

Intergas Central Asia JSC

**Interim condensed financial statements in accordance with
International Accounting Standard 34 Interim Financial
Reporting (unaudited)**

As at and for the six months ended 30 June 2023

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Report on Review of Interim Condensed Financial Statements

To the Shareholder and Management of JSC Intergas Central Asia:

Introduction

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

Scope of review

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

Conclusion

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

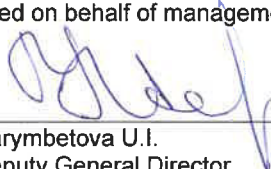
PricewaterhouseCoopers LLP

25 July 2023
Astana, Kazakhstan


Intergas Central Asia JSC
Interim statement of financial position - as at 30 June 2023

<i>In thousands of Tenge</i>	Note s	30 June 2023 (unaudited)	31 December 2022 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	872,098,776	829,123,858
Intangible assets		3,223,817	3,537,107
Right-of-use assets	6	77,928,772	89,547,228
Advances paid	7	62,988,136	644,287
Long-term bank deposits	11	1,295,958	1,368,613
		1,017,535,459	924,221,093
Current assets			
Inventories	8	7,228,665	4,795,907
Trade and other receivables	9	33,484,020	47,337,860
Advances paid	7	313,802	182,476
Prepaid taxes other than income tax	10	13,326,250	10,763,616
Corporate income tax prepaid		14,874,489	11,145,722
Short-term bank deposits	11	3,578,152	9,663,779
Cash and cash equivalents	12	6,763,203	16,925,209
		79,568,581	100,814,569
TOTAL ASSETS		1,097,104,040	1,025,035,662
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	392,985,220	392,985,220
Additional paid-in capital	13	33,284,495	23,082,956
Retained earnings		276,432,269	272,303,508
		702,701,984	688,371,684
Non-current liabilities			
Long-term portion of bank loans	14	17,083,726	21,386,025
Long-term portion of loans from related party	15	49,874,689	45,751,096
Financial guarantee obligation		5,477,736	6,117,811
Employee benefit obligations		650,410	577,165
Gas pipeline abandonment and site restoration provision	16	68,843,117	60,467,775
Lease liabilities, long term	17	76,658,620	77,018,795
Deferred income tax liabilities		57,962,016	57,634,453
		276,550,314	268,953,120
Current liabilities			
Current portion of bank loans	14	8,878,005	8,887,049
Current portion of loans from related party	15	49,661,448	5,588,976
Employee benefit obligations		45,069	45,069
Trade and other payables	18	23,607,268	19,942,430
Taxes payable other than income tax		1,783,108	2,319,136
Contract liabilities		553,550	313,768
Lease liabilities, short term	17	24,073,022	18,770,666
Other current financial liabilities	19	3,210,769	4,206,524
Other current liabilities	20	6,039,503	7,637,240
		117,851,742	67,710,858
TOTAL LIABILITIES		394,402,056	336,663,978
TOTAL EQUITY AND LIABILITIES		1,097,104,040	1,025,035,662

Signed on behalf of management:


 Narymbetova U.I.
 Deputy General Director




 Kadirbayeva A.A.
 Chief Accountant

The notes on pages 5-23 form an integral part of this interim condensed financial statements (unaudited).

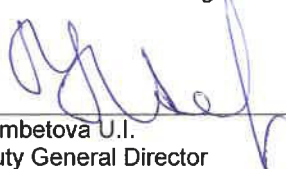
Intergas Central Asia JSC

Interim statement of comprehensive income - for the six months ended 30 June 2023

<i>In thousands of Tenge</i>	Notes	For the six months ended June 30	
		2023 (unaudited)	2022 (unaudited) (restated)*
Revenue from contracts with customers	21	93,920,533	117,482,421
Cost of sales	22	(69,761,361)	(69,882,120)
Gross profit		24,159,172	47,600,301
General and administrative expenses	23	(6,988,824)	(5,102,860)
Other operating income	24	1,134,324	3,035,487
Other operating expenses		(235,122)	(406,992)
Operating profit		18,069,550	45,125,936
Foreign exchange gain, net		(540,460)	4,308,733
Finance income		1,410,252	1,148,660
Finance costs	25	(13,674,474)	(11,196,907)
Profit before income tax		5,264,868	39,386,422
Income tax expenses	26	(1,132,993)	(8,439,230)
Net profit for the period		4,131,875	30,947,192
Other comprehensive gain for the period, net of tax		-	-
Total comprehensive income for the period, net of tax		4,131,875	30,947,192

* Certain amounts shown in this column do not correspond to the amounts in the interim condensed financial statements for the six months ended 30 June 2022, as they reflect the adjustments made, which are disclosed in Note 4

Signed on behalf of management:



Narymbetova U.I.
Deputy General Director





Kadirbayeva A.A.
Chief Accountant


Intergas Central Asia JSC
Interim statement of cash flows - for the six months ended 30 June 2023

