Policy Information (Continued)

After initial recognition, debt and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses on such financial liabilities are recognized in profit or loss when they are derecognised and as they are amortized using the effective interest rate.

Amortized cost is calculated taking into account acquisition discounts or premiums and fees or costs that are an integral part of the effective interest rate. Amortization using the effective interest rate is included in finance costs in the consolidated statement of comprehensive income.

The Group's financial liabilities carried at amortized cost include debt securities issued, borrowings, accounts payable, and financial guarantees.

Trade and other payables

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Financial guarantee contracts

Financial guarantee contract is a contract that require a payment to be made to reimburse the beneficiary for a loss it incurs if the specified debtor fails to make a payment when due in accordance with the initial or revised contract terms. Financial guarantee contracts are recognised initially as liabilities at fair value including transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of allowance for estimated credit losses calculated according to IFRS 9, or the amount of liability initially recognised less accumulated amortisation according to IFRS 15.

Guarantees are recognized in accounting from the moment the guarantee is issued until the expiration date or until the requirements or obligations stipulated by the terms of the guarantee are fully fulfilled.

Inventory

Inventories are accounted for on FIFO basis separately for each warehouse.

The Group recognizes transportation costs for gas transportation services provided by the Group's joint ventures. These costs are variable in nature and are calculated based on transported volumes and tariffs per 1000 m³/100 km, established in accordance with the Order of the Department of the Committee for the Regulation of Natural Monopolies of the Ministry of National Economy for the domestic market and negotiated tariffs for export volumes. These transportation costs are not directly attributable to the acquisition of inventories and, accordingly, are not included in the cost of inventories, but are recognized in cost of sales.

Impairment of non-financial assets

The Group determines the amount of impairment based on detailed plans and forecasts that are prepared separately for each cash-generating unit (CGU) to which individual assets belong.

These budgets and forecast calculations generally cover a period of 5 (five) years. For longer periods, a long-term growth rate is determined and applied to forecasted future cash flows after the fifth year. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income within the expenses category consistent with the function of the impaired asset.

Provisions

Provisions for decommissioning are recognized in full on a discounted cash flow basis, when the Group has an obligation to dismantle and remove construction or 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 expenditures determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment, the amount of which is equivalent to the provision, is also created. Subsequently, this asset is depreciated as part of gas assets and gas transportation system assets.

4 Material Accounting Policy Information (Continued)

Abandonment and site restoration provision

Changes in the measurement of an existing abandonment and site restoration 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 as expense; 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 there 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.

Share capital and dividends

Share capital that comprised the ordinary shares is recognized at cost. Dividends on ordinary shares are recognised as a reduction of equity in the period in which they are declared. Dividends on ordinary shares are payable at the discretion of the Sole Shareholder.

Revenue from contracts with customers and other income

In breaking down revenue by geographic region, the Group classifies counterparties by their country of incorporation or location, rather than by the location where services are actually provided. Revenue information broken down by geography enables to assess the contribution of different regions to the Group's overall revenue and to identify potential risks and opportunities associated with operations in each region.

Sales of gas

Revenues from the sale of gas are recognized after the significant risks and rewards of ownership of the commodity have been transferred to the buyer and generally include one performance obligation. Gas revenues are recognized over time.

The average repayment period for accounts receivable for gas sales from PetroChina Group is 50 days, which significantly exceeds the average for domestic buyers (30 days). This deviation is associated with the specifics of working with a foreign counterparty, in particular, a longer process for coordinating volumes and increased time for signing primary documents. Obligations under contracts are repaid on average within 12 months.

Service rendering

The Group fulfils performance obligation on a monthly basis and recognises revenues from rendering gas transportation services and technical maintenance of gas pipelines based on the actual volumes of services rendered. Revenue from gas transportation services is recognised over time given that the buyer simultaneously receives and consumes the benefits provided by the Group.

Management services

The Group recognises management fee, which relates to management of KazRosGas LLP, KazMunayGas's joint venture, at point in time based on the approval of the declaration of dividends of KazRosGas LLP.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recognised using the EIR, which is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividends

Dividend income is recognized when the Group's right to distribution is established, which, as a rule, happens when the shareholders approve the dividends.

4 Material Accounting Policy Information (Continued)***Contract liabilities***

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group satisfies its performance obligation (i.e., transfers control of the related goods or services to the customer).

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the carrying amount of that asset. Other borrowing costs are recognized as an expense when incurred. Borrowings costs include interest paid and other expenses incurred by the Group with respect to borrowed funds.

Current income tax

The tax rates and tax laws used to compute the tax amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions reflected in the tax returns in respect to situations in which applicable tax regulations are subject to various interpretations and recognises provisions as needed.

Deferred tax

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax ("VAT")

Tax legislation provides for settlement input VAT and output VAT on a net basis. Thus, VAT receivable represents VAT on purchases net of VAT on sales.

VAT payable

Where allowance has been made for impairment of receivables, impairment loss is recorded for the gross amount of the receivables, including VAT. The related VAT liability is recorded until the accounts receivable are written off for tax purposes.

VAT receivable

VAT receivable is recorded for purchased goods, work and services, which were purchased with VAT and if they were used in order to generate income.

5 Acquisitions under Common Control***GPC Investment LLP***

On 14 February 2024, ordinary shares of NC QazaqGaz JSC in the quantity of 1,000 (one thousand) shares were placed at an offering price of Tenge 38,737,143 under the preemptive purchase right by transferring 100% of the share in GPC Investment LLP ("GPCI") in accordance with the Transfer Agreement between Samruk-Kazyna JSC and NC QazaqGaz JSC for a total of Tenge 38,737,143 thousand. On 16 February 2024, the state re-registration of 100% of ownership in GPCI to NC QazaqGaz JSC was completed.

On 14 February 2024, as part of the state visit of the President of the Republic of Kazakhstan to the State of Qatar ("SQ"), Agreements on the main terms of the transaction were signed, which provide for a number of activities and initiatives aimed at the joint implementation of various investment projects. On 20 March 2024, an Agreement on the Establishment of a Long-Term Strategic Partnership for the Implementation of Joint Projects was signed between the Governments of the Republic of Kazakhstan and the SQ. As part of the Agreement on Strategic Investment Projects, it is planned to sell a stake in the project company GPCI while maintaining QG's stake at 25%, and therefore in these consolidated financial statements, GPCI is reflected as a disposal group in accordance with IFRS 5. QG plans to complete the sale of a 75% stake in GPCI by the end of June 2025.

5 Acquisitions under Common Control (Continued)

The acquisition of GPCI was recorded as the acquisition of a subsidiary from parties under common control. The acquisition was accounted for using the method of estimating the carrying amount of assets and liabilities in accordance with the financial statements of GPCI, due to the absence of consolidated statements of the predecessor organization. Due to the acquisition of GPCI as a subsidiary for subsequent resale, the consolidated statement of financial position of QG as at 31 December 2023 and the related notes to the consolidated financial statements for the year ended 31 December 2023 have not been restated. Management believes that this presentation of the financial information most fairly represents the economic substance of the transaction. The difference between the consideration transferred and the net assets of GPCI was recognized in equity.

As of 31 December 2024, the carrying amount of assets and liabilities of GPCI, recognized as a disposal group, are equal to Tenge 239,135,438 thousand and Tenge 172,716,815 thousand, respectively. Net loss after tax for the period for GPCI is Tenge 10,372,547 thousand.

The fair value of the total consideration transferred and information about the carrying amount of GPCI's assets and liabilities at the acquisition date are as follows:

<i>In thousands tenge</i>	16 February 2024
GPCI net assets, including:	40,385,200
Liability from pre-existing relationships	51,092,879
Nominal value of shares issued	(38,737,143)
Asset from pre-existing relationships (Interest free loan given to GPCI)*	(48,934,469)
Total purchase consideration	(87,671,612)
Difference between the purchase consideration and the carrying amount of net assets recognised in equity	3,806,467

* includes expected credit losses

AsiaGas Chundja LLP

On 7 October 2024, an agreement was signed on the transfer of 100% ownership in the authorized capital of AsiaGas Chundja LLP between Samruk-Kazyna JSC and NC QazaqGaz JSC. On 9 October 2024, ordinary shares of NC QazaqGaz JSC were placed in the quantity of 1,000 (one thousand) shares at an offering price of Tenge 9,294,167 per ordinary share for a total amount of Tenge 9,294,167 thousand to the Sole Shareholder.

The acquisition of AsiaGas Chundja was recorded as the acquisition of a subsidiary from parties under common control. The acquisition was accounted for using the method of estimating the carrying amount of assets and liabilities in accordance with the financial statements of AsiaGas Chundja, due to the absence of consolidated statements of the predecessor organization. The management believes that this presentation of the financial information most fairly reflects the economic substance of the transaction. The difference between the consideration transferred and the net assets of AsiaGas Chundja was recorded in equity.

<i>In thousands tenge</i>	1 April 2024
AsiaGas Chundja net assets, including:	5,146,004
Liability from pre-existing relationships	63,835
Nominal value of shares issued	(9,294,167)
Asset from pre-existing relationships	(63,835)
Total purchase consideration	(9,358,002)
Difference between the purchase consideration and the carrying amount of net assets recognised in equity	(4,148,163)

6 Property, Plant and Equipment

Movements in property, plant and equipment for the years ended 31 December 2024 and 2023 were 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										
31 December 2022		558,913	64,050,444	109,380,441	712,499,682	380,742,788	26,119,065	10,868,310	166,052,322	1,470,271,965
Additions		10,375	15,614,163	18,521,899	6,740,083	2,591,130	4,418,059	1,156,533	307,740,460	356,792,702
Change in estimates	20	–	(2,852,269)	(1,237,974)	4,591,800	(1,941,103)	–	–	–	(1,439,546)
Transfers to inventory		–	(20,160)	–	(46,753)	–	–	–	–	(66,913)
Transfers		14	37,474	26,145,966	273,628,290	85,035,011	(242,931)	1,387,525	(385,991,349)	–
Disposals		(1,320)	(16,540)	(210,605)	(509,378)	(137,141)	(134,580)	(149,896)	–	(1,159,460)
31 December 2023		567,982	76,813,112	152,599,727	996,903,724	466,290,685	30,159,613	13,262,472	87,801,433	1,824,398,748
Additions		74,542	3,039,588	719,493	4,996,284	2,360,879	8,943,493	1,733,685	202,960,753	224,828,717
Change in estimates	20	–	28,472	(227,451)	(4,543,911)	(264,442)	–	–	–	(5,007,332)
Transfers to E&E assets		–	(17,609)	–	–	–	–	–	–	(17,609)
Transfers to assets held for sale		–	–	–	(1,642,006)	–	–	–	–	(1,642,006)
Transfers		–	9,047	14,140,149	76,622,699	64,337,799	(61,083)	2,623,910	(157,672,521)	–
Disposals		(1,035)	(149,697)	(5,429)	(109,302)	(189,236)	(524,315)	(488,653)	(6,539)	(1,474,206)
31 December 2024		641,489	79,722,913	167,226,489	1,072,227,488	532,535,685	38,517,708	17,131,414	133,083,126	2,041,086,312
Accumulated depreciation and impairment										
31 December 2022		–	(16,314,147)	(26,143,007)	(164,047,327)	(115,308,418)	(20,877,749)	(6,293,904)	(5,703,074)	(354,687,626)
Depreciation charge for the year		–	(1,998,269)	(3,657,977)	(16,247,082)	(16,175,450)	(1,119,197)	(767,647)	–	(39,965,622)
Transfers		–	(6,870)	(132,302)	(167,117)	376,030	–	(69,741)	–	–
Disposals		–	8,106	73,729	265,357	90,558	–	148,747	–	586,497
31 December 2023		–	(18,311,180)	(29,859,557)	(180,196,169)	(131,017,280)	(21,996,946)	(6,982,545)	(5,703,074)	(394,066,751)
Depreciation charge for the year		–	(3,386,307)	(4,487,097)	(22,825,664)	(19,198,936)	(1,438,970)	(1,083,149)	–	(52,420,123)
Impairment		–	–	–	(2,903,770)	–	–	–	(94,118)	(2,997,888)
Transfers to assets held for sale		–	–	–	856,944	–	(1,934)	–	–	855,010
Transfers		–	(3,121)	(2,404,791)	3,074,637	(418,444)	(396)	(247,885)	–	–
Disposals		–	89,454	5,266	79,340	168,098	435,469	373,267	–	1,150,894
31 December 2024		–	(21,611,154)	(36,746,179)	(201,914,682)	(150,466,562)	(23,002,777)	(7,940,312)	(5,797,192)	(447,478,858)
Net book value										
31 December 2023		567,982	58,501,932	122,740,170	816,707,555	335,273,405	8,162,667	6,279,927	82,098,359	1,430,331,997
31 December 2024		641,489	58,111,759	130,480,310	870,312,806	382,069,123	15,514,931	9,191,102	127,285,934	1,593,607,454

6 Property, Plant and Equipment (Continued)

Additions

During 2024, proceeds from construction-in-progress in the amount of Tenge 202,960,753 thousand are mainly related to the costs of construction of the Taldykorgan-Usharal main gas pipeline in the amount of Tenge 74,991,802 thousand, a set of works to ensure uninterrupted transportation of Russian gas through the SAC main gas pipeline with technical and construction design supervision in the amount of Tenge 43,650,569 thousand, construction of the 2nd line of the Almaty-Baiserke-Talgar main gas pipeline in the Almaty region in the amount of Tenge 25,471,247 thousand, construction of a bypass gas pipeline on the BGR-TBA main gas pipeline section in the amount of Tenge 6,353,352 thousand, major repairs of main gas pipelines, hot works, pneumatic tests, in-line diagnostics, replacement of defective pipes, taps, emergency repair work in the amount of Tenge 14,666,641 thousand, expert diagnostic support for major repairs and preparatory work in the amount of Tenge 2,108,978 thousand.

