



ҚазМұнайГаз
NATIONAL COMPANY • ҰЛТТЫҚ КОМПАНИЯСЫ

NATIONAL COMPANY KAZMUNAYGAS

9M 2023 OPERATIONAL AND FINANCIAL RESULTS

22 November 2023

Disclaimer

Forward-looking statements

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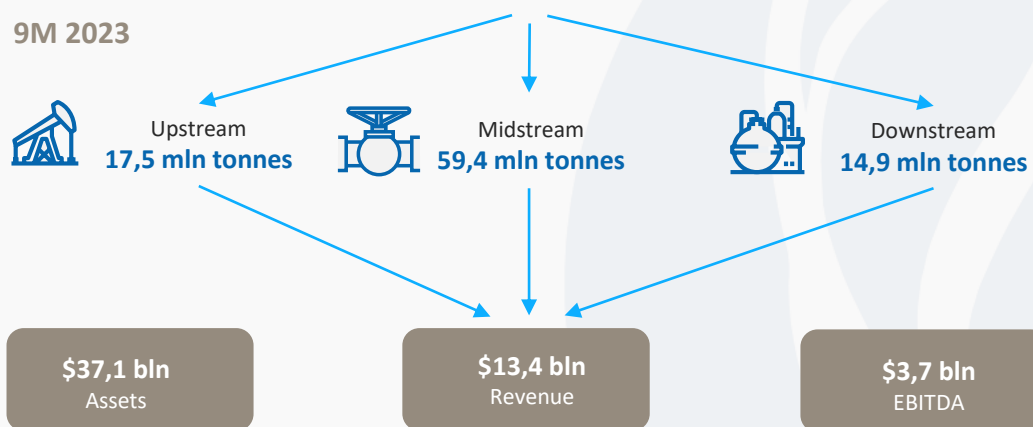
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General information

Key elements

JSC NC KazMunayGas is the leading vertically integrated oil and gas company of Kazakhstan.

9M 2023



Ownership (31.10.2023)