<i>In thousands of Tenge</i>	Notes	For the six months ended June 30	
		2023 (unaudited)	2022 (unaudited)
Cash flows from operating activities			
Receipts from customers		111,710,226	91,549,644
Payments to suppliers		(37,526,513)	(23,563,391)
Payments to employees		(23,076,170)	(20,402,718)
Taxes paid other than income tax		(12,259,422)	(12,649,905)
Other receipts		1,379,408	1,249,436
Other payments		(2,936,289)	(5,113,110)
Corporate income tax paid		(4,610,247)	(12,000,000)
Interest paid		(3,709,565)	(2,252,024)
Interest received		867,596	460,115
Net cash flows received from operating activities		29,839,024	17,278,047
Cash flows from investing activities			
Withdrawal of bank deposits		25,614,859	205,095
Placement of bank deposits		(19,814,854)	(15,580,688)
Purchase of property, plant and equipment		(94,854,456)	(10,322,263)
Proceeds from sale of property, plant and equipment		2,183,346	-
Net cash flows used in investing activities		(86,871,105)	(25,697,856)
Cash flows from financing activities			
Receipt financial aid from a related party	15	45,000,000	-
Proceeds from loans from related parties	15	7,662,811	1,100,075
Repayment of bank loans	14	(4,310,000)	(4,237,310)
Repayment of principal of lease liabilities		(1,336,801)	(4,083,510)
Dividends paid	13	(3,114)	(3,114)
Net cash flows used in financing activities		47,012,896	(7,223,859)
Net decrease in cash and cash equivalents		(10,019,185)	(15,643,668)
Effects of exchange rate on cash and cash equivalents		(142,821)	1,866,962
Cash and cash equivalents, at the beginning of the period		16,925,209	55,758,285
Cash and cash equivalents, at the end of the period	12	6,763,203	41,981,579

Signed on behalf of management:


Narymbetova U.I.
Deputy General Director




Kadirbayeva A.A.
Chief Accountant

Intergas Central Asia JSC


Interim statement of changes in equity - For the six months ended June 30, 2023

<i>In thousands of Tenge</i>	Share capital	Additional paid-in capital	Retained earnings	Total
As at 1 January 2022 (audited)	392,985,220	21,352,216	245,096,991	659,434,427
Net profit for the period (unaudited)	-	-	30,947,192	30,947,192
Total comprehensive income for the period	-	-	30,947,192	30,947,192
Dividends on preferred shares (Note 13)	-	-	(3,114)	(3,114)
Other transactions with a Shareholder (Note 13)	-	379,788	-	379,788
As at 30 June 2022 (unaudited)	392,985,220	21,732,004	276,041,069	690,758,293
As at 1 January 2023 (audited)	392,985,220	23,082,956	272,303,508	688,371,684
Net profit for the period (unaudited)	-	-	4,131,875	4,131,875
Total comprehensive income for the period	-	-	4,131,875	4,131,875
Dividends on preferred shares (Note 13)	-	-	(3,114)	(3,114)
Other transactions with a Shareholder (Note 13)	-	10,201,539	-	10,201,539
As at 30 June 2023 (unaudited)	392,985,220	33,284,495	276,432,269	702,701,984

Signed on behalf of management:


 Narymbetova U.I.
 Deputy General Director




 Kadirbayeva A.A.
 Chief Accountant

1 General Information

Intergas Central Asia JSC (the "Company") was established in accordance with the laws of the Republic of Kazakhstan. The Company was registered on 1 July 1997 as a closed joint stock company. On 28 January 2005 the Company was re-registered as a joint stock company in accordance with the requirements of the legislation.

The Company is 100% owned by NC QazaqGaz JSC (the "Shareholder" or "QazaqGaz"), a joint stock company established under the laws of the Republic of Kazakhstan. "Sovereign Wealth Fund Samruk-Kazyna JSC ("Samruk-Kazyna") is the sole shareholder of NC QazaqGaz JSC. All subsidiaries of Samruk-Kazyna are considered as related parties of the Company (Note 27).

The principal activities of the Company are transportation, sale and storage of natural gas and provision of services on technical maintenance of gas pipelines. The Company's operating activities are regulated by the Law of the Republic of Kazakhstan dated 27 December 2018 No. 204-VI *On Natural Monopolies* (the "Law") as the Company is a natural monopolist in transportation of gas within the Republic of Kazakhstan and storage of natural gas. According to the Law, the Company's gas transportation tariff within the Republic of Kazakhstan and storage tariffs are approved by the Committee of the Republic of Kazakhstan for the Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of the Republic of Kazakhstan.

In accordance with the Decree of the Government of the Republic of Kazakhstan dated 15 June 2018 No. 353, the Company obtained the status of a national operator of main gas pipelines. The main tasks of the national operator are to ensure the interest of the state and transport commodity gas through trunk gas pipelines to the domestic and foreign markets. In addition, the Company will ensure the innovative development of the main gas pipeline system and its integration into the world energy system, enhancement the state's energy potential through diversification of commodity gas flows.

As at 30 June 2023, the Company has commitments in the amount of 130,576,985 thousand Tenge under the investment program for 2022-2026, approved by the common order of the Vice Minister of Energy of the Republic of Kazakhstan dated 4 October 2021 No. 311 and the Chairman of the Natural Monopolies Regulation Committee under the Ministry of National Economy of the Republic of Kazakhstan dated 15 September 2021 No. 97-NK. The order came into force on 1 January 2022.

The Company's head office is located at BC "Bolashak", 12 Alikhan Bokeikhan Avenue, Nur-Sultan, Republic of Kazakhstan.

The accompanying interim condensed financial statements were authorized for issue by the Deputy General Director and Chief Accountant of the Company on 25 July 2023.

2 Basis of Preparation

These interim condensed financial statements have been prepared as on 30 June 2023 in accordance with International Accounting Standard 34 Interim Financial Reporting (the "IAS 34"). These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2022.