During 2023, proceeds from unfinished construction in the amount of Tenge 307,740,460 thousand are mainly related to the costs of building the second line of the Beineu-Zhanozen main gas pipeline in the Mangistau region in the amount of Tenge 160,159,915 thousand, building an automated gas distribution station with branch gas pipelines in the amount of Tenge 29,318,712 thousand, building a backup gas pipeline to the existing Makat-North Caucasus main gas pipeline in the amount of Tenge 28,880,518 thousand, a set of works on the SAC-5, SAC-4 and Looping SAC-4 main gas pipelines in the total amount of Tenge 24,468,939 thousand, as well as building the Kairat jumper between the main gas pipelines "Kazakhstan-China" and "Almaty-Baiserke-Talgar" in the amount of Tenge 23,450,497 thousand.

Additions to property, plant and equipment also include property, plant and equipment of Asiagas Chundja, which was recorded as an acquisition of a subsidiary from parties under common control.

In 2024, the Group received property, plant and equipment free of charge in the amount of Tenge 261,414 thousand (2023: Tenge 276,873 thousand).

Transfers to assets held for sale

During 2024, the Group classified dismantled pipes with a net carrying amount of Tenge 729,027 thousand as assets held for sale and recognized a loss on disposal of pipelines in the amount of Tenge 57,969 thousand in other operating expenses.

Transfers

A significant portion of fixed assets put into operation is related to the completion of the construction of the second line of the Almaty-Baiserke-Talgar main gas pipeline in the Almaty region with the development of design and estimate documentation, technical and author's supervision in the amount of Tenge 29,345,633 thousand, the construction of the TIP-04 Kairat jumper between the Kazakhstan-China and Almaty-Baiserke-Talgar main gas pipelines with the development of design and estimate documentation, technical and construction design supervision in the amount of Tenge 23,582,528 thousand, a set of works to ensure uninterrupted transportation of Russian gas through the SAC-5, SAC-4 and Looping SAC-4 main gas pipelines with technical and construction design supervision in the amount of Tenge 19,694,963 thousand, the construction of an automatic gas distribution station with branch gas pipelines and feeder gas pipelines to the CCGT unit. CHPP-2 with the development of design and estimate documentation, technical and construction design supervision in the amount of Tenge 17,518,572 thousand, major repairs of main gas pipelines, hot works, pneumatic tests, in-pipe diagnostics, replacement of defective pipes, valves, emergency recovery works in the amount of Tenge 14,705,090 thousand, construction of an automatic gas distribution station with branch gas pipelines and feeder gas pipelines at the CHPP-3 combined cycle gas unit with the development of design and estimate documentation, technical and construction design supervision in the amount of Tenge 11,981,267 thousand and commissioning of the corresponding fixed assets.

Other

As at 31 December 2024, the initial cost and related accumulated depreciation of fully depreciated property, plant and equipment still in use amounted to Tenge 23,965,245 thousand (31 December 2023: Tenge 21,329,426 thousand).

In 2024, the Group capitalized borrowing costs in the amount of Tenge 2,786,432 thousand in the carrying amount of property, plant and equipment related to the construction of assets (2023: Tenge 4,820,030 thousand). The weighted average capitalization rate for borrowing costs was 15.49% (2023: 4.55%).

As at 31 December 2024, the Group recognised impairment of property, plant and equipment in the amount of Tenge 2,997,888 thousand, including Tenge 2,903,770 thousand for property, plant and equipment of AsiaGas Chundja (31 December 2023: no impairment).

7 Exploration and Evaluation Assets

Movements in exploration and evaluation assets for the years ended 31 December 2024 and 2023 were as follows:

<i>In thousands of Tenge</i>	Intangible assets	Tangible assets
As at 31 December 2022	–	16,474,772
Additions	–	2,989,360
Impairment loss	–	(21,028)
Impairment reversal	–	5,914,336
Disposals	–	(8,761,678)
Transfers to PPE	–	(12,085,655)
As at 31 December 2023	–	4,510,107
Additions	120,000	960,153
As at 31 December 2024	120,000	5,470,260

Exploration and evaluation assets were represented by the following projects:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Barkhannaya	3,237,560	2,316,335
Sherubainur	2,184,762	2,184,762
Other	167,938	9,010
	5,590,260	4,510,107

8 Right-of-use Assets

As at 31 December 2024 and 2023 right-of-use assets are as follows:

<i>In thousands of Tenge</i>	Note	Gas transportation assets	Other	Total
1 January 2022		89,061,453	1,600,157	90,661,610
Additions on lease agreements	21	–	5,209	5,209
Lease termination		–	(1,457,345)	(1,457,345)
Depreciation charge	26, 28	(22,265,363)	(137,463)	(22,402,826)
31 December 2023		66,796,090	10,558	66,806,648
Depreciation charge	26, 28	(22,265,363)	(1,777)	(22,267,140)
31 December 2024		44,530,727	8,781	44,539,508

On 31 December 2021, the Group entered into a lease agreement for the Saryarka main gas pipeline with AstanaGas KMG JSC for 2022 – 2026. The lease agreement came into force on the date of approval by the CRNM of tariffs for gas transportation in the domestic market, that is from 1 January 2022. At the recognition date of the right-of-use asset and lease liability, the Group estimated the lessee's borrowing rate to be 17.3% per annum. As the lease commencement date, the present value of the lease of the Saryarka main gas pipeline was Tenge 111,326,816 thousand (Note 21).

The Group recognizes short-term leases and leases of low-value assets as expenses within cost and general and administrative expenses (Notes 26 and 28).

9 Investments in Joint Ventures

Financial information about investments in joint ventures is summarized below:

<i>In thousands of Tenge</i>	AGP	BSP	AG	OG	Total
31 December 2022	710,273,099	219,039,220	1,121,606	210,139	930,644,064
Share of profit of the joint venture	268,631,930	52,927,373	373,363	–	321,932,666
Share of other comprehensive loss of the joint venture	(369,050)	–	–	–	(369,050)
Dividends	–	(10,863,500)	(90,851)	–	(10,954,351)
31 December 2023	978,535,979	261,103,093	1,404,118	210,139	1,241,253,329
Share of profit of the joint venture	325,722,878	44,982,662	438,736	–	371,144,276
Share of other comprehensive income of the joint venture	362,681	–	–	–	362,681
Dividends	(523,089,430)	(18,000,000)	(373,363)	–	(541,462,793)
31 December 2024	781,532,108	288,085,755	1,469,491	210,139	1,071,297,493

AGP

The following table provides a summarized financial information about investments of the Group in AGP:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Statement of financial position of the joint venture		
Current assets, including:	731,998,374	1,055,298,792
- cash and cash equivalents	634,950,257	881,037,520
Non-current assets	1,033,026,718	1,086,415,302
Current liabilities, including:	(37,206,794)	(23,530,164)
- short-term borrowings received	–	–
- trade and other payables	(22,412,133)	(18,145,071)
Non-current liabilities, including:	(164,754,082)	(161,111,972)
- deferred tax liabilities	(109,450,613)	(113,600,381)
Equity	1,563,064,216	1,957,071,958
Share of the Group's ownership	50%	50%
Carrying amount of the investment	781,532,108	978,535,979

<i>In thousands of Tenge</i>	2024	2023
Statement of comprehensive income of the joint venture		
Revenue from contracts with customers	897,104,842	856,980,312
Cost of sales, including:	(193,324,752)	(187,406,438)
- depreciation and amortisation	(72,961,177)	(74,902,156)
General and administrative expenses, including:	(9,991,802)	(8,717,914)
- depreciation and amortisation	(988,519)	(1,132,729)
Finance income, including:	39,450,530	20,963,660
- interest income	39,450,530	20,963,660
Finance costs, including:	(4,299,170)	(8,396,844)
- interest expenses	(223,266)	(3,877,283)
Profit before taxation	815,586,076	664,374,926
Income tax expenses	(164,140,321)	(127,111,067)
Net profit for the year	651,445,755	537,263,859
Share of profit of the joint venture for the year	325,722,878	268,631,930
Other comprehensive income/(loss) for the year	725,362	(738,099)
Share of other comprehensive income/(loss) for the year	362,681	(369,050)

9 Investments in Joint Ventures (Continued)

On 15 February 2008, pursuant to the agreement between the Government of the Republic of Kazakhstan and the Government of People's Republic of China on cooperation in the construction and operation of Kazakhstan-China gas pipeline, AGP joint venture was established with 50% ownership interest of the Group and 50% ownership interest of Trans-Asia Gas Pipeline Company Limited. As at 31 December 2024 and 2023, the charter capital of AGP was equal to Tenge 1,200,000 thousand, of which an amount of Tenge 600,000 thousand was paid by the Group.

BShP

The following table provides a summarized financial information about investments of the Group in BShP:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Statement of financial position of the joint venture		
Current assets, including:	126,430,889	150,686,705
- cash and cash equivalents	86,020,896	8,225,664
Non-current assets	572,890,390	599,565,154
Current liabilities, including:	(53,349,110)	(95,311,276)
- short-term borrowings received	(16,275,690)	(45,824,788)
- trade and other payables	(32,800,814)	(48,229,973)
Non-current liabilities, including:	(67,683,664)	(130,617,401)
- long-term borrowings received	(58,266,776)	(117,703,433)
Equity	578,288,505	524,323,186
Share of the Group's ownership	50%	50%
Share in equity	289,144,255	262,161,593
Consolidation adjustment	(1,058,500)	(1,058,500)
Carrying amount of the investment	288,085,755	261,103,093

<i>In thousands of Tenge</i>	2024	2023
Statement of comprehensive income of the joint venture		
Revenue from contracts with customers	164,863,678	178,259,378
Cost of sales, including:	(53,982,883)	(49,605,396)
- depreciation and amortisation	(29,416,024)	(27,653,540)
General and administrative expenses, including:	(7,269,182)	(8,359,528)
- depreciation and amortisation	(747,079)	(798,892)
Finance income, including:	4,538,402	5,787,856
- interest income	4,538,402	5,787,856
Finance costs, including:	(11,372,496)	(20,188,865)
- interest expenses	(9,683,754)	(17,021,171)
Profit before taxation	89,965,323	105,854,745
Income tax expenses	-	-
Net profit for the year	89,965,323	105,854,745
Share of profit of the joint venture for the year	44,982,662	52,927,373
Other comprehensive income for the year	-	-
Share of other comprehensive income for the year	-	-

On 18 January 2011, according to the agreement between the Government of the Republic of Kazakhstan and the Government of People's Republic of China on cooperation in construction and operation of the Kazakhstan-China gas pipeline, BShP joint venture was established with 50% interest of the Group and 50% interest of Trans-Asia Gas Pipeline Company Limited. As at 31 December 2024 and 2023, the charter capital of BShP was equal to Tenge 145,430,000 thousand, of which an amount of Tenge 72,715,000 thousand was paid by the Group.

10 Other Financial Assets

As at 31 December 2024 and 2023, other financial assets included:

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Financial assets at amortised cost			
Samruk-Kazyna bonds	32	60,095,000	64,783,007
NBRK Notes	32	–	34,825,682
Finance lease receivables		3,128,257	3,282,962
Other		–	352,722
Financial assets at fair value through other comprehensive income			
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan		5,075,012	–
		68,298,269	103,244,373
Less: current portion		(63,269,275)	(103,244,373)
Non-current portion		5,028,994	–

Samruk-Kazyna bonds

On 26 June 2023, the Group acquired 1,400 Samruk-Kazyna coupon bonds listed on the AIX exchange with a par value of USD 100,000 per bond bearing interest at 3.5% per annum and maturing on 26 December 2023. On 25 December 2023, an addendum was concluded to extend the maturity date until 26 June 2024. On 23 May 2024, the Samruk-Kazyna coupon bonds were fully redeemed.

On 27 December 2024, the Group acquired Samruk-Kazyna coupon bonds listed on the AIX exchange with a par value of Tenge 1,000 per bond for a total of Tenge 60,000,000 thousand with an interest rate of 14.25% (the base rate of the NBRK minus 1% per annum) maturing on 27 February 2025.

NBRK Notes

On 27 December 2023, the Group acquired Notes of the National Bank of the Republic of Kazakhstan for Tenge 34,825,682 thousand with an annual rate of 14.9% and a term of 14 days through a brokerage service agreement and nominal holding of securities with Kazpost JSC in order to increase the yield on temporarily free cash.

Eurobonds of the Ministry of Finance of the Republic of Kazakhstan

On 23 October 2024, the Group acquired 10,438,000 Eurobonds of the Ministry of Finance of the Republic of Kazakhstan at a net price quoted on the market in US dollars with a coupon rate of 4.875% with a maturity date of 14 October 2044.

Information about credit risks is presented in Note 34.

11 VAT Recoverable and Prepaid Taxes other than Income Tax

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
VAT recoverable	315,394,907	218,254,204
Property tax	231,757	253,289
Withholding income tax	31,237	12,743
Other taxes prepaid	155,659	410,066
	315,813,560	218,930,302
Less: provision for non-recoverable VAT	(47,557,816)	(41,818,651)
	268,255,744	177,111,651
Non-current portion	62,711,533	60,877,222
Current portion	205,544,211	116,234,429

Movements in the provision for non-recoverable VAT were as follows:

<i>In thousands of Tenge</i>	Impairment
As at 31 December 2022	(14,519,193)
Accrual	(27,299,458)
As at 31 December 2023	(41,818,651)
Written off	5,178
Accrual	(5,744,343)
As at 31 December 2024	(47,557,816)

As of 31 December 2024, the Group's VAT recoverable is Tenge 315,394,907 thousand, including VAT recoverable from loss-making gas sales on the domestic market. During 2024, the Group accrued a provision for impairment of VAT recoverable in the amount of Tenge 5,744,343 thousand for 2019.