79.73%



National Bank of Kazakhstan



9.58%



Ministry of Finance of Kazakhstan



7.69%



Free float 3.00%



КазМұнайГаз

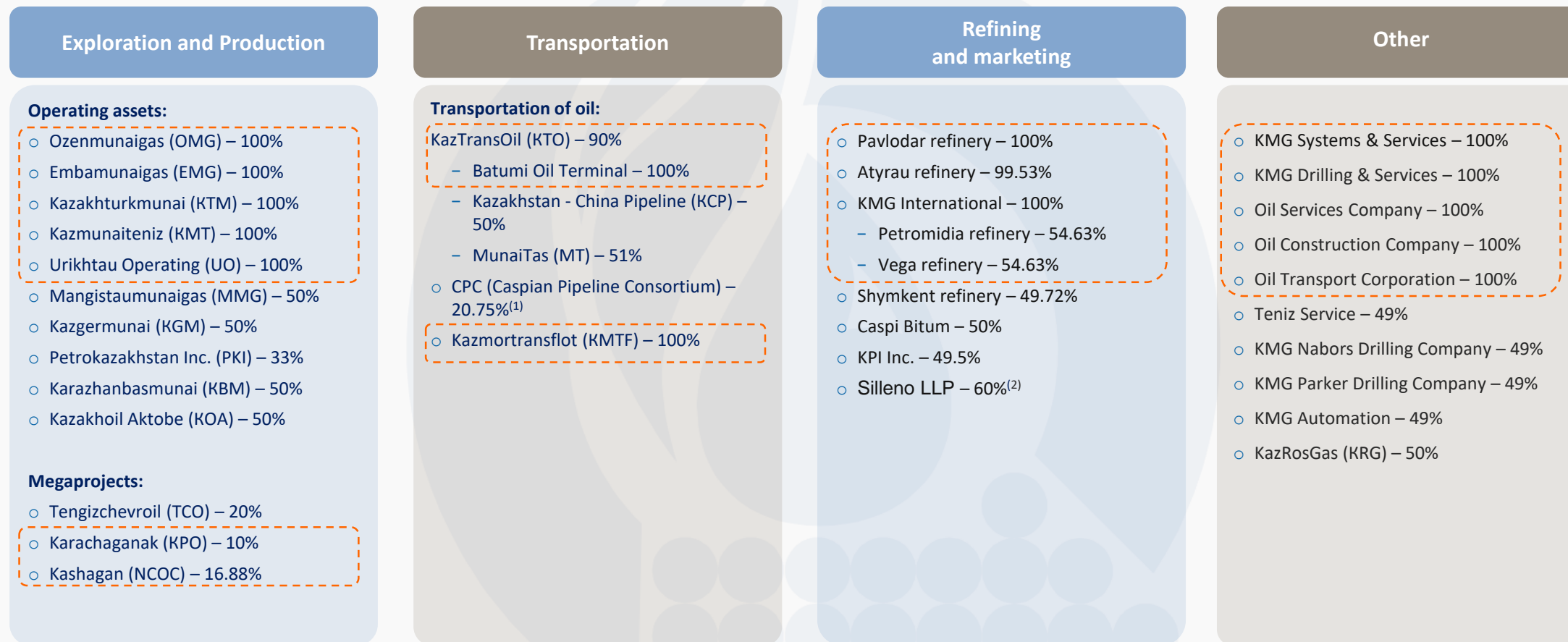
Source: Company data

Regions of presence



Structure of the KMG group

 Consolidation perimeter

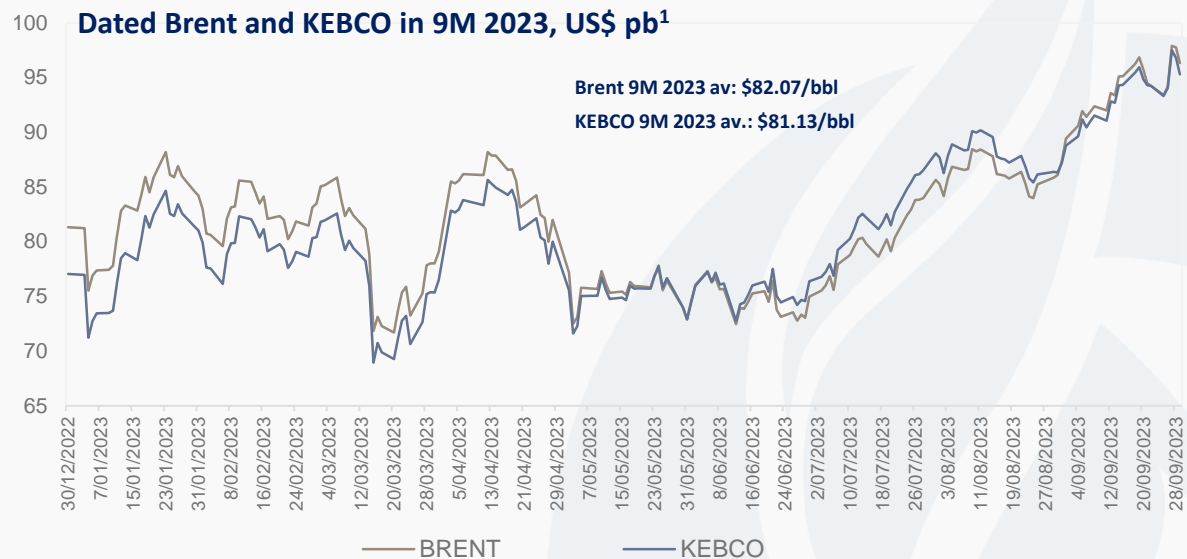


1) 19% directly owned by KMG, 1.75% through Kazakhstan Pipeline Ventures (KPV)

2) 49.9% directly owned by KMG, 10.1% through KMG Petrochem LLP

Source: Company data

Macroeconomic environment



- In 9M 2023, average Dated Brent – \$82.07/bbl, down by 22.2% YoY.
- In 9M 2023, average Dated KEBCO – \$81.13/bbl.