Foreign currency translation

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

3 Summary of Significant Accounting Policies

New standards, interpretations and amendments adopted by the Company

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

3 Summary of Significant Accounting Policies (Continued)

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

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

4 Restatement of Comparative Information

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

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

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

The impact on the relevant statement of comprehensive income line items for the six months ended 30 June 2022 is as follows:

<i>In thousands of Tenge</i>	Presented in the current statement	Classification changes and adjustments	Represented earlier
Cost of sales	(69,882,120)	5,736,828	(75,618,948)
Gross profit	47,600,301	5,736,828	41,863,473
Operating profit	45,125,936	5,736,828	39,389,108
Finance costs	(11,196,907)	(5,736,828)	(5,460,079)
Profit before income tax	39,386,422	-	39,386,422

Intergas Central Asia JSC
Notes to the interim condensed financial statements (unaudited)

5 Property, Plant and Equipment

The movement in property, plant and equipment was as follows:

<i>In thousands of Tenge</i>	Land	Buildings and constructions	Gas transportation system	Equipment	Vehicles	Other	Construction in progress	Total
Cost								
At 31 December 2022 (audited)	333,006	102,630,858	395,830,889	373,907,159	16,637	8,011,029	166,650,318	1,047,379,896
Additions	–	–	3,424	320,222	–	95,488	48,111,171	48,530,305
Transfer from inventories	–	–	–	–	–	–	932,663	932,663
Internal movements	–	9,258,893	10,184,421	67,567,723	–	839,411	(87,850,448)	–
Change in estimates on asset retirement and land reclamation obligation	–	379,134	3,302,611	774,258	–	–	–	4,456,003
Additions in estimates on asset retirement and land reclamation obligation	–	820,345	18,255	272,458	–	–	–	1,111,058
Disposals	–	–	–	(5,423)	–	–	–	(5,423)
Write-off	–	–	–	(570)	–	(5,974)	–	(6,544)
At 30 June 2023 (unaudited)	333,006	113,089,230	409,339,600	442,835,827	16,637	8,939,954	127,843,704	1,102,397,958
Accumulated depreciation and impairment								
At 31 December 2022 (audited)	–	20,309,865	82,318,324	109,770,634	10,846	4,839,655	1,006,714	218,256,038
Charge for the period	–	1,497,217	3,102,050	7,194,166	537	257,442	–	12,051,412
Internal transfers	–	(25,498)	–	25,124	–	374	–	–
Disposals	–	–	–	(1,771)	–	–	–	(1,771)
Write-off	–	–	–	(570)	–	(5,927)	–	(6,497)
At 30 June 2023 (unaudited)	–	21,781,584	85,420,374	116,987,583	11,383	5,091,544	1,006,714	230,299,182
Net book value								
At 31 December 2022 (audited)	333,006	82,320,993	313,512,565	264,136,525	5,791	3,171,374	165,643,604	829,123,858
At 30 June 2023 (unaudited)	333,006	91,307,646	323,919,226	325,848,244	5,254	3,848,410	126,836,990	872,098,776

5 Property, Plant and Equipment (Continued)

Additions

During the six months ended 30 June 2023, additions to construction in progress mainly include the following production facilities:

- construction of a backup gas pipeline to the existing Makat-North Caucasus gas pipeline with author's and technical supervision in the amount of 28,528,761 thousand Tenge;
- construction of the second line of the main gas pipeline "Beineu-Zhanaozen" in the Mangistau region with technical supervision in the amount of 7,006,885 thousand Tenge;
- construction of a main gas pipeline from the Kashagan gas processing unit to the MSK gas pipeline with a compressor station, in the amount of 6,211,703 thousand Tenge;
- overhaul of main gas pipelines, hot works, in-line diagnostics, replacement of defective pipes, emergency and restoration works, disconnection/connection of gas pipelines, expert diagnostic support in the amount of 3,084,969 thousand Tenge;
- overhaul of 3 lines of the Zhanaozen-Zhetybay-Aktau GP, the KazGPZ-Zhanaozen GP, the Zhanaozen-Zhetybay-Aktau GP for a total amount of 1,707,987 thousand Tenge.

Internal movements

During the six months ended 30 June 2023, the following main facilities were put into operation:

- construction of a main gas pipeline from the Kashagan GTP to the main gas pipeline MSK with the development of design and estimate documentation in the amount of 77,519,609 thousand tenge;
- overhaul of the BGR-TBA gas pipeline at the section 1115-1324 km 1 and 2 of the line with an output of 55 kg/cm2 in the amount of 9,293,326 thousand tenge.

Other

As at 30 June 2023, the historical cost of fully depreciated property, plant and equipment in operation was 12,531,747 thousand Tenge (31 December 2022: 12,123,146 thousand Tenge).

During the six months ended 30 June 2023, the Company capitalized borrowings costs of 5,371,651 thousand Tenge in the carrying amount of property, plant and equipment, which are related to the construction of the assets (during the six months ended 30 June 2022: 3,460,638 thousand Tenge) (Notes 14, 15).

As at 30 June 2023, the Company has capital commitments of approximately 118,909,400 thousand Tenge (31 December 2022: 51,448,956 thousand Tenge) associated with the acquisition and construction of property, plant and equipment. These capital commitments are partly related to the investment program, which is described in Note 1.

6 Right-of-use assets

As at 30 June 2023, the Right-of-use assets are as follows:

<i>In thousands of Tenge</i>	Gas transportation assets	Buildings and constructions	Total
As at 1 January 2023	89,061,453	485,775	89,547,228
Amortization	(11,132,681)	(40,481)	(11,173,162)
Disposals	-	(445,294)	(445,294)
As at 30 June 2023	77,928,772	-	77,928,772

On 31 December 2021, the Company signed a lease agreement for "Saryarka" gas pipeline with AstanaGaz KMG JSC for a period of 5 years from 2022-2026. The lease agreement comes into force from the date of approval by the Committee for Regulation of Natural Monopolies of tariffs for gas transportation on the domestic market, that is, from 1 January 2022 (Note 17).

7 Advances Paid

<i>In thousands of Tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Advances paid to suppliers for non-current assets			
Advances paid to third parties for capital repair, construction works and supply of fixed assets		62,988,136	644,287
		62,988,136	644,287
Advances to suppliers for current assets and services			
Advances paid to third parties for supply of materials and rendering current repair services		309,923	179,582
Advances paid to related parties	27	3,879	2,894
		313,802	182,476

As at 30 June 2023, advances paid to third parties for capital repairs and construction mainly included an advance in the amount of 62,858,156 thousand tenge issued to Elektro-KhSBM LLP for the construction of 2 line of the Beineu-Zhanozen main gas pipeline (31 December 2022: 0 tenge).