12 Bank Deposits

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Bank deposits in Tenge with maturity of over five years	2,364,138	2,963,028
Less: allowance for expected credit losses	(5,640)	(7,574)
Non-current portion	2,358,498	2,955,454
Bank deposits in US dollars with maturity of three months to one year	1,353,505	275,355
Bank deposits in Rubles with maturity of three months to one year	226,850	188,035
Bank deposits in Tenge with maturity of three months to one year	19,223	19,585
Current portion	1,599,578	482,975

As at 31 December 2024, bank deposits in tenge with a maturity exceeding 5 (five) years include restricted deposits in Halyk Bank of Kazakhstan JSC and Bank CenterCredit JSC in the amount of Tenge 1,346,659 thousand and Tenge 1,017,479 thousand, respectively. Deposits in Halyk Bank of Kazakhstan JSC were opened as collateral for housing loans to the Group's employees at a rate of 1% per annum (31 December 2023: Tenge 1,794,357 thousand at a rate of 1% per annum). Deposits in Bank CenterCredit JSC are held in a blocked account, which is a liquidation fund in accordance with the requirements of subsoil use contracts at a rate of 8.5% per annum.

12 Bank Deposits (Continued)

As of 31 December 2024, deposits were placed in banks at an interest rate of 3% per annum in US dollars (2023: 0-1% per annum), 1% per annum in tenge (2023: 1% per annum) and 5% per annum in rubles with a term from 3 months to 1 year.

Information about credit risks is presented in Note 34.

13 Cash and Cash Equivalents

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Current accounts in a foreign currency	280,443,982	612,675
Short-term deposits in Tenge	228,105,163	20,828,160
Current accounts in Tenge	84,213,585	38,268,898
Reverse repurchase agreements ("reverse repo") with original maturity of less than three months in a foreign currency	10,646,996	2,649,337
Short-term deposits in a foreign currency	3,203,277	4,404,297
Cash in transit	5,583	2,911
Cash on hand	5,054	4,053
Balances on brokerage accounts payable on demand	1,335	617
	606,624,975	66,770,948

Cash and cash equivalents are denominated in various currencies as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Tenge	312,330,720	59,104,639
US Dollars	293,422,261	4,983,726
Russian Rubles	842,913	2,650,499
Other currencies	29,081	32,084
	606,624,975	66,770,948

As of 31 December 2024, deposits were placed in banks at interest rates of 13.08-15.05% per annum in tenge (2023: 14.25-15.8% per annum) and 0%-13% in foreign currency (2023: 0%-5% per annum).

As of 31 December 2024, interest rates on cash in current accounts with banks and financial institutions ranged from 0-14.71% per annum in tenge (2023: 0%-14.75%) and 0%-5.83% in foreign currency.

Information about credit risks is presented in Note 34.

14 Inventories

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Gas	83,706,010	55,024,184
Materials and supplies	7,304,592	8,166,864
	91,010,602	63,191,048

Materials and supplies mainly include spare parts for maintenance of 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.

The increase in inventories as of 31 December 2024 is primarily due to an increase in the cost of purchased gas for sale in 2024.

15 Trade and other Receivables

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Trade receivables from third parties		173,715,760	219,101,071
Trade receivables from related parties	32	51,890,987	51,018,482
Other receivables from related parties	32	18,135,063	21,021,300
Other receivables from third parties		1,522,930	4,296,912
		245,264,740	295,437,765
Less: allowance for expected credit losses		(8,132,519)	(7,973,112)
		237,132,221	287,464,653

Movements in the allowance for expected credit losses (ECL) were as follows:

<i>In thousands of Tenge</i>	Collectively impaired
At 31 December 2022	(8,007,918)
Accrual for the year	(8,213,297)
Foreign currency translation	59,039
Write off	993,904
Reversal	7,195,160
At 31 December 2023	(7,973,112)
Accrual for the year	(12,445,883)
Foreign currency translation	(476,836)
Write off	5,584,144
Reversal	7,179,168
At 31 December 2024	(8,132,519)

As at 31 December, trade and other receivables were denominated in the following currencies:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Tenge	144,090,711	130,668,083
US Dollar	93,041,510	156,796,570
	237,132,221	287,464,653

Trade and other receivables are non-interest bearing. As of 31 December 2024, the Group's trade receivables are mainly represented by receivables for the sale of gas on the domestic market in the amount of Tenge 110,291,931 thousand, and for export in the amount of Tenge 73,658,494 thousand. As of 31 December 2024, the Group's other receivables are mainly represented by receivables for the return of the amount paid for gas transportation from joint ventures due to failure to implement the investment program and tariff adjustments in the amount of Tenge 18,034,927 thousand.

Information about credit risks is presented in Note 34.

16 Equity

Share capital

	Common shares outstanding (number of shares)								Total share capital
	Tenge 100	Tenge 138	Tenge 2,500	Tenge 10,000	Tenge 17,632	Tenge 9,294,167	Tenge 16,915,397	Tenge 38,737,143	
At 31 December 2024	312,167,670	1	30,976,655	30,455,065	1,006,717	1,000	1,000	1,000	495,906,196
At 31 December 2023	312,167,670	1	30,976,655	30,455,065	1,006,717	–	1,000	–	447,874,886

Common shares give the holders the right to vote on all matters within the competence of the General Shareholders Meeting. Dividends on common shares are paid at the Shareholder's discretion. During 2024, the Group paid dividends on ordinary shares in the amount of Tenge 22,809,827 thousand to the Sole Shareholder (2023: Tenge 27,065,364 thousand).

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

On 14 February 2024, ordinary shares of QazaqGaz NC JSC in the quantity of 1,000 (one thousand) shares were placed at an offering price of Tenge 38,737,143 thousand under the preemptive purchase right by transferring 100% of the shareholding in GPC Investment LLP in accordance with the transfer agreement between Samruk-Kazyna JSC and QazaqGaz NC JSC for a total amount of Tenge 38,737,143 thousand. As of the date of acquisition of the subsidiary, the difference between the acquisition cost and the net assets of GPCI amounted to Tenge 3,806,467 thousand and was recognized in retained earnings.

On 9 October 2024, ordinary shares of NC QazaqGaz JSC in the quantity of 1,000 (one thousand) shares were placed at an offering price of Tenge 9,294,167 thousand by transferring 100% of the share in AsiaGas Chundja LLP in accordance with the Transfer Agreement between Samruk-Kazyna JSC and NC QazaqGaz JSC for a total amount of Tenge 9,294,167 thousand. As of the date of acquisition of the subsidiary, the difference between the acquisition cost and the net assets of AsiaGas Chundja amounted to Tenge 4,148,163 thousand and was recognized in retained earnings.

Additional paid-in capital

In 2024, the Group (ICA) placed bonds for a total of Tenge 142,621,854 thousand. Bonds in the amount of Tenge 74,287,854 thousand were issued with a coupon rate of 9.25% and were bought out by Samruk-Kazyna. The difference between the fair value and the nominal value of financial instruments, as well as the corresponding deferred tax for a total of Tenge 12,543,250 thousand was recognized as additional paid-in capital.

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Total assets	4,323,354,614	3,543,009,613
Less: intangible assets	(4,404,984)	(4,752,739)
Less: total liabilities	(1,493,441,950)	(1,040,121,328)
Net assets for the calculation of the common share cost in accordance with KASE requirements	2,825,507,680	2,498,135,546
Number of common shares	374,609,108	374,607,108
Cost of one common share in thousands of Tenge according to KASE requirements	7,543	6,669

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

16 Equity (Continued)**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 weighted average number of common shares outstanding during a period is calculated by taking into account the number of common shares outstanding at the beginning of the period, adjusted by the number of shares repurchased or issued during the period, multiplied by a time weighting factor. Due to the fact that Samruk-Kazyna JSC is the sole shareholder of the Company, the market value of shares and their number are not adjusted.

The following table provides income and share data used to calculate basic earnings per share computations for the reporting periods:

<i>In thousands of Tenge</i>	2024	2023
Net income attributable to the shareholder for basic and diluted earnings per share	289,092,562	325,853,683
Weighted average number of common shares for basic and diluted earnings per share	374,608,215	374,606,831
Basic and diluted earnings per share for the year	0,77	0,87
Basic and diluted earnings per share for the year from continuing operations	0,80	0,87
Basic and diluted earnings per share for the year from discontinued operations	(0,03)	–

17 Debt Securities Issued

As at 31 December 2024 and 2023, the debt securities issued comprised:

<i>In thousands of Tenge</i>	Issue	Maturity	Interest rate	31 December 2024		31 December 2023	
				US Dollars	In thousands of Tenge	US Dollars	In thousands of Tenge
QG bonds	2017	2027	4.375%	706,320,000	370,895,695	706,320,000	321,064,819
ICA bonds	2024	2027-2034	9,25%-16,25%	–	142,621,853	–	–
QG Aimaq bonds	2015	2025	7.50%	–	5,000,000	–	5,000,000
				706,320,000	518,517,548	706,320,000	326,064,819
Plus: interest payable					6,113,864	–	3,800,488
Less: unamortised transaction costs					(104,566)	–	(142,873)
Less: discount					(15,827,227)	–	(488,700)
					508,699,619		329,233,734
Less: amount due within 12 months from the reporting date					(15,962,435)	–	(3,800,488)
Amounts due after 12 months					492,737,184	–	325,433,246

QG Bonds

On 26 September 2017, QG placed international coupon bonds (“Eurobonds”) in the total amount of USD 750,000,000 at a par value of USD 200,000 each with an interest rate of 4.375% per annum. The coupon is paid semi-annually on 26 March and 26 September until 26 September 2027.

17 Debt Securities Issued (Continued)**ICA Bonds**

In September, October, November and December 2024, ICA, with the aim of constructing a new Taldykorgan-Usharal main gas pipeline, placed six issues of its own bonds within the first bond program on the platform of Kazakhstan Stock Exchange JSC for a total of Tenge 74,287,853 thousand with a coupon rate of 9.25% per annum and a maturity date of 2034. The coupon is paid twice a year. The fair value is calculated based on market rates of 14.95% - 15.25%.

In November and December 2024, ICA placed three bond issues on the platform of Kazakhstan Stock Exchange JSC as part of the second bond program for the modernization of the Central Asia-Center main gas pipeline for a total of Tenge 53,484,000 thousand with a coupon rate from 15.25% to 16.25% per annum and a maturity date of 2034. The coupon is paid twice a year. On 29 October 2024, ICA, in order to refinance the Halyk Bank loan, carried out a separate private issue of its own bonds on the platform of Kazakhstan Stock Exchange JSC in the amount of Tenge 14,850,000 thousand with a coupon rate of 15.25% per annum, maturing on 29 October 2027. The principal debt and coupon are paid four times a year.

In accordance with the terms of the debt securities, the Group is required to comply with certain covenants. The Group reviews compliance with covenants at each reporting date. As at 31 December 2024 and 2023, the Group complied with all covenants.

18 Bank Loans

As at 31 December bank loans comprised:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Interest-bearing loans with fixed rate	14,074,256	41,849,334
Interest-bearing loans with floating rate	3,423,679	5,706,130
	17,497,935	47,555,464
Plus: interest payable	250,051	713,766
Less unamortised transaction costs	(136,610)	(356,368)
	17,611,376	47,912,862
Less: amount due within 12 months from the reporting date	(7,978,557)	(17,947,310)
Amounts due after 12 months	9,632,819	29,965,552

Interest-bearing loans with floating rate**VTB Bank Kazakhstan JSC and VTB Bank PJSC**

In accordance with the loan agreements dated 16 November 2020, in 2020, QG received a loan from VTB Bank Kazakhstan JSC and VTB Bank PJSC for the total amount of Rubles 15,151,500 thousand (equivalent to Tenge 84,621,155 thousand) for refinancing the current loan from the Corporate and Investment Banking Division of Société Générale at the key rate of the Central Bank of Russia (KR CBR) + 2.15% per annum maturing on 16 November 2023.

During 2022, the Group fully repaid the principal debt in the amount of RUB 906,500 thousand (equivalent to Tenge 5,130,790 thousand) under the loan agreement with VTB Bank Kazakhstan JSC. In 2023, QG fully repaid the principal debt in the amount of Rubles 14,245,000 thousand (equivalent to Tenge 73,646,650 thousand) under the loan agreement with VTB Bank PJSC.

18 Bank Loans (Continued)*European Bank for Reconstruction and Development (EBRD)*

In accordance with the loan agreement dated 26 May 2016, during 2018-2020, ICA received three tranches of the loan from the EBRD for the modernization of the Bozoi UGS facility, which is repaid in 26 (twenty-six) equal quarterly payments starting from March 2020 for a total of Tenge 16,192,200 thousand. The interest rate is equal to the 6-month consumer price index (CPI) on an annualized basis with a spread of 100 basis points + a margin of 2.15%.

During 2024, ICA repaid the principal debt under the loan agreement for a total of Tenge 134,285 thousand (2023: repayment of the principal debt in the amount of Tenge 134,286 thousand). As of 31 December 2024, the principal amount outstanding by ICA to the EBRD under the above-mentioned loan agreement is Tenge 201,429 thousand (31 December 2023: Tenge 335,714 thousand).

In accordance with the loan agreement dated 26 May 2016, QG Aimaq received Tenge 17,185,324 thousand in several tranches for 10 years for the project "Gasification and modernization of the gas pipeline system in the Mangistau, Aktobe and Kostanay regions". The interest rate is equal to 6-month CPI annualized with a spread of 100 basis points + margin of 2.15%.

In 2024, QG Aimaq repaid the principal amount of Tenge 2,148,166 thousand under the loan agreement (2023: Tenge 2,148,165 thousand). As of 31 December 2024, the total principal amount of QG Aimaq to EBRD under the above loan agreement is Tenge 3,222,250 thousand (2023: Tenge 5,370,416 thousand).

JSC Halyk Savings Bank of Kazakhstan

During 2022, in order to refinance the loan from the EBRD, ICA obtained a loan from Halyk Savings Bank of Kazakhstan JSC in the amount of Tenge 29,700,000 thousand, with an interest rate of 17.85%. Interest and principal payments were made in quarterly installments, starting from March 2023.