	Moody's	S&P	Fitch
	Baa1	BBB+	BBB+
	Baa2 (Stable) Baa2 (Stable)	BBB	BBB (Stable) BBB (Stable)
	Baa3	BBB- (Stable)	BBB-
<i>Investment grade</i> - - - - -			
	Ba1	BB+ (Stable)	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-

Kazakhstan's macroeconomic indicators

Indicators	9M 2023	9M 2022
GDP growth, %	4.7	2.8
Inflation, % (YoY)	11.8	17.7
Base rate, %	16.5	14.5

FX rate	9M 2023	9M 2022
USDKZT, average	452.97	458.60
USDKZT, end-of-period	474.47	462.65 ⁽²⁾

- Kazakhstan sovereign credit ratings
- KMG credit rating

(1) Dated Brent and KEBCO (start of quotations from 06/06/2022)
Source: S&P Global Platts, Committee on Statistics, National Bank of Kazakhstan
(2) The dollar/tenge exchange rate is as of 31 December 2022.

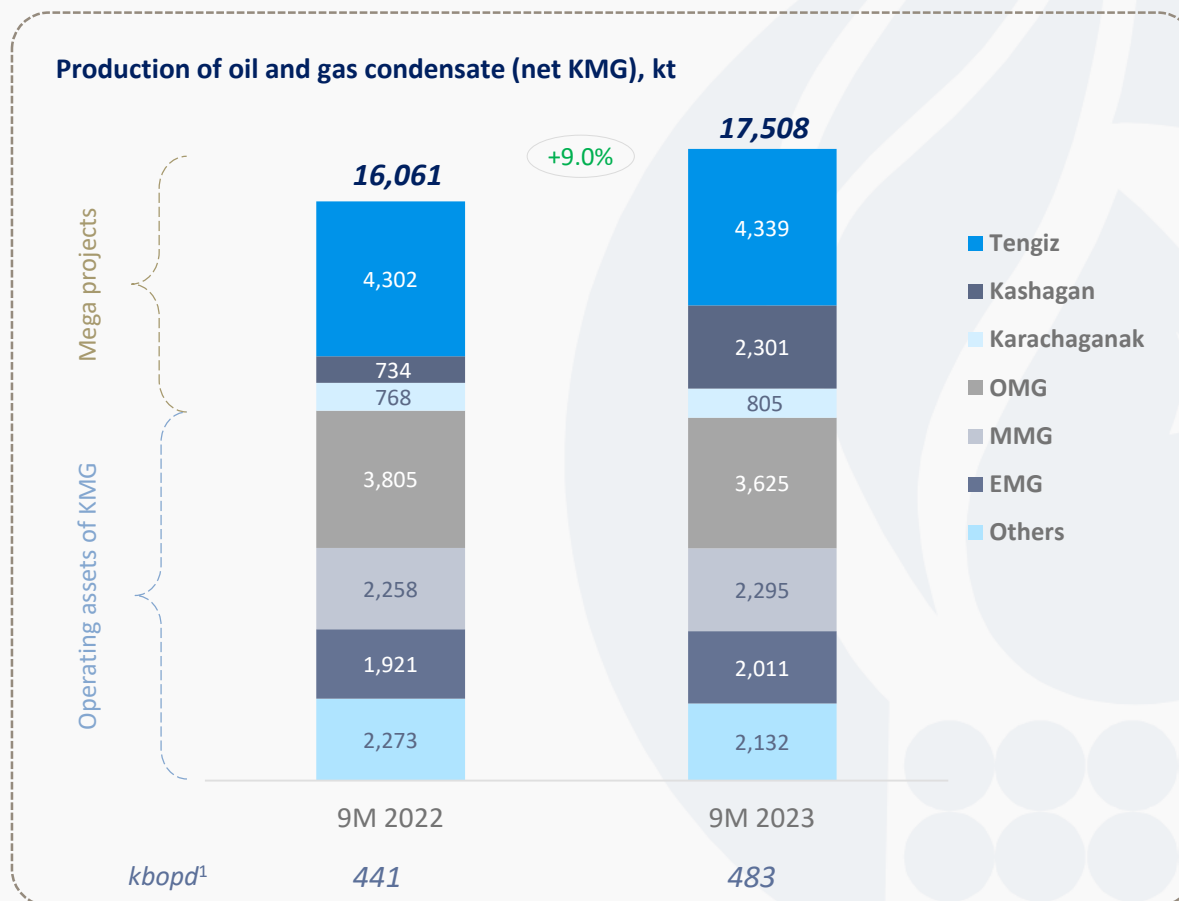
Highlights

OPERATING RESULTS	9M 2023	9M 2022 ¹	% change
Oil and gas condensate	17.5 mt (483 kbopd)	16.1 mt (441 kbopd)	+9.0% +9.6%
Oil transportation	59.4 mt	55.1 mt	+7.8%
Refining volumes	14.9 mt	14.9 mt	+0.03%
FINANCIAL RESULTS			
Revenue	\$ 13,439 mln	\$ 14,774 mln	-9.0%
EBITDA	\$ 3,708 mln	\$ 4,404 mln	-15.8%
FCF ²	\$ 1,013 mln	\$ 2,172 mln	-53.4%