8 Inventories

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Materials and supplies (at lower of cost and net realisable value)	5,349,629	2,932,199
Gas (at lower of cost and net realisable value)	1,879,036	1,863,708
	7,228,665	4,795,907

Materials and supplies mainly consist of pipes, spare parts for servicing gas transmission systems, methanol and lubricants for use in gas transportation, and equipment and materials for domestic consumption. Gas includes fuel gas for own needs.

9 Trade and Other Receivables

<i>In thousands of Tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Related parties	27	32,772,048	42,297,143
Gas transit non-resident customers		1,392,501	3,797,842
Local customers		930,920	2,121,206
Other		992,208	615,165
		36,087,677	48,831,356
Allowance for expected credit losses		(2,603,657)	(1,493,496)
		33,484,020	47,337,860

9 Trade and Other Receivables (Continued)

As at 30 June 2023, receivables from related parties are mainly represented by receivables from QazaqGaz in the amount of 19,315,980 thousand Tenge for gas transportation and storage (31 December 2022: 17,531,674 thousand Tenge); from Beineu-Shymkent Gas Pipeline LLP in the amount of 3,524,778 thousand Tenge for the maintenance of gas pipelines and 6,625,280 thousand Tenge for warranty retention (31 December 2022: 11,173,437 thousand Tenge for the maintenance of gas pipelines and 9,070,628 thousand Tenge for warranty retention); from Asian Gas Pipeline LLP in the amount of 894,924 thousand Tenge for the maintenance of gas pipelines (31 December 2022: 2,389,414 thousand Tenge), from KazTransGas Aimak JSC in the amount of 2,289,398 thousand Tenge for the maintenance of gas pipelines (31 December 2022: 1,727,444 thousand Tenge).

As at 30 June 2023, trade receivables from non-resident customers for gas transit included the amount of 1,392,395 thousand Tenge due from Gazprom PJSC (31 December 2022: 941,246 thousand Tenge), the amount of 0 Tenge due from UzTransGas JSC (31 December 2022: 2,856,596 thousand Tenge), and were denominated in US Dollars.

As at 30 June 2023 and 31 December 2022 trade and other receivables are interest-free.

10 Prepaid Taxes Other than Income Tax

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
VAT recoverable	13,164,318	10,556,920
Other	161,932	206,696
	13,326,250	10,763,616

11 Bank Deposits

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Long-term bank deposits		
Tenge bank deposits with maturity more than one year	1,295,958	1,368,613
	1,295,958	1,368,613
Short-term bank deposits		
USD bank deposits with maturity more than three months and less than one year	3,458,696	9,658,590
Russian ruble bank deposits with maturity more than three months and less than one year	110,987	-
Tenge bank deposits with maturity more than three months and less than one year	8,469	5,189
	3,578,152	9,663,779

As at 30 June 2023 restricted long-term deposits of 1,295,958 thousand Tenge were placed as guarantee on housing loans issued by Halyk Bank of Kazakhstan JSC to the Company's employees (31 December 2022: 1,368,613 thousand Tenge) at the rate of 1% per annum (2022: 1% per annum).

As at 30 June 2023 short-term bank deposits included interest receivable with Halyk Bank of Kazakhstan JSC of 8,469 thousand Tenge (31 December 2022: 5,189 thousand Tenge).

As at 30 June 2023, a deposit with maturity from three months to a year includes a deposit in foreign currency in Halyk Bank of Kazakhstan JSC in the amount of 3,443,466 thousand Tenge and interest in the amount of 15,230 thousand Tenge, in rubles in the amount of 110,972 thousand Tenge and interest in the amount of 15 thousand Tenge. Interest on a deposit with a maturity of three months to a year is charged at the rate of 1% and 5% per annum, respectively.

12 Cash and Cash Equivalents

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Receivables under reverse repurchase agreements with original maturities of less than three months	4,897,933	4,920,711
Rouble bank accounts	1,243,533	313,526
Tenge deposits with maturity less than three months	605,871	11,428,085
Euro bank accounts	11,991	27,526
Tenge bank accounts	3,592	4,005
US Dollar bank accounts	19	231,344
US Dollar other account	264	12
	6,763,203	16,925,209

As at 30 June 2023 the weighted average interest rate on current bank accounts was 0% in US dollars and 9.84% in Tenge, respectively (31 December 2022: 0% in US dollars and 2.95% in Tenge, respectively).

As at 30 June 2023, deposits with a maturity of less than three months include Tenge deposits in the amount of 605,871 thousand Tenge in Halyk Bank of Kazakhstan JSC (31 December 2022: Tenge deposits in the amount of 11,428,085 thousand Tenge in Halyk Bank of Kazakhstan JSC). Deposits with a maturity of less than three months earn interest at a rate of 14.75% per annum, respectively (2022: at a rate of 15.25% per annum).

13 Equity

Share capital

<i>In thousands of Tenge</i>	Number of shares		In thousands of Tenge	
	30 June 2023 (unaudited)	31 December 2022 (audited)	30 June 2023 (unaudited)	31 December 2022 (audited)
Common voting shares	246,886,387	246,886,387	185,546,933	185,546,933
Preferred non-voting shares	41,522,720	41,522,720	207,438,287	207,438,287
	288,409,107	288,409,107	392,985,220	392,985,220

Dividends

On 8 June 2023, based on the results of financial performance for the year ended 31 December 2022, the Company paid dividends on preferred shares in the amount of 3,114 thousand Tenge in accordance with the decision of the Board of Directors of the Shareholder.