On 4 March 2024, an addendum to the loan agreement was concluded, according to which, starting from 6 March 2024, the interest rate was the base rate of the National Bank of the Republic of Kazakhstan plus 2% per annum of the bank loan amount. The interest rate was subject to revision every 6 months and was set at an amount equal to the base rate of the National Bank of the Republic of Kazakhstan, effective on the revision date, plus 2% per annum, while the minimum interest rate should not be lower than 15% per annum.

On 29 October 2024, ICA carried out a separate private issue of its own bonds on the platform of Kazakhstan Stock Exchange JSC in the amount of Tenge 14,850,000 thousand in order to refinance a loan from Halyk Savings Bank of Kazakhstan JSC. As of 31 December 2024, the loan from Halyk Savings Bank of Kazakhstan JSC was fully repaid.

Interest-bearing loans with fixed rate*Development Bank of Kazakhstan JSC*

QG Aimaq has entered into several revolving credit facility agreements with Development Bank of Kazakhstan JSC for the projects "Modernization of the gas pipeline system in South Kazakhstan, Taraz, Kyzylorda, Aktobe" and "Construction of the backup line of the Uzen-Zhetybai gas pipeline".

During 2024, QG Aimaq repaid the principal debt in the amount of Tenge 6,560,792 thousand (in 2023: Tenge 7,594,984 thousand).

As at 31 December 2024, QG Aimaq has a total principal debt to Development Bank of Kazakhstan JSC under the above loan agreements in the amount of Tenge 14,074,256 thousand (2023: Tenge 20,635,048 thousand).

As at 31 December 2024 and 2023, all interest-bearing loans of the Group were not secured by any collateral.

Terms of the loan agreement

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 covenants gives the lenders the right to demand early repayment of loans. As at 31 December 2024 and 2023, the Group complied with all covenants.

19 Borrowings

As at 31 December, borrowings comprised:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Fixed interest rate borrowings	–	8,462,491
	–	8,462,491
Plus: interest payable	–	89
Less: unamortised discount	–	(494,560)
		7,968,020
Less: amount due within 12 months from the reporting date	–	(7,968,020)
Amounts due after 12 months	–	–

Fixed interest rate borrowings

On 23 November 2021, the Group received a long-term loan from NC KazMunayGas JSC in the amount of Tenge 24,104,026 thousand (equivalent to US Dollars 55,851 thousand) at a rate of 0.01% per annum for general corporate purposes with a maturity date on 23 November 2024. During 2024, the Group repaid the loan ahead of schedule in full for a total amount of Tenge 8,222,705 thousand, including accrued interest in the amount of Tenge 372 thousand.

20 Provisions

<i>In thousands of Tenge</i>	Note	Provision for gas transportation expenses	Abandonment and site restoration provision	Gas pipeline abandonment and site restoration provision	Tax provisions	Other provisions	Total
At 31 December 2022		33,816,882	2,942,742	61,836,200	75,288	673,583	99,344,695
Accrued during the year			105,816	7,830,585	102,549	1,242,492	9,281,442
Foreign exchange gain		(591,329)	–	–	–	–	(591,329)
Change in estimates	6	–	(2,852,269)	1,412,723	–	–	(1,439,546)
Unwinding of discount		–	265,639	5,961,195	–	1,028	6,227,862
Transfers		–	–	587,630	–	(587,630)	–
Utilised		–	–	–	(54,045)	(9,821)	(63,866)
At 31 December 2023		33,225,553	461,928	77,628,333	123,792	1,319,652	112,759,258
Accrued during the year		–	36,829	2,125,119	–	1,242,415	3,404,363
Foreign exchange gain		5,165,282	–	–	–	–	5,165,282
Change in estimates	6	–	28,472	(5,035,804)	–	–	(5,007,332)
Unwinding of discount		–	45,941	7,699,691	–	575	7,746,207
Transfers		–	–	–	(31,575)	–	(31,575)
Utilised		–	(6,547)	–	(92,217)	(1,295,688)	(1,394,452)
At 31 December 2024		38,390,835	566,623	82,417,339	–	1,266,954	122,641,751
Current provisions as at 31 December 2024		38,390,835	–	–	–	1,266,900	39,657,735
Non-current provisions as at 31 December 2024		–	566,623	82,417,339	–	54	82,984,016
Current provisions as at 31 December 2023		33,225,553	–	–	123,792	1,316,056	34,665,401
Non-current provisions as at 31 December 2023		–	461,928	77,628,333	–	3,596	78,093,857

20 Provisions (Continued)***Provision for gas transportation expenses***

As of 31 December 2024, the provision for gas transportation expenses represents a provision for reimbursement of costs associated with the transportation of borrowed gas from PetroChina International Co. Ltd.

As a result of the reorganization of QG Aimaq through the merger of KazTransGas Almaty JSC ("KTG Almaty") in 2016, QG Aimaq is the legal successor to all obligations of KTG Almaty, including obligations under the Natural Gas Loan Agreement between AlmatyGazTrade LLP (KTG Almaty was the legal successor of AlmatyGazTrade LLP as a result of reorganization), PetroChina International Co. Ltd and Asian Gas Pipeline LLP.

As part of the Natural Gas Loan Agreement to reimburse costs and losses incurred by PetroChina International Co. Ltd due to gas borrowing and its return, during 2014 PetroChina International Co. Ltd demanded compensation for the 2nd, 3rd and 4th tranches of the gas loan in the total amount of US Dollars 164,226 thousand (equivalent to Tenge 86,236,715 thousand as of 31 December 2024), unsupported by primary documentation.

Management analyzed expenses claimed for reimbursement and recognized a provision in the amount US Dollars 73,094 thousand (equivalent to Tenge 38,390,835 thousand) as at 31 December 2024 (31 December 2023: equivalent to Tenge 33,225,552 thousand). Discrepancies between the amount claimed by PetroChina International Co. Ltd to be reimbursed, and the amount accrued in the consolidated financial statements, arose for the following types of expenses: technological losses during gas transportation through the territory of Uzbekistan, expenses for paying taxes and customs duties, fines for low-quality gas from Uzbekistan, loss for the difference in gas prices of different periods.

In 2024, foreign exchange loss on reserves amounted to Tenge 5,165,282 thousand (2023: foreign exchange gain of Tenge 591,329 thousand).

As of the issue date of these consolidated financial statements, management is still negotiating and is unable to estimate the likely timing of the cash outflow for this provision.

Gas pipeline abandonment and site restoration provision

The Group's subsidiaries, ICA and QG Aimaq, recorded a provision for future costs of decommissioning the 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 31 December 2024, gas pipeline abandonment and site restoration provision of Tenge 82,417,339 thousand (31 December 2023: Tenge 77,628,333 thousand) represents the current costs of gas pipeline abandonment and site restoration expected to be incurred from 2032 till 2055. See *Note 3* for further details.

21 Lease Liabilities

The movements in the lease liabilities for the years ended 31 December 2024 and 2023 were presented as follows:

<i>In thousands of Tenge</i>	Note	Gas transportation assets	Other	Total
1 January 2023		95,309,228	1,595,913	96,905,141
Additions on lease agreements	8	—	5,209	5,209
Lease termination		—	(1,439,075)	(1,439,075)
Interest expense	30	14,956,406	39,309	14,995,715
Lease payments		(33,607,014)	(170,035)	(33,777,049)
Other changes		—	(3,244)	(3,244)
31 December 2023		76,658,620	28,077	76,686,697
Interest expense	30	11,775,188	2,173	11,777,361
Lease payments		(33,475,009)	(3,762)	(33,478,771)
Other changes		—	2	2
31 December 2024		54,958,799	26,490	54,985,289
Current portion of lease liabilities as at 31 December 2024		25,355,187	17,254	25,372,441
Non-current portion of lease liabilities as at 31 December 2024		29,603,612	9,236	29,612,848
Current portion of lease liabilities as at 31 December 2023		21,699,821	17,496	21,717,317
Non-current portion of lease liabilities as at 31 December 2023		54,958,799	10,581	54,969,380

22 Contract Liabilities

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Liabilities from contracts with customers to third parties		14,040,546	15,401,180
Liabilities from contracts with customers to related parties	32	1,308	361,407
		14,041,854	15,762,587
Less: current portion of liabilities from contracts with customers		(3,523,237)	(4,941,775)
Non-current portion of liabilities from contracts with customers		10,518,617	10,820,812

During 2024, performance obligations in the amount of Tenge 2,570,381 thousand were recognized as revenue (2023: Tenge 5,883,803 thousand).

A contract liability is recognized when payment from the customer is received or becomes due (whichever occurs earlier) before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group satisfies its performance obligation (i.e. transfers control of the related goods or services to the customer).

23 Trade and Other Payables

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Trade payables to related parties	32	86,020,487	146,508,980
Trade payables to third parties		143,483,990	97,384,420
Accrued payables for gas purchase	3,32	266,342,015	109,818,524
		495,846,492	353,711,924

As of 31 December 2024, the Group has trade accounts payable for the purchase of gas in the total amount of Tenge 266,342,015 thousand without a contract. Since the previous contracts were terminated, and the procedure for agreeing prices and concluding new contracts has not yet been completed, the Group recognized the accounts payable using the accrual method based on the prices specified in the draft contract.

On 14 February 2025, the gas purchase contract was signed for the period from 2023 to 2033. The accounts payable do not require any adjustments or changes.

Trade and other payables are represented by payables for purchased gas and for assets and services. Trade and other payables are non-interest bearing and are generally settled within 30 days.

As at 31 December, trade and other payables are denominated in the following currencies:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Tenge	130,303,847	184,930,563
US Dollars	365,461,629	168,718,061
Other currencies	81,016	63,300
	495,846,492	353,711,924

24 Other Financial Liabilities

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Accrued bonuses to employees		17,313,516	14,165,208
Reserve for unused vacations		2,902,689	2,633,677
Liabilities for reimbursement of historic costs		1,576,421	1,333,382
Liabilities for the socio-economic development of the region		1,036,357	828,632
Put option liability		679,744	679,744
Salaries payable		297,555	1,897,444
Financial obligations under issued guarantees		–	1,418,106
Bonds liability		–	673,261
Other		1,773,815	2,416,186
Less: current portion of other financial liabilities		(22,292,727)	(21,852,939)
Non-current portion of other financial liabilities		3,287,370	4,192,701

According to the agreement on the sale of a 50% stake in AstanaGas KMG JSC in favor of Baiterek Venture Fund JSC, Baiterek Venture Fund JSC has the right to demand the repurchase of shares upon the occurrence of certain conditions. The cost of the share repurchases amounted to Tenge 40,510,279 thousand. As at 31 December 2024, the Group estimated the fair value of this put option to be Tenge 679,744 thousand.

25 Revenue from Contracts with Customers

<i>In thousands of Tenge</i>	Timing of revenue recognition	2024	2023
Type of goods or services			
Revenue from sales of gas	Over time	1,092,008,839	964,480,563
Revenue from gas transportation services	Over time	145,339,843	94,936,710
Revenue from technical maintenance of gas pipelines	Over time	15,479,426	14,792,688
Other	Over time	6,572,047	6,505,124
		1,259,400,155	1,080,715,085
Geographical markets			
China		663,747,855	621,278,128
Kazakhstan		513,222,512	421,059,255
Russia		80,004,571	34,750,633
Uzbekistan		2,425,217	3,627,069
		1,259,400,155	1,080,715,085

26 Cost of Sales

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Cost of gas sold		752,573,940	528,733,672
Transportation expenses		286,766,440	282,490,613
Payroll costs and related contributions		100,041,704	88,004,219
Depreciation and amortization		50,569,731	39,444,082
Fuel gas and gas losses		25,999,262	19,478,682
Depreciation of right-of-use assets	8	22,265,363	22,265,363
Taxes other than income tax		16,317,924	12,059,177
Billing services		9,267,932	7,286,780
Repair and maintenance		4,830,722	4,268,176
Security services		4,760,720	4,455,740
Materials and supplies		2,522,987	2,282,941
Business trip expenses		2,146,884	2,080,100
Electricity		1,989,951	1,644,076
Expenses relating to short-term leases		1,256,823	552,442
Insurance		1,139,915	1,008,363
Communication expenses		1,046,239	1,106,246
Expenses on other services rendered		335,366	896,350
Other		5,825,830	5,035,683
		1,289,657,733	1,023,092,705

27 Management fee

The Group recognises a management fee related to the management of the KazMunayGas joint venture, KazRosGas LLP, at a certain point in time based on the approval of the dividend declaration of KazRosGas LLP. During 2024, the Group recognised management fees in the amount of Tenge 47,568,050 thousand for 2021 and 2023 (2023: Tenge 493,854 thousand for 2022).