Additional paid-in capital

During the six months ended 30 June 2023, the Company received the seventh tranche of a loan from QazaqGaz in the amount of 7,662,810 thousand Tenge to finance the investment project "Construction of the main gas pipeline from the Kashagan complex gas treatment unit to the Makat North-Caucasus gas pipeline with a compressor station" at 5% interest rate per annum.

The difference between nominal and fair value of a loan in the amount of 3,047,754 thousand Tenge was recognized as additional paid-in capital (Note 15).

In February 2023, the Company received financial aid in the amount of 45,000,000 thousand Tenge from QazaqGaz for a period of one year. The difference between the nominal and fair value of the financial aid in the amount of Tenge 7,153,785 thousand was recognized as additional paid-in capital (Note 15).

14 Bank Loans

As at 30 June 2023 and 31 December 2022 bank loans comprised the following:

<i>In thousands of Tenge</i>	Date of issue	Maturity	Interest rate	30 June 2023 (unaudited)	31 December 2022 (audited)
Halyk Savings Bank of Kazakhstan	5 December 2022	5 June 2026	17.85%	25,554,588	29,795,837
European Bank for Reconstruction and Development	13 February 2020	5 June 2026	6m CPI + margin (2.15%) + 100 bp cost	407,143	477,237
				25,961,731	30,273,074
Less: amount due for settlement within 12 months				(8,878,005)	(8,887,049)
Amounts due for settlement after 12 months				17,083,726	21,386,025

European Bank for Reconstruction and Development

In accordance with the loan agreement dated 26 May 2016, on 18 June 2018, 18 September 2019, 13 February 2020, the Company received three tranches of a loan from the European Bank for Reconstruction and Development (hereinafter referred to as "EBRD") in the amount of 4,621,477 thousand Tenge, 7,255,785 thousand Tenge and 4,314,938 thousand Tenge, respectively, for the modernization of the Bozoi UGS facility, which is repaid by 26 equal quarterly instalments starting from March 2020.

On 5 December 2022, the Company made a full early repayment of the debt under the first and second tranches of the EBRD loan, and a partial early repayment in the amount of 2,019,387 thousand Tenge on the third tranche of the loan.

During the six months ended 30 June 2023, the Company repaid principal in the amount of 67,143 thousand Tenge and accrued interest on the loan in the amount of 45,898 thousand Tenge (Note 25) (for the six months ended 30 June 2022: 1,158,227 thousand Tenge and 1,825,942 thousand Tenge, respectively).

As at 30 June 2023, the interest payable on the loans is 4,286 thousand Tenge (31 December 2022: 7,237 thousand Tenge).

Halyk Savings Bank of Kazakhstan JSC

In December 2022, in order to refinance the loan from the EBRD, the Company received a loan from Halyk Bank of Kazakhstan JSC in the amount of 29,700,000 thousand Tenge, with an interest rate of 17.85%. Interest and principal payments are made in quarterly installments starting from March 2023.

During the six months ended 30 June 2023, the Company repaid principal in the amount of 4,242,857 thousand Tenge and interest in the amount of 2,584,457 thousand Tenge and accrued interest on a loan in the amount of 1,338,980 thousand Tenge.

As at 30 June 2023, the interest payable on the loans is equal to 315,562 thousand Tenge (31 December 2022: 382,882 thousand Tenge).

As of 31 December 2022, according to the loan agreement, Halyk Bank of Kazakhstan JSC had the unconditional right to demand the repayment of all debts under this loan at any time by sending the demand to the Company no earlier than ten months before the date of such repayment. As at 31 December 2022, this loan was presented in the statement of financial position in accordance with the payment schedule.

On 17 April 2023, an additional agreement was signed to the loan agreement, according to which the repayment period for an early claim was increased to thirteen months from the date of sending the claim. In the period from the date of issuance of the loan and until the signing of the above-mentioned supplementary agreement to the loan agreement, the bank did not send requests for early repayment of the debt, and all covenants for all loans were observed.

14 Bank Loans (Continued)

Capitalization of borrowing costs

During the six months ended 30 June 2023, the Company capitalized interest expense of 1,178,157 thousand Tenge on loan received from Halyk Savings Bank of Kazakhstan JSC to property, plant and equipment (six months ended 30 June 2022: EBRD in the amount of 611,994 thousand Tenge).

Covenants

According to the terms of bank loans, in which the Company is a borrower or guarantor, the Company must ensure that certain financial ratios are met, such as (a) the ratio of Net Financial Debt to Net Capitalization of the Company, no more than 0.5; and (b) the ratio of Net Financial Debt to EBITDA, not more than 4.0 and no more than 3.0 for the EBRD and Halyk Savings Bank of Kazakhstan, respectively. The Company reports on financial ratios on a semi-annual basis. Failure to comply with financial ratios gives lenders the right to demand early repayment of loans. As of 30 June 2023, the Company complies with all financial ratios.

15 Loans from Related Party

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

<i>In thousands of Tenge</i>	Date of issue	Maturity	Interest rate	30 June 2023 (unaudited)	31 December 2022 (audited)
	13 July 2021, 1 October 2021, 23 December 2021, 31 March 2022, 14 June 2022 7 July 2022		5% per annum		
QazaqGaz	24 May 2023	13 July 2032	0.01% per annum	59,320,900	51,340,072
QazaqGaz	22 February 2023	22 February 2024		40,215,237	–
				99,536,137	51,340,072
Less: amount due for settlement within 12 months				(49,661,448)	(5,588,976)
Amounts due for settlement after 12 months				49,874,689	45,751,096

In accordance with the loan agreement dated 12 July 2021 with QazaqGaz, during 2021-2022, the Company received several tranches in the total amount of 69,685,565 thousand Tenge at 5% per annum interest rate to finance the investment project “Construction of the main gas pipeline from the Kashagan complex gas treatment unit to the Makat – North Caucasus gas pipeline with a compressor station”. The loan is repayable in 10 equal annual instalments starting from 25 December 2023 to 13 July 2032. The difference between the received amount and the fair value of the loan calculated using market rates in the amount of 36,814,523 thousand Tenge was recognized as additional paid-in capital.

On 24 May 2023, the Company received the seventh tranche in the amount of 7,662,811 thousand Tenge at 5% per annum. The difference between the received amount and the fair value of the loan, calculated using the market rate of 19.4%, in the amount of 3,047,754 thousand Tenge was recognized as additional paid-in capital (Note 13).

During the six months ended 30 June 2023, the Company accrued interest on the loan in the amount of 803,984 thousand Tenge and amortization of discount in the amount of 737,315 thousand Tenge. As at 30 June 2023, interest payable on the loan is equal to 3,446,228 thousand Tenge. (31 December 2022: 1,655,032 thousand Tenge).

15 Loans from Related Party (Continued)

Financial aid

On 22 February 2023, the Company received financial aid in the amount of 45,000,000 thousand Tenge from QazaqGaz for a period of one year to finance priority investment projects. At initial recognition this loan was recognized in the amount of 37,846,215 thousand Tenge, calculated by discounting future cash payments of the principal amount at the effective rate of 18.90%. The difference from discounting in the amount of 7,153,785 thousand Tenge was recognized in equity.

Capitalization of borrowing costs

During the six months ended 30 June 2023, the Company capitalized interest expense of 1,824,472 thousand Tenge on loan and 2,369,022 thousand Tenge on the financial aid received from QazaqGaz (six months ended 30 June 2022: 2,848,644 thousand Tenge).

16 Gas Pipeline Abandonment and Site Restoration Provision

The movement of the gas pipeline abandonment and site restoration provision for the six months ended 30 June 2023 is presented as follows:

<i>In thousands of Tenge</i>	Note	Provision for main gas pipelines	Provision for compressor stations	Total
As at 1 January 2023		48,215,776	12,251,999	60,467,775
Charge for the period through assets	5	18,255	1,092,803	1,111,058
Revision of estimates through asset	5	3,302,611	1,153,392	4,456,003
Unwinding of discount	25	2,215,403	592,878	2,808,281
As at 30 June 2023		53,752,045	15,091,072	68,843,117

As at 30 June 2023, the long-term inflation rate and discount rate used to determine the provision were 4.80% and 8.70%, respectively (31 December 2022: 4.90% and 9.26%, respectively).

When installing main gas pipelines, the Company fully created a provision for future costs of decommissioning these gas pipelines. The provision for pipeline abandonment and site restoration in the amount of 68,843,117 thousand Tenge represents the present value of pipeline abandonment and site restoration costs related to property, plant and equipment, which are expected to be incurred in the period from 2031 to 2101.

17 Lease Liabilities

<i>In thousands of Tenge</i>	Note	Gas transportation system	Buildings and construction	Total
As at 1 January 2023		95,309,228	480,233	95,789,461
Interest expense	27	7,774,905	20,550	7,795,455
Payments for the period		(2,352,491)	(51,988)	(2,404,479)
Disposals		–	(445,294)	(445,294)
Other changes		–	(3,501)	(3,501)
As at 30 June 2023		100,731,642	–	100,731,642

18 Trade and other payables

<i>In thousands of Tenge</i>	Note	30 June 2023 (unaudited)	31 December 2022 (audited)
Payables for purchased gas			
Payables to related parties	27	4,615,424	2,527,029
		4,615,424	2,527,029
Payables for assets and services received			
Payables to third parties		15,191,967	15,136,829
Payables to related parties	27	3,799,877	2,278,572
		18,991,844	17,415,401
		23,607,268	19,942,430

Payables are non-interest bearing and normally settled on 30 (thirty) day terms.

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

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Trade payables in Tenge	23,269,778	19,602,733
Trade payables in US Dollars	337,488	325,117
Trade payables in Euro	–	14,573
Trade payables in Roubles	2	7
	23,607,268	19,942,430

19 Other Current Financial liabilities

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Unused vacation reserves	1,816,419	1,786,561
Guarantee liabilities	1,098,337	814,297
Short-term lease liabilities	130,010	46,651
Due to employees	78,433	1,487,546
Other	87,570	71,469
	3,210,769	4,206,524

20 Other Current Liabilities

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Provision for annual bonuses	4,938,692	5,907,000
Pension contributions payable	663,916	1,073,741
Other	436,895	656,499
	6,039,503	7,637,240

21 Revenue from Contracts with Customers

<i>In thousands of Tenge</i>	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Transportation services		
Transportation of gas within Kazakhstan	47,846,200	45,783,249
Transportation of gas for export	19,758,266	24,280,745
Transportation of Central Asian gas (transit)	2,394,488	21,947,280
Transportation of Russian gas (transit)	9,851,794	11,339,178
	79,850,748	103,350,452
Storage and maintenance services		
Revenue from technical maintenance of gas pipelines	12,434,661	12,380,669
Revenue from storage of gas	1,635,124	1,751,300
	14,069,785	14,131,969
	93,920,533	117,482,421

Transportation of gas for export

For the six months ended 30 June 2023, the volume of gas transported for export was 2,265 million cubic meters (for the six months ended 30 June 2022: 3,223 million cubic meters). The decrease in revenue in 2023 is due to an increase in the consumption of gas volumes in the domestic market of Kazakhstan. The entire volume of gas from the Karachaganak field was redistributed to the domestic market. In addition, since April 2022, there has been no gas export from Tengizchevroil LLP.

Transportation of Central Asian and Russian gas (transit)

For the six months ended 30 June 2023, 11.10% of the total revenue from sales was attributable to Gazprom PJSC and UzTransGas JSC (six months ended 30 June 2022: 27.15%).