28 General and Administrative Expenses

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Payroll costs and related contributions		20,180,776	19,909,839
Net tax provision	11	5,744,343	27,299,458
Repair and maintenance		2,230,199	1,831,630
Third party services		2,028,019	887,513
Depreciation and amortization		1,912,932	1,673,434
Taxes other than income tax		1,549,415	3,126,138
Consulting services		1,399,149	1,455,377
Charity assistance		1,000,000	—
Fines and penalties		897,763	27,826
Personnel development and qualification upgrade		751,526	484,993
Expenses relating to short-term leases and leases of low-value assets		704,685	534,854
Business trip expenses		602,353	521,586
Bank charges		480,157	304,960
Expenses for holding celebrations, cultural and sporting events		366,366	606,630
Office maintenance expenses		325,718	528,101
Communication services		124,735	156,782
Write-down of inventory to net realizable value		115,810	537,651
Security services		20,701	19,587
Depreciation of right-of-use assets	8	1,777	137,463
Other		3,407,297	3,112,107
		43,843,721	63,155,929

29 Interest Income Calculated Using the Effective Interest Method

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Interest income on bank deposits and cash and cash equivalents		39,867,557	28,077,982
Amortization of discount on loan issued to a related party		1,876,397	5,229,907
Unwinding of discount on financial assets at amortized cost		349,018	3,182,547
Interest income on other financial assets at amortized cost		957,269	1,160,797
Interest income on other financial assets at fair value through other comprehensive income		45,268	—
		43,095,509	37,651,233

30 Finance Costs

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Interest on debt securities issued		15,243,596	14,577,129
Interest expense on lease liabilities	21	11,777,361	14,995,715
Unwinding of discount on gas pipeline abandonment and site restoration provisions		7,745,632	6,226,834
Interest on bank loans and overdrafts		3,782,281	11,291,141
Discount on loan issued to a related party		705,051	10,227,743
Unwinding of discount on financial liabilities		433,828	852,232
Amortization of capitalized loan origination costs		219,758	181,113
Unwinding of discount on debt securities issued		191,447	177,985
Interest on loans from related party		283	1,608
Other		529,292	2,051,675
		40,628,529	60,583,175

31 Income Tax Expenses

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

<i>In thousands of Tenge</i>	2024	2023
Current income tax expense	9,827,423	9,236,079
Excess profit tax	210,318	147,076
Deferred income tax benefit	(16,306,436)	(34,443,131)
Adjustment of prior years' income tax	9,237,980	10,465,929
	2,969,285	(14,594,047)

A reconciliation of corporate income tax expenses applicable to profit before taxation at the statutory income tax rate, with the current income tax expense reported in the IFRS financial statements for the years ended 31 December is as follows:

<i>In thousands of Tenge</i>	2024	2023
Profit before income tax	302,434,394	311,259,636
Statutory tax rate	20%	20%
Theoretical income tax expense	60,486,879	62,251,927
Tax effect of permanent differences		
Insufficient provision for current taxation in previous years	5,456,923	783,819
Provision for non-recoverable VAT	1,148,869	5,459,892
Change in unrecognized deferred tax assets	2,947,053	1,084,686
Write-off of other receivables	1,595,399	64,704
Non-deductible capitalized costs	1,089,225	1,173,067
Non-deductible expenses related to gas	705,661	666,045
Impairment of non-current assets	593,107	4,206
Non-taxable/non-deductible foreign exchange differences, net	583,366	(3,519,430)
Excess profit tax	210,318	147,076
Taxes other than income tax	56,756	307,399
Non-deductible contractual penalties from customers	–	3,701,183
Non-deductible interest expense	–	1,512,751
Investments in the joint venture	–	(26,329,572)
Share of profit of joint ventures (<i>Note 9</i>)	(74,228,855)	(64,386,533)
Other	2,324,584	2,484,733
	2,969,285	(14,594,047)
Tax (benefit)/expense recognised in other comprehensive income	(5,722)	6,834
Income tax expense/(benefit) reported in the consolidated statement of comprehensive income	2,963,563	(14,587,213)

QG recognized interest expense and foreign exchange differences in the statement of comprehensive income on a bank loan that was obtained for the purpose of refinancing a previous loan. During 2023, this loan resulted in foreign exchange gains that were not included in total annual taxable income due to the fact that the loan was not related to income-generating activities. Management believes that its interpretation of tax laws is appropriate, and it is probable that it will be able to justify its position to the tax authorities. Management believes that the risk of additional charge as of 31 December 2024 and 2023 is low. Accordingly, no additional tax liabilities have been recognized by the Group in these consolidated financial statements. The amount of possible additional charge is approximately Tenge 20,000,000 thousand.

31 Income Tax Expenses (Continued)

Due to changes in Article 241 of the Tax Code of the Republic of Kazakhstan dated 1 January 2023 regarding the exclusion of dividends from the total annual taxable income, the Group recorded a corresponding change in deferred tax liabilities in the amount of Tenge 26,329,572 thousand in relation to investments in the joint venture.

The carried forward losses of previous years are mainly related to the losses of the current period due to the increase in expenses on the cost of purchased gas. With an increase in tariffs for the sale of gas by 33% in the future, the Group expects to make a profit, thereby reducing its taxable base by the amount of the carried forward loss.

As at 31 December 2024 and 2023, components of deferred income tax assets and liabilities are as follows:

<i>In thousands of Tenge</i>	31 December 2024	Charged to profit and loss	Charged to other comprehensive income	Charged to equity	31 December 2023	Charged to profit and loss	Charged to other comprehensive income	31 December 2022
Deferred tax assets								
Tax loss carry forwards for prior years	24,928,289	22,959,325	–	–	1,968,964	(129,562)	–	2,098,526
Other provisions	21,541,683	1,841,725	–	–	19,699,958	3,301,948	–	16,398,010
Lease liabilities	10,991,760	(4,339,964)	–	–	15,331,724	(3,826,168)	–	19,157,892
Provision for gas transportation expenses	8,250,737	1,033,057	–	–	7,217,680	(118,266)	–	7,335,946
Deferred income	2,222,131	(59,656)	–	–	2,281,787	(59,784)	–	2,341,571
Tax loss under trust management agreement	5,471,978	1,913,997	–	–	3,557,981	1,202,952	–	2,355,029
Allowance for expected credit losses	1,627,847	(77,863)	–	(255,981)	1,961,691	665,980	–	1,295,711
Financial guarantee liabilities	–	–	–	(283,621)	283,621	283,621	–	–
Other	416,647	(9,938)	5,722	(1,081,356)	1,502,219	(1,214,649)	(6,834)	2,723,702
	75,451,072	23,260,683	5,722	(1,620,958)	53,805,625	106,072	(6,834)	53,706,387
Less: provision for deferred tax assets of the Group	(13,722,715)	(2,947,054)	–	–	(10,775,661)	(1,084,686)	–	(9,690,975)
	61,728,357	20,313,629	5,722	(1,620,958)	43,029,964	(978,614)	(6,834)	44,015,412
Deferred tax liabilities								
Property, plant and equipment and intangible assets	(93,052,253)	(8,166,539)	–	(115,343)	(84,770,371)	(6,505,493)	–	(78,264,878)
Right-of-use assets	(8,906,145)	4,453,073	–	–	(13,359,218)	4,550,228	–	(17,909,446)
Debt securities issued	(3,099,275)	36,538	–	(3,135,813)	–	–	–	–
Other non-current assets	(1,521,393)	(330,265)	–	–	(1,191,128)	(283,401)	–	(907,727)
Investments in the joint venture	–	–	–	–	–	26,329,572	–	(26,329,572)
Revenue recognized on accrual basis	–	–	–	–	–	11,317,429	–	(11,317,429)
Discounting of financial liabilities	–	–	–	–	–	13,410	–	(13,410)
	(106,579,066)	(4,007,193)	–	(3,251,156)	(99,320,717)	35,421,745	–	(134,742,462)
Net deferred tax liabilities	(44,850,709)	16,306,436	5,722	(4,872,114)	(56,290,753)	34,443,131	(6,834)	(90,727,050)

31 Income Tax Expenses (Continued)

Deferred tax assets and liabilities relate to various entities of the Group and may not be offset against each other in accordance with the tax legislation, Net deferred tax position of the Group entities is as follows:

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
Deferred tax assets	28,449,891	6,450,522
Deferred tax liabilities	(73,300,600)	(62,741,275)
Net deferred tax liabilities	(44,850,709)	(56,290,753)

As at 31 December 2024, the Group had corporate income tax prepaid of Tenge 54,476,304 thousand (31 December 2023: Tenge 43,406,962 thousand) and income tax payable of Tenge 132,533 thousand (2023: Tenge 7,123 thousand).

32 Related Party Transactions

Related parties include key management personnel of the Group, entities in which a substantial interest is owned, directly or indirectly, by the Group's key management personnel, Samruk-Kazyna Group companies (entities under common control), Government (other state-controlled entities), joint ventures, in which the Group is a participant, joint ventures, the participants of which are Samruk-Kazyna and the Government, and associates, the participants of which are Samruk-Kazyna and the Government.

Terms and conditions of transactions with related parties

Transactions with related parties were entered into on terms agreed upon by the parties, which may not necessarily be at market rates, except for gas transportation services, which are provided based on tariffs available to third parties. Outstanding balances at the end of the year are unsecured, non-interest bearing and settled in cash, except as noted below.

The income and expense items with related parties for the years ended 31 December 2024 and 2023 were as follows:

<i>In thousands of Tenge</i>	Note	2024	2023
Sales of goods and services			
Joint ventures in which the Group is a venturer		22,849,241	34,940,046
Entities under control of Samruk-Kazyna and the Government		97,984,493	77,150,221
Joint ventures in which Samruk-Kazyna and the Government are venturers		6,141,421	889,839
Associates in which Samruk-Kazyna and the Government are participants		178,968	149,112
Entities under significant Government influence		26,016,231	19,952,624
		153,170,354	133,081,842
Management fee			
Entities under control of Samruk-Kazyna and the Government	27	47,568,050	493,854
		47,568,050	493,854
Interest income calculated using the effective interest method			
Entities under control of Samruk-Kazyna and the Government		3,661,211	9,250,472
		3,661,211	9,250,472

32 Related Party Transactions (Continued)

<i>In thousands of Tenge</i>	Note	2024	2023
Purchases of goods and services			
Joint ventures in which the Group is a venturer		267,799,328	272,776,566
Entities under control of Samruk-Kazyna and the Government		24,691,572	17,940,655
Joint ventures in which Samruk-Kazyna and the Government are venturers		315,508,261	337,567,475
Associates in which Samruk-Kazyna and the Government are participants		567,614	755,351
Entities under significant Government influence		45	–
		608,566,820	629,040,047
Finance costs			
Entities under control of Samruk-Kazyna and the Government		3,308,545	15,055,629
Joint ventures in which Samruk-Kazyna and the Government are venturers		11,775,188	15,023,457
		15,083,364	30,079,086
Dividends			
Joint ventures in which the Group is a venturer		541,462,793	10,954,351
		541,462,793	10,954,351

At 31 December 2024 and 2023, the outstanding balances with related parties were as follows:

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Trade and other receivables	15		
Joint ventures in which the Group is a venturer		32,136,411	39,020,421
Entities under control of Samruk-Kazyna and the Government		32,159,055	28,580,042
Joint ventures in which Samruk-Kazyna and the Government are venturers		729,125	42,466
Associates in which Samruk-Kazyna and the Government are participants		14,698	16,261
Entities under significant Government influence		4,986,761	4,380,592
		70,026,050	72,039,782
Loans to related parties			
Entities controlled by the Government		–	39,977,505
		–	39,977,505
Advances paid			
Joint ventures in which the Group is a venturer		–	81,970
Entities under control of Samruk-Kazyna and the Government		21,742	5,026
Joint ventures in which Samruk-Kazyna and the Government are venturers		917,213	–
Associates in which Samruk-Kazyna and the Government are participants		1,331,681	1,836,768
		2,270,636	1,923,764

32 Related Party Transactions (Continued)

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Other financial assets	10		
Entities controlled by the Government		60,111,779	99,608,689
		60,111,779	99,608,689
Cash and cash equivalents			
Entities under control of Samruk-Kazyna and the Government		58,269,434	471,191
		58,269,434	471,191
Trade and other payables	23		
Joint ventures in which the Group is a venturer		53,218,934	81,042,593
Entities under control of Samruk-Kazyna and the Government		3,791,781	8,811,847
Joint ventures in which Samruk-Kazyna and the Government are venturers		294,626,812	165,694,130
Associates in which Samruk-Kazyna and the Government are participants		724,975	778,934
		352,362,502	256,327,504
Borrowings			
Entities under common control of Samruk-Kazyna and the Government		14,188,205	28,853,977
		14,188,205	28,853,977
Lease liabilities	21		
Joint ventures in which Samruk-Kazyna and the Government are venturers		54,958,799	76,658,620
		54,958,799	76,658,620
Guarantee liabilities			
Entities controlled by the Government		–	1,418,106
		–	1,418,106
Other financial liabilities			
Entities under control of Samruk-Kazyna and the Government		680,305	700,778
Joint ventures in which Samruk-Kazyna and the Government are venturers		7,196	690,531
Associates in which Samruk-Kazyna and the Government are participants		6,544	15,064
		694,045	1,406,373
Contract liabilities	22		
Joint ventures in which the Group is a venturer		3	359,975
Entities under control of Samruk-Kazyna and the Government		1,238	1,429
Joint ventures in which Samruk-Kazyna and the Government are venturers		3	3
Associates in which Samruk-Kazyna and the Government are participants		44	–
Entities under significant Government influence		20	–
		1,308	361,407

32 Related Party Transactions (Continued)

<i>In thousands of Tenge</i>	Note	31 December 2024	31 December 2023
Debt securities issued			
Entities under control of Samruk-Kazyna and the Government		128,863,550	–
		128,863,550	–

During 2024, the Group paid dividends on ordinary shares in the amount of Tenge 22,809,827 thousand to the Sole Shareholder (2023: Tenge 27,065,364 thousand).

Compensation to key management personnel

Key management personnel consists of members of the Management Board and independent directors of the Company, a total of 13 people. In 2024 and 2023, the total amount of compensation to key management personnel amounted to 420,720 thousand tenge and 505,657 thousand tenge for members of the Management Board, as well as 74,350 thousand tenge and 69,827 thousand tenge for independent directors, respectively. These amounts, which mainly include salaries and other payments, were reflected in general and administrative expenses in the consolidated statement of comprehensive income.

33 Commitments and Contingencies**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.

Liabilities on unconditional purchase of gas transportation services to the joint ventures

As at 31 December 2024, the Group has unconditional liability on purchase of gas transportation services of Tenge 177,032,639 thousand excluding VAT to AGP (31 December 2023: Tenge 313,199,873 thousand).

As at 31 December 2024, the Group has unconditional liability on purchase of gas transportation services of Tenge 209,368,135 thousand excluding VAT to BShP (31 December 2023: Tenge 203,148,195 thousand).

Commitments for capital expenditures and investment programs

As at 31 December 2024, the Group has capital commitments in the amount of Tenge 280,485,634 thousand, excluding VAT (31 December 2023: Tenge 43,694,763 thousand, excluding VAT) related to the acquisition and construction of non-current assets. As at 31 December 2024, contractual commitments of GPCI, a disposal group classified as held for sale, for the acquisition of property, plant and equipment and construction services amount to Tenge 178,244,036 thousand, excluding VAT.