Revenue from technical maintenance of gas pipelines

For the six months ended 30 June 2023, the Company recognized revenue from maintenance of gas pipelines on an accrual basis from Beineu-Shymkent Gas Pipeline LLP for services to support the operation of the "Beineu-Bozoy-Shymkent" gas pipeline for the total amount of 3,524,095 thousand Tenge (for the six months ended 30 June 2022: 4,044,179 thousand Tenge).

For the six months ended 30 June 2023, the Company generated 71.91% of its revenue from NC QazaqGaz JSC, 8.55% from Gazprom Group and 0% from Tengizchevroil LLP (for the six months ended 30 June 2022 of the year: 55.97% of NC QazaqGaz JSC, 24.45% of the Gazprom Group and 1.89% of Tengizchevroil LLP).

The Company recognizes revenue from gas transportation, storage and maintenance services over time.

22 Cost of Sales

<i>In thousands of Tenge</i>	Note	For the six months ended 30 June	
		2023 (unaudited)	2022 (unaudited)
Salaries and social contributions		24,907,696	22,671,552
Depreciation and amortization		12,039,559	12,747,189
Depreciation of right-of-use assets	6	11,132,681	11,132,681
Transportation expenses		7,584,060	7,583,353
Fuel gas and gas losses		3,838,302	4,268,488
Taxes other than income tax		3,349,187	3,155,651
Security expenses		1,985,771	1,861,897
Third party services		900,049	685,966
Electricity		678,800	732,736
Repair and maintenance		616,866	1,228,343
Business trip expenses		585,570	497,183
Materials and supplies		534,820	342,713
Insurance		426,358	428,351
Communication expenses		399,601	441,782
Medical insurance		267,086	232,692
Air service expenses		147,182	311,005
Rental expenses		74,296	49,340
Diagnostical expenses		33,083	617,381
Unused vacation reserves		3,741	210,288
Impairment of non-current assets		–	451,217
Other		256,653	232,312
		69,761,361	69,882,120

23 General and Administrative Expenses

<i>In thousands of Tenge</i>	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Salaries and social contributions	3,486,324	3,073,615
Accrual of ECL for trade receivables	1,514,950	–
Depreciation and amortization	361,900	561,050
Inventory shortage, damage	272,403	–
Expenses related to short-term leases and leases of low-value assets	251,431	184,518
Utilities	192,919	144,085
Transportation services	137,746	–
Repair and maintenance	124,097	77,362
Third party services	98,352	79,266
Professional services	84,383	75,541
Business and representation expenses	65,876	39,951
Stationery and printing expenses	59,608	23,572
Taxes other than income tax	28,138	28,304
Medical insurance	27,216	92,493
Communication	26,670	39,552
Fines and penalties	5,244	415,183
Other	251,567	268,368
	6,988,824	5,102,860

24 Other Operating Income

<i>In thousands of Tenge</i>	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Income from fines and penalties	680,240	70,953
Income from disposal of inventories	235,177	107,324
Income from surplus of inventories	75,067	–
Income from rent	22,466	21,961
Income from write-off of lease	3,501	317,320
Gain from disposal of property, plant and equipment, net	–	2,348,867
Other	117,873	169,062
	1,134,324	3,035,487

25 Finance Costs

<i>In thousands of Tenge</i>	Note	For the six months ended 30 June	
		2023 (unaudited)	2022 (unaudited)
Interest expense on lease liabilities		7,795,455	5,793,601
Amortization of discount on gas pipeline abandonment and site restoration provision	16	2,808,281	3,049,291
Interest expenses on bank loans	14	1,384,878	1,825,942
Interest expenses on intergroup loans		803,984	–
Amortization of discount on intergroup loans		737,315	–
Amortization of discount on bank loans		68,928	53,811
Amortization of discount on employee benefit obligations		17,900	19,100
Other		57,733	455,162
		13,674,474	11,196,907

26 Income Tax Expenses

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

<i>In thousands of Tenge</i>	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Current income tax expense	1,025,708	5,868,089
Deferred income tax expense	327,563	2,571,141
Adjustment of prior year income tax	(220,278)	–
	1,132,993	8,439,230

27 Related Party Transactions

Related parties include key management personnel of the Company, companies included in QazaqGaz Group, Samruk - Kazyna Group as well as Companies under joint control of QazaqGaz and Samruk-Kazyna.

Terms and conditions of transactions with related parties

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for gas transportation services, which are provided, based on the tariffs available to related and third parties. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

27 Related Party Transactions (Continued)

The major transactions with related parties for the periods ended 30 June 2023 and 31 December 2022 were as follows:

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Revenue from contracts with customers		
Transportation services		
QazaqGaz and companies under its control	66,284,212	64,792,472
Companies under joint control of Samruk-Kazyna	75,945	3,186,566
	66,360,157	67,979,038

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Storage of gas		
QazaqGaz and companies under its control	1,635,124	1,751,300
	1,635,124	1,751,300

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Revenue from technical maintenance of gas pipelines		
QazaqGaz and companies under its control	7,291,073	6,940,775
Companies under joint control of QazaqGaz	4,419,118	4,733,527
Companies under control of Samruk-Kazyna	11,027	7,576
	11,721,218	11,681,878
	79,716,499	81,412,216

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Finance income		
QazaqGaz and companies under its control	640,075	640,077
	640,075	640,077

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Sale of other assets		
Companies under joint control of QazaqGaz	–	42,726,460
	–	42,726,460

27 Related Party Transactions (Continued)

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Other income from related parties		
QazaqGaz and companies under its control	20,332	19,828
Companies under joint control of QazaqGaz	2,053	2,053
Companies under control of Samruk-Kazyna	–	1,961
	22,385	23,842