As at 31 December 2024, the Group has commitments under approved investment programs for 2022-2027 in the amount of Tenge 106,967,648 thousand (31 December 2023: Tenge 71,698,216 thousand). During 2024, the Group performed work under investment programs for a total of Tenge 40,937,908 thousand, mainly related to the construction of the second line of the Almaty-Baiserke-Talgar main gas pipeline and comprehensive work on the SAC-5, SAC-4 and Looping SAC-4 main gas pipelines. (2023: for a total of Tenge 135,718,332 thousand, related to the construction of the second line of the Beineu-Zhanozen main gas pipeline and the backup gas pipeline to the existing Makat-North Caucasus main gas pipeline).

Commitments of AGP and BShP

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

<i>In thousands of Tenge</i>	31 December 2024	31 December 2023
AGP	17,895,703	6,353,464
BShP	3,064,796	1,386,229

33 Commitments and Contingencies (Continued)***Taxation***

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual, including opinions in respect of IFRS accounting of revenues, expenses and other items in the financial statements. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Fiscal periods remain open to review by the tax authorities for 5 (five) calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Tax contingencies 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-Bozoi-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-Bozoi-Shymkent" gas pipeline.

Management believes that as at 31 December 2024 and 31 December 2023 it correctly interpreted the relevant provisions of legislation, and the probability of retaining the tax benefits 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.

If BShP had not had tax preferences mentioned above related to modification of loan terms, the following tax liabilities would have reduced share of income of joint ventures and investments in joint ventures as at 31 December 2024:

- corporate income tax of Tenge 62,225,846 thousand, including penalties for understatement of tax amounts in tax returns of Tenge 49,780,662 thousand, of which:
 - 2019 – Tenge 1,378,739 thousand, penalties – Tenge 1,102,991 thousand;
 - 2020 – Tenge 12,709,629 thousand, penalties – Tenge 10,167,703 thousand;
 - 2021 – Tenge 13,815,959 thousand, penalties – Tenge 11,052,767 thousand;
 - 2022 – Tenge 10,933,909 thousand, penalties – Tenge 8,747,127 thousand;
 - 2023 – Tenge 13,630,969 thousand, penalties – Tenge 10,904,776 thousand;
 - 2024 – Tenge 9,756,642 thousand, penalties – Tenge 7,805,313 thousand;
- property tax of Tenge 13,476,217 thousand, including penalties for understatement of tax amounts in tax returns of Tenge 10,780,973 thousand, of which:
 - 2019 – Tenge 1,258,627 thousand, penalties – Tenge 1,006,901 thousand;
 - 2020 – Tenge 2,428,808 thousand, penalties – Tenge 1,943,047 thousand;
 - 2021 – Tenge 2,468,665 thousand, penalties – Tenge 1,974,932 thousand;
 - 2022 – Tenge 2,461,140 thousand, penalties – Tenge 1,968,912 thousand;
 - 2023 – Tenge 2,429,487 thousand, penalties – Tenge 1,943,590 thousand;
 - 2024 – Tenge 2,429,491 thousand, penalties – Tenge 1,943,593 thousand;
- deferred tax liability of Tenge 6,314,778 thousand.

33 Commitments and Contingencies (Continued)

If BShP had not had tax preferences mentioned above related to modification of loan terms, the following tax liabilities would have reduced share of income of joint ventures and investments in joint ventures as at 31 December 2023:

- corporate income tax of Tenge 52,469,204 thousand, including penalties for understatement of tax amounts in tax returns of Tenge 41,975,364 thousand, of which:
 - 2019 – Tenge 1,378,739 thousand, penalties – Tenge 1,102,991 thousand;
 - 2020 – Tenge 12,709,629 thousand, penalties – Tenge 10,167,703 thousand;
 - 2021 – Tenge 13,815,959 thousand, penalties – Tenge 11,052,767 thousand;
 - 2022 – Tenge 10,933,909 thousand, penalties – Tenge 8,747,127 thousand;
 - 2023 – Tenge 13,630,969 thousand, penalties – Tenge 10,904,776 thousand;
- property tax of Tenge 11,046,727 thousand, including penalties for understatement of tax amounts in tax returns of Tenge 8,837,382 thousand, of which:
 - 2019 – Tenge 1,258,627 thousand, penalties – Tenge 1,006,901 thousand;
 - 2020 – Tenge 2,428,808 thousand, penalties – Tenge 1,943,047 thousand;
 - 2021 – Tenge 2,468,665 thousand, penalties – Tenge 1,974,932 thousand;
 - 2022 – Tenge 2,461,140 thousand, penalties – Tenge 1,968,912 thousand;
 - 2023 – Tenge 2,429,487 thousand, penalties – Tenge 1,943,590 thousand;
- deferred tax liability of Tenge 7,693,293 thousand.

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 transactions 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 prices determined on the arm's length principle. As a result, the application of transfer pricing law to different types of transactions is not clear.

Due to uncertainties associated with the Kazakhstani law on transfer pricing, there is a risk that the tax authorities may have an opinion different from that of the Group, which may result in additional taxes, fines and penalties as of 31 December 2024 and 31 December 2023. The management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's transfer pricing position will be sustained. In management's opinion, there is no risk of additional changes as of 31 December 2024 and 2023.

Environmental matters

The Group is subject to various environmental laws and regulations. Management believes that the Group complies with requirements of the legislation related to environmental matters and there are no probable or potential environmental liabilities that could have a material adverse effect on the Group's consolidated financial results and financial position.

Legal proceedings and claims**Claim from the subcontractor GPCI**

In the period from the conclusion of the subcontract agreement in 2022 with Qazaq Zher Kurylys LLP (currently - Kazakh Construction Group LLP) until 15 June 2023, NGSK KazStroyService JSC ("KSS") performed construction and installation works at its own expense. By a letter dated 15 June 2023, KSS announced the termination of this agreement and the termination of the work. In connection with the above, there is a need to pay for the work in advance in the amount of Tenge 1,192,308 thousand. The terms of the EPC contract do not provide for direct payment for the subcontractor's work. The Group's management assesses the probability of additional losses on this claim as average, therefore, the corresponding reserve was not recognized in the consolidated financial statements as of 31 December 2024.

33 Commitments and Contingencies (Continued)

BShP legal proceedings

StroyTechMontazh 2030 LLP

On 25 August 2021, a civil case was initiated by the Determination of the Specialized Interdistrict 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 Tenge 6,419,889 thousand. 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 a description of the work done.

In January 2023, at the request of BShP, another meeting was held in the case of StroyTekhMontazh 2030 LLP, during which the court decided to appoint a second comprehensive examination. The examination was entrusted to the Astana Institute of Forensic Expertise. At the end of 2023, a Decision was made to recognize the acts as valid and to dismiss the claim of StroyTekhMontazh 2030 LLP. In January 2024, StroyTekhMontazh 2030 LLP filed an Appeal with the Almaty City Court, which dismissed the Appeal in April 2024.

On 1 July 2024, a decision was made by the Specialized Interdistrict Economic Court regarding the recognition of StroyTekhMontazh 2030 LLP as bankrupt. The processes have been completed, and all appeal periods have expired. The decision to dismiss the claim has entered into legal force. The Group's management believes that the probability of losses under this claim is low.

Unscheduled inspection of the Department of Ecology in Kyzylorda region on BShP

In the period of 2021-2022, BShP purchased compressor stations from the Group. In February 2022, the Department of Ecology for the Kyzylorda Region (the "Department"), unilaterally, without the knowledge of BShP, cancelled environmental permits for facilities located in the Kyzylorda Region. In May 2022, BShP submitted an application to the Department of Natural Resources for re-issuance of an environmental permit and received a notification of acceptance of documents. In October 2022, BShP sent pre-trial claims for the restoration of all previously issued environmental permits.

Due to the refusal to reissue permits, BShP was forced to apply for a new permit, which was received on 27 December 2022. On 5 July 2023, despite the measures taken to restore and issue a new permit, the Department, based on the results of an unscheduled inspection, drew up a Report on the results of the inspection, which reflected BShP's violations, and a Resolution to impose an administrative penalty and the Protocol on an administrative violation were drawn up and issued.

In July 2023, BShP filed an appeal against the unlawful and unjustified actions of the Department of Ecology related to the imposition of the fine and received a rejection of the appeal. In October 2023, BShP filed a private appeal with the Kyzylorda Regional Court to overturn the first instance court's ruling.

In November 2023, the appellate board of the Kyzylorda Regional Court issued a judicial act satisfying BShP's private complaint, overturned the ruling of the first instance court, and sent the case for a new trial. Later in December 2023, a preliminary reconsideration by the court of the first instance of BShP's administrative claim for invalidation of the decision on cancellation of environmental permits took place, and the judge of the specialized inter-district administrative court (the "SIAC") of Kyzylorda region decided to transfer BShP's claim on jurisdiction to the specialized inter-district administrative court of Astana city.

On 17 April 2024, the decision of the Kyzylorda Regional SIAC was announced, according to which the administrative claim of the State Security Service was denied. On 6 June 2024, an appeal was filed against the Decision of the Kyzylorda Regional SIAC. On 11 July 2024, the Judicial Collegium for Administrative Cases of the Kyzylorda Regional Court issued a Resolution that the decision of the Kyzylorda Regional SIAC dated 17 April 2024 should be left unchanged, and the appeal should be dismissed.

On 28 June 2024, BShP was issued a Resolution on the imposition of an administrative penalty in the amount of Tenge 530,560 thousand based on the results of the inspection of the Karaozek CS facility.

On 16 August 2024, an appeal was filed against the Court's ruling and on 9 September 2024, by the Resolution of the Judicial Collegium for Criminal Cases of the Kyzylorda Regional Court, it was decided to leave the Resolution of the Specialized Court for Administrative Offenses of Kyzylorda city dated 6 August 2024 in relation to BShP unchanged, the claim was dismissed. On 17 September 2024, a fine was paid in the amount of Tenge 530,600 thousand.

BShP is the owner of other facilities with a similar situation in obtaining an environmental permit. The Group's share in the total amount of the recognized reserve for potential fines due to the lack of an environmental permit for BShP amounted to Tenge 1,461,825 thousand.

33 Commitments and Contingencies (Continued)

Insurance matters

The insurance industry in the Republic of Kazakhstan is in a developing stage and many forms of insurance protection common in other parts of the world are not yet available in the Republic of Kazakhstan. The Group does not have coverage for its plant facilities, business interruption or third-party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the consolidated financial performance of the Group and its consolidated financial position.

Commitments under subsoil use contract

In accordance with the terms of subsoil use contract, EP QazaqGaz's conditional commitments to the Government amounted to US Dollars 10,528 thousand (equivalent to Tenge 1,574,257 thousand) related to the cost of collecting geological and geophysical data and drilling costs incurred by the Government. This long-term commitment was to enter in force after confirmation of commercial discovery of gas at the Kumyrly-Koskudyk, Anabay-Maldybai, Barkhannaya-Sultankudyk, Ucharal-Ucharal North and Kempirtobe fields.

Payment for reimbursement of historical costs in the amount of Tenge 341,804 thousand must be made quarterly for 10 years from the start of production. EP QazaqGaz has recognized liabilities for the Airakty gas field in relation to payment of historical costs until 2027. The carrying amount of the liability is determined by discounting expected future cash flows at a nominal pre-tax rate of 8%.

Payment for reimbursement of historical costs in the amount of Tenge 32,982 thousand must be made quarterly for 10 years from the start of production. EP QazaqGaz has recognized liabilities for the Anabay gas field in relation to payment of historical costs until 2033. The carrying amount of the liability is determined by discounting expected future cash flows at a nominal pre-tax rate of 9%.

Also, EP QazaqGaz acknowledged the obligation to reimburse historical costs for the Barkhannaya-Sultankuduk site. The payment for reimbursement of historical costs in the amount of Tenge 94,538 thousand must be made quarterly in equal installments over a period not exceeding the term of the subsoil use contract, but not more than 10 years from the start of production.

On 6 April 2023, EP QazaqGaz signed a standard Contract for Securing the Production Site of the Barkhannaya Field with a three-year preparatory period. On 5 June 2024, an addendum to the Contract was signed, extending the production period until 6 April 2048. The field is planned to be put into production in 2025; preparatory work is currently underway.

On 1 November 2024, a Contract for Exploration and Production of Hydrocarbons at the Maldybai Site in the Zhambyl Region was signed between the Ministry of Energy of the Republic of Kazakhstan and QG. Under an addendum to the Contract, subsoil use rights were transferred to EP QazaqGaz. The term of the Contract is combined and consists of an exploration period of eighteen (18) years and a production period of twenty-five (25) years and is valid from 1 November 2024 to 1 November 2067. It is expected that financial liabilities under the Contract during the exploration period in 2025-2027 will amount to Tenge 4,541,760 thousand, of which seismic exploration and drilling operations comprise the major part.

On 1 November 2024, a Contract for Complex Projects for Exploration and Production of Hydrocarbons at the Shalkar Site in the Aktobe Region was concluded and signed between the Ministry of Energy of the Republic of Kazakhstan, QG and KOR Oil Company JSC. Under an addendum to the Contract, subsoil use rights were transferred to EP QazaqGaz. The term of the Contract is combined and consists of an exploration period of eighteen (18) years and a production period of twenty-five (25) years and is valid from 1 November 2024 to 1 November 2067. Financial liabilities under the Contract during the exploration period in 2025-2026 will amount to Tenge 961,085 thousand, of which drilling one independent well with a depth of 2200 m comprise the major part. On 30 July 2024, an Agreement on Joint Activities and Financing was signed between QG and KOR. Under this agreement, KOR Oil Company JSC will provide full financing (carry financing) for the exploration period at the Shalkar site. On the part of KOR, subsoil use rights were transferred to an affiliated person - Bozoy Operating LLC. As of 31 December 2024, in accordance with the minimum work program for the period 2025-2059, the Group has obligations under the Subsoil Use Contracts for a total of Tenge 329,368,694 thousand (31 December 2023: Tenge 309,172,931 thousand).

As of 31 December 2024, and 2023, QazaqGaz EP has completed the minimum work program.

33 Commitments and Contingencies (Continued)

Compensatory planting obligations

In the period from 2016 to 2023, in accordance with the Resolutions of the Government of the Republic of Kazakhstan No. 730 dated 23 September 2022 and No. 963 dated 2 November 2023 "On the Transfer of Certain areas of Forest Fund Lands to Lands of Another Category" (the "Resolution"), the Group transferred lands from the forest fund category to industrial lands of the Airakty and Anabay deposits (a total of 10,736 hectares). In accordance with the Forest Code of the Republic of Kazakhstan dated 8 July 2003, the Group undertakes to carry out compensatory planting of forest crops in the amount of twice the area of the transferred area and care for forest crops during the first three years after their planting.

After conducting geological exploration and assessing the actual need, it was determined that 183 hectares were required for production activities, as a result of which the Group initiated the reverse transfer of unused lands of the Airakty (4,365.8 hectares) and Anabay (6,187.2 hectares) deposits to the state forest fund.

At the time of issuing the financial statements, the Government of the Republic of Kazakhstan is developing a resolution to secure the right of forest ownership of unused lands of the Airakty and Anabay deposits and making relevant amendments to the Resolution, after the completion of which the issue of adjusting the volumes of compensatory planting will be considered.

Management assesses the probability of occurrence of obligations for compensatory planting for all received lands at low. The Group is expecting financial liabilities for compensatory planting in 2025-2028 to amount to Tenge 341,461 thousand for a total area of 366 hectares, taking into account the reverse transfer of land plots at the Airakty and Anabay deposits.

34 Financial Instruments and Financial Risk Management Objectives and Policies

Financial risk management objectives and policies

The Group's main financial liabilities comprise bank loans, debt securities issued, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loans to related parties, trade and other receivables, cash and cash equivalents and bank deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's management oversees the risk management process. The Risk Management Department advises to the Group's management on financial risks and the appropriate financial risk governance framework for the Group. The Risk Management Department helps the Group's management to ensure that the Group's financial risk-taking activities are conducted in accordance with respective policies and procedures.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk, interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and deposits.

The Group has no formal agreements for the analysis and mitigation of risks related to changes in interest rates, since management assesses the risk as low.

The sensitivity analysis in the sections below relates to the balances as at 31 December 2024 and 2023.

The sensitivity analysis has been prepared on an assumption that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (USD SOFR and CPI), with all other variables held constant, of the Group's (loss)/profit before income tax (through the impact on floating rate borrowings).

<i>In thousands of Tenge</i>	Increase/ (decrease)	Effect on profit before tax
2024		
CPI	1%	(29,590)
CPI	-1%	29,590
USD SOFR*	3,82%	(5,390,099)
USD SOFR	-3,82%	5,390,099
2023		
CPI	1%	(63,755)
CPI	-1%	63,755

* The impact of the change in USD SOFR basis points on profit before income tax as of 31 December 2024 includes the impact of the disposal group classified as held for sale.

Assumptions of changes in basis points within the sensitivity analysis to interest rate changes are based on a currently observable market situation.

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of foreign exchange rates changes. 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 changes in the US Dollar/Tenge exchange rates. The financial and economic activities are also exposed to the risk on transactions in foreign currencies. Such exposure arises from income in US Dollars.

The following table demonstrates the sensitivity of the Group's income before income tax to possible changes in the US Dollar exchange rate, with all other parameters held constant.

<i>In thousands of Tenge</i>	Increase/ (decrease) in basis points	Effect on profit before tax
2024		
US Dollar*	9%	(51,521,869)
	-7%	41,625,265
2023		
US Dollar	14%	(28,416,209)
	-14%	28,416,209

* The impact of the basis point increase on profit before tax as of 31 December 2024 reflects the impact of the Group and the disposal group classified as held for sale.

Credit risk

Credit risk is the risk that one party of a financial instrument will not be able to fulfil an obligation and will cause the other party to incur a financial loss. The Group is exposed to credit risk as a result of its operating activities and certain investing activities. Exposure to credit risk arises from accounts receivable, bank deposits, cash and cash equivalents, loans issued and other financial assets.

At the current level of operations, management believes that it has established appropriate credit control and industrial customer monitoring procedures to enable the Group to trade with recognized, creditworthy third parties. The Group has a credit policy in which the creditworthiness of each new customer is analyzed individually before the Group's standard payment and delivery terms and conditions are offered. The Group has a policy that provides for constant monitoring to ensure that transactions are concluded with counterparties that have an adequate credit history and do not exceed established credit limits. The Group also analyses the impact of changes in economic, political or other conditions on the ability of counterparties to fulfill contractual obligations.

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)*Expected credit losses*

Estimating losses under IFRS 9 for all categories of financial assets requires the exercise of judgment, in particular, when determining impairment losses and assessing a significant increase in credit risk, it is necessary to estimate the amount and timing of future cash flows, and the value of collateral. These estimates depend on a number of factors, changes in which could result in different impairment allowance amounts. The Group's ECL calculations are the result of complex models involving a number of underlying assumptions regarding the selection of input variables and their interdependencies.

The assessment of whether or not there has been a significant increase in credit risk (SICR) since initial recognition is performed on both an individual and portfolio basis. The Group's risk management department periodically monitors and reviews the criteria used to determine whether a significant increase in credit risk has occurred to ensure that it is appropriate.

To measure expected credit losses, QG Group applies the following models for measuring credit risk components:

- models for measuring the probability of default (PD TTC and PD PiT);
- models for measuring the loss given default (LGD);
- models for measuring the amount of claims at default (EAD).

The models for assessing credit risk components are developed taking into account the use of forecast data on expected future economic conditions. These data include various macroeconomic indicators, such as the inflation rate, GDP dynamics, unemployment rate and other key indicators affecting economic activity. The list of macroeconomic factors is as follows:

- Unemployment rate;
- Exchange rate of the national currency Tenge (KZT) to the US Dollar (USD);
- Percentage change in the Consumer Price Index (CPI) compared to the previous quarter;
- Percentage change in the Consumer Price Index (CPI) compared to the same quarter of the previous year;
- Average price of Brent crude oil (Average of Europe Brent Spot Price FOB), expressed in US dollars per barrel;
- Index of physical volume of gross domestic product (GDP), calculated by the production method, reflecting the real growth or decline in economic activity in the country over a certain period;
- Index of physical volume of gross domestic product (GDP), calculated by the end-use method, reflecting the real growth or decline in economic activity in the country over a certain period;

For accounts receivable, a simplified approach to estimating expected credit losses (ECL) is applied, as provided by IFRS 9. This is due to the fact that the average period of accounts receivable is about 30 days, which corresponds to the short-term nature of such assets. According to IFRS 9, for short-term accounts receivable, the use of a simplified approach is permitted, which involves calculating ECL for the entire life of the asset without the need to assess a significant increase in credit risk.

Some accounts receivables may be subject to measurement not on the basis of a collective approach to calculating ECL but selected for individual assessment. The selection of debtors for individual measurement is carried out based on the criteria as follows:

- Exceeding 0.2% of equity (based on the practice of banks in the Republic of Kazakhstan);
- The amount of accounts receivable exceeds the established value;
- Debtors included in the top 1% percentile by total accounts receivable;
- Peculiarities of the payment schedule or credit behavior - debtors whose payment terms or credit behavior differ significantly from the standard;
- Debtors selected based on the professional assessment of specialists (expert opinion).

For accounts receivable, the ECL measurement of which is carried out on an individual approach, the same criteria are applied that are used to classify the impairment stages of other financial instruments.

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)

In certain cases, the Group may also conclude that a financial asset is in default if internal or external information indicates that it is unlikely that the Group will collect all outstanding contractual payments, excluding any credit enhancements retained by the Group. A financial asset is written off if there is no reasonable expectation of future contractual cash flows.

For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- significant financial difficulty of the issuer or borrower;
- the borrower is more than 90 days past due on its contractual payments;
- international rating agencies have classified the borrower in the default rating class;
- it is becoming likely that the borrower will enter bankruptcy or other financial reorganization.

In some cases, it is not possible to identify a single isolated event; a financial asset may be credit-impaired due to the cumulative effect of several events.

For the purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group.

The maximum credit risk for financial assets measured at amortised cost is limited to the carrying amount, as disclosed in Notes 10, 12, 13 and 15. For an issued financial guarantee and a put option liability, the maximum exposure to credit risk is equal to the nominal amount of the guaranteed loan agreement and the nominal amount of the liability if the option is exercised, respectively, as described in the liquidity risk section of this note.

Bank deposits and cash and cash equivalents

The Group places deposits in Kazakhstani banks. The Group's management periodically reviews the credit ratings of these banks to eliminate extraordinary credit risks. The credit risk of bank deposits and cash and cash equivalents is limited because contractual partners are banks with investment grade credit ratings. For this reason, the impact of impairment is immaterial.

The following table provides an analysis of the credit quality of cash and cash equivalents and bank deposits as of 31 December 2024 and 31 December 2023, using credit ratings from Standard & Poor's, Fitch Ratings, Moody's and Thomas Murray.

<i>In thousands of Tenge</i>	Location	2024		2023		2024	2023
Citibank N.A. London	U.K.	Moody's	Aa3/ stable	Moody's	Aa3/ stable	272,418,330	271,388
SB Sberbank JSC	Kazakhstan	Fitch Ratings	BBB-/ stable	–	–	80,822,220	–
	Kazakhstan	Standard & Poor's	BBB-/ stable				
Halyk Bank of Kazakhstan JSC	Kazakhstan	–	–	Standard & Poor's	BB+/ stable	77,712,458	60,165,133
Kazpost JSC	Kazakhstan	–	–	–	–	58,285,184	40
First Heartland Jysan Bank JSC	Kazakhstan	Moody's	Ba3/ positive	Moody's	Ba2/ positive	51,276,313	2,246,211
ForteBank JSC	Kazakhstan	Fitch Ratings	BB/ stable	Standard & Poor's	BB-/ stable	24,903,035	891,114
Bank CenterCredit JSC	Kazakhstan	Standard & Poor's	BB/ stable	Standard & Poor's	BB-/ stable	14,543,799	644,089
Altyn Bank JSC	Kazakhstan	Moody's	Baa3/ stable	Moody's	Baa3/ positive	9,506,223	822,992
Freedom Finance Bank JSC	Kazakhstan	Standard & Poor's	B+/ stable	–	–	7,929,432	–
	The						
Societe Generale Private Banking	Netherlands	Standard & Poor's	A/ stable	Standard & Poor's	A/ stable	2,436,017	2,027,582
Eurasian Bank	Kazakhstan	Moody's	Ba2/ stable	–	–	54,967	–
Bank of China	China	Standard & Poor's	A+/ stable	–	–	10,526	–
VTB Bank Kazakhstan	Kazakhstan	Standard & Poor's	Rating recalled	Standard & Poor's	Rating recalled	9,896	42
Citibank Kazakhstan	Kazakhstan	Moody's	Aa3/ stable	Moody's	Aa3/ stable	6,170	12,486
EBRD	Kazakhstan	Standard & Poor's	BBB-/negative	–	–	4,740	–
Raiffeisen Bank	Russia	–	–	–	–	3,923	–
Central Depository of Securities JSC	Kazakhstan						
SB Bank of China	Kazakhstan	Thomas Murray	A+/ stable /A	Thomas Murray	A+/ stable /A	1,021	617
Credit Bank of Moscow PSC	Russia	Fitch Ratings	BBB+/ stable	Fitch Ratings	BBB+/ stable	528	588
Development Bank of Kazakhstan JSC	Kazakhstan	Moody's	Rating recalled	Moody's	Rating recalled	184	187
		Moody's	Baa1/ stable	Moody's	Baa2/ positive	77	470,534
Gazprombank JSC	Russia	Moody's	Rating recalled	Moody's	Rating recalled	61	73
						599,925,104	67,553,076

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)*Trade and other receivables*

The following is information about the credit risk of the Group's trade and other receivables using the simplified method based on the provision matrix:

In thousands of Tenge	Total	Not due	Overdue				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
31 December 2024							
ECL rate	3,32%	0,24%	1,59%	0,84%	0,71%	18,05%	64,43%
Total expected carrying amount at default	245,264,740	196,557,512	20,658,522	8,310,492	6,914,709	2,246,230	10,577,275
ECL	(8,132,519)	(464,585)	(328,960)	(70,016)	(49,051)	(405,487)	(6,814,420)
Net carrying amount	237,132,221	196,092,927	20,329,562	8,240,476	6,865,658	1,840,743	3,762,855
31 December 2023							
ECL rate	2,70%	0,003%	0,21%	1,72%	2,58%	19,73%	53,33%
Total expected carrying amount at default	295,437,765	265,462,932	8,772,667	3,104,925	2,384,593	1,633,723	14,078,925
ECL	(7,973,112)	(9,194)	(18,610)	(53,503)	(61,423)	(322,372)	(7,508,010)
Net carrying amount	287,464,653	265,453,738	8,754,057	3,051,422	2,323,170	1,311,351	6,570,915

The Group is exposed to concentrations of credit risk. Concentrations of credit risk mainly relate to key customers, in particular international ones. Approximately 53% of the Group's revenue from contracts with customers in 2024 and 31% of the Group's trade receivables and other accounts as at 31 December 2024 are attributable to PetroChina International Co. Ltd (2023: 57% of the Group's revenue from contracts with customers and 51% of the Group's trade receivables and other accounts).

Loans issued and other financial assets

In respect of credit risk arising on the Group's other financial assets, which includes other financial assets, loans to a related party and obligations under financial guarantee agreements, the Group's exposure to credit risk arises as a result of default by a counterparty. In relation to loans issued, the Group reduces credit risk by requiring the provision of loan collateral in the form of collateral over the borrowers' assets.