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Purchases of natural gas		
QazaqGaz and companies under its control	3,706,796	4,163,892
	3,706,796	4,163,892

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Other goods and services from related parties		
QazaqGaz and companies under its control	7,315,778	7,648,295
Companies under joint control of QazaqGaz	1,920,548	1,295,206
Companies under control of Samruk-Kazyna	595,915	1,293,791
Companies under joint control of Samruk-Kazyna	45,493	16,914,266
	9,877,734	27,151,558

<i>In thousands of Tenge</i>	For the six months ended June 30	
	2023 (unaudited)	2022 (unaudited)
Finance costs		
Companies under joint control of Samruk-Kazyna	7,774,905	5,736,828
QazaqGaz and companies under its control	1,545,799	–
Companies under joint control of Samruk-Kazyna	4,233	–
	9,324,937	5,736,828

<i>In thousands of Tenge</i>	30 June 2023	31 December 2022
	(unaudited)	(audited)
Trade and other receivables		
Companies under joint control of QazaqGaz	11,144,982	22,733,479
QazaqGaz and companies under its control	21,610,370	19,545,259
Companies under joint control of Samruk-Kazyna	12,792	15,863
Companies under control of Samruk-Kazyna	3,904	2,542
	32,772,048	42,297,143

<i>In thousands of Tenge</i>	30 June 2023	31 December 2022
	(unaudited)	(audited)
Advances paid		
Companies under control of Samruk-Kazyna	3,879	2,894
	3,879	2,894

27 Related Party Transactions (Continued)

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Obligations under reverse repo agreements		
Other entities controlled by the Government	4,897,933	4,920,711
	4,897,933	4,920,711

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Trade payables for purchased gas		
QazaqGaz and companies under its control	4,615,424	2,527,029
	4,615,424	2,527,029

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Trade payables for received assets and services		
QazaqGaz and companies under its control	1,945,817	1,456,816
Companies under control of Samruk-Kazyna	119,938	821,756
	2,065,755	2,278,572

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Other financial liabilities		
Companies under joint control of Samruk-Kazyna	102,491,240	95,317,720
Companies under control of Samruk-Kazyna	3,855	11,113
QazaqGaz and companies under its control	58,563	566
	102,553,658	95,329,399

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Contract liabilities		
Companies under joint control of Samruk-Kazyna	227,362	227,362
Companies under joint control of QazaqGaz	-	1,150
	227,362	228,512

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Loans from related party		
QazaqGaz and companies under its control	99,536,137	51,340,072
	99,536,137	51,340,072

27 Related Party Transactions (Continued)

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Financial guarantee obligation QazaqGaz and companies under its control	5,477,736	6,117,811
	5,477,736	6,117,811

<i>In thousands of Tenge</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Reserve for expected credit losses		
Companies under joint control of QazaqGaz	(2,594,967)	(1,064,180)
	(2,594,967)	(1,064,180)

Dividends paid to the Shareholder

During the six months ended 30 June 2023, the Company paid dividends to QazaqGaz in the amount of 3,114 thousand Tenge (for the six months ended 30 June 2022: 3,114 thousand Tenge).

Compensation to key management personnel

Key management personnel are members of the Management Board and Independent Directors of the Company, with a total of 9 people as of 30 June 2023 (30 June 2022: 8 people). Key management personnel compensation included in administrative expenses in the interim statement of comprehensive income is 84,724 thousand Tenge for the six months ended 30 June 2023 (30 June 2022: 81,117 thousand Tenge). The amount of remuneration to key management personnel paid from the reserve created in the year of the previous payment year is 209,190 thousand Tenge for the six months ended 30 June 2023 (for the six months ended 30 June 2022: 12,506 thousand Tenge). Compensation to key management personnel includes salaries and other benefits in accordance with the internal regulations of the Company.

28 Commitments and Contingent Liabilities

Environmental matters

In accordance with the legislation, the Company has legal obligations to dismantle and liquidate fixed assets and restore land plots. In particular, the Company's obligations include the dismantling of gas pipelines and land reclamation. As at 30 June 2023, the provision amounted to 68,843,117 thousand Tenge (31 December 2022: 60,467,775 thousand Tenge) (Note 16).

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

29 Fair Value of Financial Instruments

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, excluding the carrying amount, which is a reasonable approximation of fair value:

<i>In thousands of Tenge</i>	Carrying amount		Fair values	
	30 June 2023 (unaudited)	31 December 2022 (audited)	30 June 2023 (unaudited)	31 December 2022 (audited)
Financial liabilities				
Loans from related party (Level 2)	99,536,137	51,340,072	89,287,719	42,009,020
Bank loans (Level 2)	25,961,731	30,273,074	26,179,848	30,560,119
	125,497,868	81,613,146	115,467,567	72,569,139

29 Fair Value of Financial Instruments (Continued)

Estimates and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The management of the Company has determined that the fair value of cash and bank deposits, trade and other receivables, trade and other payables and all other financial instruments approximates their carrying amount mainly due to short-term nature of these instruments. The fair value of unquoted instruments, loans from banks and related parties and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy

Fair value of long-term loans received as at 30 June 2023 and 31 December 2022 was assessed using significant observable inputs (Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

30 Subsequent Events

On 4, 19 and 24 July 2023, NC QazaqGaz JSC purchased additionally placed ordinary shares of the Company in the amount of 4,241,253 shares, 4,500,000 shares and 2,000,000 shares at a price of 10,000 Tenge per ordinary share in the amount of 42,412,530 thousand Tenge, 45,000,000 thousand tenge and 20,000,000 thousand tenge respectively, on account of replenishment of the authorized capital.

On 19 July 2023, part of the funds was directed towards the full early repayment of debt on financial aid from NC QazaqGaz JSC in the amount of 45,003,825 thousand Tenge.