Credit risk (continued)

The following table provides an analysis of the credit quality of significant financial assets as of 31 December 2024 and 31 December 2023 using Fitch Ratings agency's credit ratings.

In thousands of Tenge	Location	2024	2023	Stage 1 (12-month ECL)	
				2024	2023
Samruk-Kazyna JSC	Kazakhstan	Fitch Ratings BBB/ stable	Fitch Ratings BBB/ stable	60,095,000	64,783,007
Eurobonds of the Ministry of Finance of the Republic of Kazakhstan	Kazakhstan	Fitch Ratings BBB/ stable	Fitch Ratings BBB/ stable	5,075,012	–
National Bank of the Republic of Kazakhstan	Kazakhstan	Fitch Ratings BBB/ stable	Fitch Ratings BBB/ stable	–	34,825,682
GPC Investment LLP	Kazakhstan	–	–	–	41,257,412
Finance lease receivables	Kazakhstan	–	–	3,128,257	3,282,962
Other	Kazakhstan	–	–	–	352,722
				68,298,269	144,501,785
Less: allowance for expected credit losses				–	(1,279,907)
				68,298,269	143,221,878

The Group regularly tests and validates its models and inputs to the models to reduce the differences between the estimated expected credit losses and actual losses on issued loans and guarantees. The Group did not recognise an allowance for expected credit losses on financial assets due to its immateriality due to the positive credit rating of counterparties and the absence of creditworthiness factors.

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)**Liquidity risk**

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

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

The table below shows the distribution of liabilities as at the reporting date by contractual terms remaining to maturity. The amounts disclosed in the maturity table represent the contractual undiscounted cash flows, including the total commitments for borrowings received and financial guarantees. These undiscounted cash flows differ from the amount included in the consolidated statement of financial position because the amount recorded in the consolidated statement of financial position is calculated on a discounted cash flow basis. In cases where the amount payable is not fixed, the amount in the table is determined based on the conditions existing at the reporting date. Foreign exchange payments are translated using the spot exchange rate at the end of the reporting period.

<i>In thousands of Tenge</i>	On demand	1 to 3 months	3 months to 1 year	1 to 5 years	> 5 years	Total
As at 31 December 2024						
Debt securities issued	–	14,490,081	28,853,803	517,639,608	104,164,651	665,148,143
Bank loans*	217,957	4,491,771	13,131,934	132,709,139	56,745,118	207,295,919
Trade and other payables	11,745,328	484,101,164	–	–	–	495,846,492
Lease liabilities	–	1,000,290	32,342,715	33,212,991	–	66,555,996
Put option liability	40,510,279	–	–	–	–	40,510,279
Other financial liabilities	–	1,811,293	37,479	910,517	3,385,056	6,144,345
	52,473,564	505,894,599	74,365,931	684,472,255	164,294,825	1,481,501,174

* Bank loans as of 31 December 2024 reflect bank loans of the Group and the disposal group classified as held for sale.

<i>In thousands of Tenge</i>	On demand	1 to 3 months	3 months to 1 year	1 to 5 years	> 5 years	Total
As at 31 December 2023						
Debt securities issued	–	7,210,793	7,210,793	368,579,577	–	383,001,163
Bank loans	–	5,347,156	17,088,908	34,673,901	830,545	57,940,510
Borrowings received	–	–	8,463,337	–	–	8,463,337
Trade and other payables	12,577,823	341,134,101	–	–	–	353,711,924
Lease liabilities	–	1,004,250	32,472,750	66,554,005	–	100,031,005
Put option liability	40,510,279	–	–	–	–	40,510,279
Financial guarantees	14,995,075	–	–	–	–	14,995,075
Other financial liabilities	673,261	2,482,709	17,090	1,310,826	2,500,653	6,984,539
	68,756,438	357,179,009	65,252,878	471,118,309	3,331,198	965,637,832

The financial guarantee liabilities present the amounts of original contracts. There was no use of financial guarantees in 2024 and 2023.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value. The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. There were no changes in the Group's approach to capital management as compared to 2023.

The capital structure of the Group consists of debt, which includes debt securities issued, bank loans and borrowings received disclosed in Notes 17, 18 and 19 and equity, comprising share capital, additional paid-in capital and retained earnings as disclosed in Note 16.

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)

The Group's management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital, and the risks associated with each class of capital. The Group has a target debt-to-equity ratio of no more than 1.5.

During 2024 and 2023, the Group complied with all external and internal capital requirements, including covenants related to loans and borrowings.

Fair value vs carrying amount

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

31 December 2024					
<i>In thousands of Tenge</i>	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in active markets (Level 1)	Essential observed input data (Level 2)	Essential unobservable input data (Level 3)
Financial liabilities					
Debt securities issued	(508,699,619)	(507,369,900)	(374,198,202)	(133,171,698)	–
Bank loans	(154,819,507)	(153,616,838)	–	(153,616,838)	–

* Bank loans as of 31 December 2024 reflect bank loans of the Group and the disposal group classified as held for sale.

31 December 2023					
<i>In thousands of Tenge</i>	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in active markets (Level 1)	Essential observed input data (Level 2)	Essential unobservable input data (Level 3)
Financial assets					
Interest-free loans to related party	39,977,505	41,430,357	–	–	41,430,357
Financial liabilities					
Debt securities issued	(329,233,734)	(316,059,928)	(311,644,432)	(4,415,496)	–
Bank loans	(47,912,862)	(44,914,068)	–	(44,914,068)	–
Borrowings received	(7,968,020)	(7,947,317)	–	(7,947,317)	–

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

The fair values of long-term loans are determined by the DCF method using rates currently available for debt with similar terms, credit risk and remaining maturities.

There were no transfers between levels 1, 2 and 3 during 2024 and 2023.

Estimates and assumptions

The Group's management has determined that the fair value of cash and bank deposits, trade receivables, trade and other payables, short-term borrowings received, and all other financial instruments approximates their carrying amount, primarily due to the short maturities of these instruments.

34 Financial Instruments and Financial Risk Management Objectives and Policies (Continued)**Changes in liabilities arising from financing activities**

<i>In thousands of Tenge</i>	1 January 2024	Proceeds	Repayments	Repayment of interest	Foreign exchange gains or losses	Interest accretion	Other non- cash transactions	31 December 2024
Financial liabilities								
Bank loans	47,912,862	116,472,264	(30,057,527)	(8,286,383)	12,116,479	8,148,983	(128,695,302)	17,611,376
Borrowings received	7,968,020	–	(8,222,333)	(372)	(179,426)	283	433,828	–
Debt securities issued	329,233,734	142,621,853	–	(14,741,107)	50,154,750	15,243,596	(13,813,207)	508,699,619
Lease liabilities	76,686,697	–	(21,703,583)	(11,775,188)	–	11,777,361	2	54,985,289
Total liabilities arising from financing activities	461,801,313	259,094,117	(59,983,443)	(34,803,050)	62,091,803	35,170,223	(142,074,679)	581,296,284

<i>In thousands of Tenge</i>	1 January 2023	Proceeds	Repayments	Repayment of interest	Foreign exchange gains or losses	Interest accretion	Other non- cash transactions	31 December 2023
Financial liabilities								
Bank loans	158,659,102	–	(92,009,799)	(16,085,821)	(18,113,398)	11,291,141	4,171,637	47,912,862
Borrowings received	15,847,112	–	(8,504,752)	(1,701)	(226,479)	1,608	852,232	7,968,020
Debt securities issued	334,698,287	–	–	(14,888,971)	(5,368,899)	14,577,129	216,188	329,233,734
Lease liabilities	96,905,141	–	(18,788,145)	(14,988,904)	–	14,995,715	(1,437,110)	76,686,697
Total liabilities arising from financing activities	606,109,642	–	(119,302,696)	(45,965,397)	(23,708,776)	40,865,593	3,802,947	461,801,313

The column "Other non-cash transactions" represents mainly transfers to discontinued operations, new contracts, unwinding of discounts, lease modifications and expenses related to the arrangement of borrowings. The Group classifies interest paid as cash flows from operating activities.

35 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 functions of a chief operating decision maker are performed by the Group's Management Board.

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.

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.

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

35 Segment Reporting (Continued)

The following table represents information about revenues and net profit, assets and liabilities of operating segments of the Group for 2024:

<i>In thousands of Tenge</i>	Gas trading	Transportation and storage of gas	Other segments	Elimination	Total
Revenue from external customers	1,158,908,798	97,445,869	3,045,488	–	1,259,400,155
Revenue from other segments	13,315,890	165,305,675	32,936,333	(211,557,898)	–
Total revenue	1,172,224,688	262,751,544	35,981,821	(211,557,898)	1,259,400,155
Gross profit	(123,690,863)	95,443,891	4,010,051	(6,020,657)	(30,257,578)
Interest income calculated using the effective interest rate method	47,851,093	2,580,231	3,913,700	(11,249,515)	43,095,509
Finance income	1,471,659	1,294,293	6,547	(2,765,302)	7,197
Finance costs	(19,127,932)	(28,313,260)	(203,614)	7,016,277	(40,628,529)
Depreciation and amortisation	(11,331,731)	(35,989,880)	(5,161,052)	–	(52,482,663)
Impairment of fixed assets	–	(2,997,888)	–	–	(2,997,888)
Share of profit of joint ventures	–	370,705,540	438,736	–	371,144,276
Income tax expenses	10,097,708	(12,068,575)	(1,419,022)	420,604	(2,969,285)
Net profit for the year	444,409,015	414,923,757	662,756	(560,530,419)	299,465,109
Other segment information					
Investments in joint ventures	–	1,069,828,002	1,469,491	–	1,071,297,493
Capital expenditures	24,116,836	205,148,973	5,129,419	(7,703,211)	226,692,017
Allowance for expected credit losses	(7,747,330)	(279,944)	(112,766)	7,521	(8,132,519)
Allowances for obsolete inventories and advances paid	(215,573)	(2,095,240)	(275,487)	–	(2,586,300)
Assets of the segment	2,399,927,902	2,570,619,890	107,958,292	(995,015,935)	4,083,490,149
Assets of disposal groups classified as held for sale	729,027	–	239,239,127	(103,689)	239,864,465
Total assets of the segment	2,400,656,929	2,570,619,890	347,197,419	(995,119,624)	4,323,354,614
Liabilities of the segment	977,111,622	444,322,361	16,591,187	(117,300,035)	1,320,725,135
Liabilities of disposal groups classified as held for sale	–	–	174,907,915	(2,191,100)	172,716,815
Total liabilities of the segment	977,111,622	444,322,361	191,499,102	(119,491,135)	1,493,441,950

35 Segment Reporting (Continued)

The following represents information about revenue and net profit, as well as assets and liabilities of operating segments of the Group for 2023:

<i>In thousands of Tenge</i>	Gas trading	Transportation and storage of gas	Other segments	Elimination	Total
Revenue from external customers	1,013,108,462	51,434,803	16,665,674	–	1,081,208,939
Revenue from other segments	12,207,098	160,397,508	25,259,223	(197,863,829)	–
Total revenue	1,025,315,560	211,832,311	41,924,897	(197,863,829)	1,081,208,939
Interest income calculated using the effective interest rate method	42,191,361	2,072,847	7,663,570	(14,276,545)	37,651,233
Finance income	935,843	1,290,760	304,464	(2,222,330)	308,737
Finance costs	(39,058,003)	(30,804,937)	(467,640)	9,747,405	(60,583,175)
Depreciation and amortisation	(11,131,902)	(26,473,564)	(3,512,050)	–	(41,117,516)
Share of profit of joint ventures	–	321,559,303	373,363	–	321,932,666
Income tax expenses	22,199,052	(3,857,635)	(3,747,370)	–	14,594,047
Net profit for the year	20,336,963	329,717,682	10,292,089	(34,493,051)	325,853,683
Other segment information					
Investments in joint ventures	–	1,239,849,211	1,404,118	–	1,241,253,329
Capital expenditures	15,560,948	167,843,889	8,180,871	(9,382,544)	182,203,164
Allowance for expected credit losses	(8,996,927)	(802,558)	(38,347)	577,238	(9,260,594)
Allowances for obsolete inventories and advances paid	(178,985)	(2,005,790)	(275,487)	–	(2,460,262)
Assets of the segment	1,742,230,249	2,561,114,365	124,104,275	(884,439,276)	3,543,009,613
Liabilities of the segment	794,309,316	339,816,641	18,324,236	(112,328,865)	1,040,121,328

Eliminations represent the exclusion of intra-group turnovers.

In 2024, the Group received 53% of its revenue from the sale of gas to PetroChina Group in the amount of Tenge 663,747,855 thousand (in 2023: 57%, in the amount of Tenge 621,278,128 thousand). This revenue is included in the revenue of the Gas Trading segment.

36 Events after the Reporting Period

On 20 January 2025, the Group (ICA) placed the seventh issue of bonds within the first bond program on the Kazakhstan Stock Exchange JSC platform for Tenge 12,156,717 thousand with a coupon rate of 9.37% per annum and a maturity date on 20 January 2034, to implement the “Construction of the Taldykorgan-Usharal main gas pipeline” project.

On 23 January 23, 2025, the Group (ICA) placed the fourth issue within the second bond program on the Kazakhstan Stock Exchange JSC platform for Tenge 32,000,000 thousand, to implement the project for the repair of the main gas pipeline “Central Asia – Center”. The coupon rate will be determined based on the results of the auction.

On 11 February 2025, QG made a decision to enter into a Purchase and Sale Agreement for Coupon Bonds in the amount of up to US Dollars 1,500,000,000.

On 20 February 2025, in accordance with the Gas Purchase and Sale Agreement dated 14 February 2025, the Group paid Tenge 135,299,790 thousand to Tengizchevroil LLP.

On 27 February 2025, the maturity date of Samruk-Kazyna bonds for Tenge 60,000,000 thousand was extended until 7 March 2025.