CAPEX (cash method)	\$ 1,100 mln	\$ 639 mln	+72.1%
Gross debt	\$ 8,671 mln	\$ 8,956 mln	-3.2%
Net debt	\$ 4,392 mln	\$ 4,632 mln	-5.2%

(1) The financial results have been restated retrospectively to take into account the acquisition of KMG Kashagan BV.

(2) Free Cash Flow = Net cash flow from operating activities minus Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets. Dividends received from JVs and associates are included in cash flow from operating activities.

Upstream

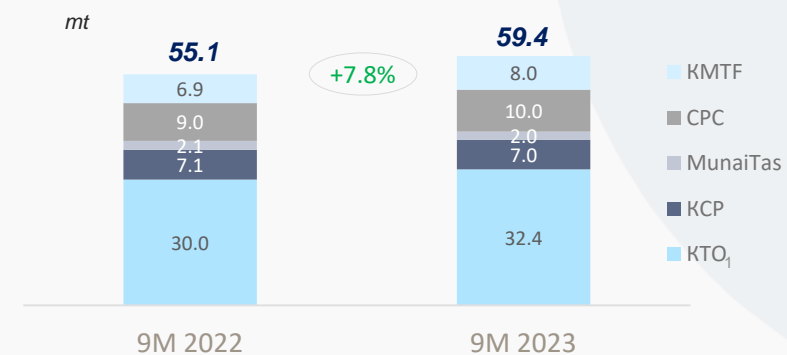
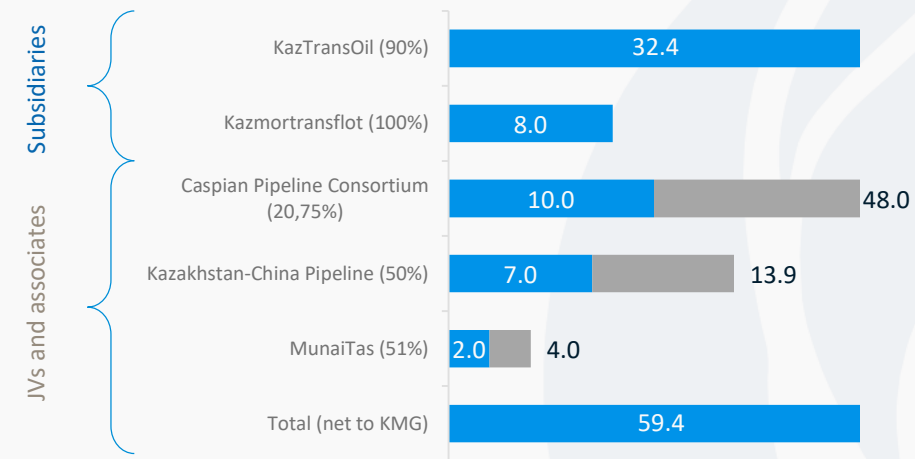


- Oil and gas condensate production volume increased by 9.0% amounting 17,508 thous. tonnes
- Oil production at Tengiz increased by 0.9%, amounting to 4,339 thous. tonnes (127 kbopd).
- Oil production at Kashagan increased by 213.4%, amounting to 2,301 thous. tonnes (67 kbopd).
- Oil and condensate production at Karachaganak increased by 4.8% amounting 805 thous. tonnes (23 kbopd).
- The volume of oil and condensate production at operating assets decreased by 1.9% down to 10,063 thous. tonnes (267 kbopd).

(1) Converted using the appropriate bbl ratios.

Midstream

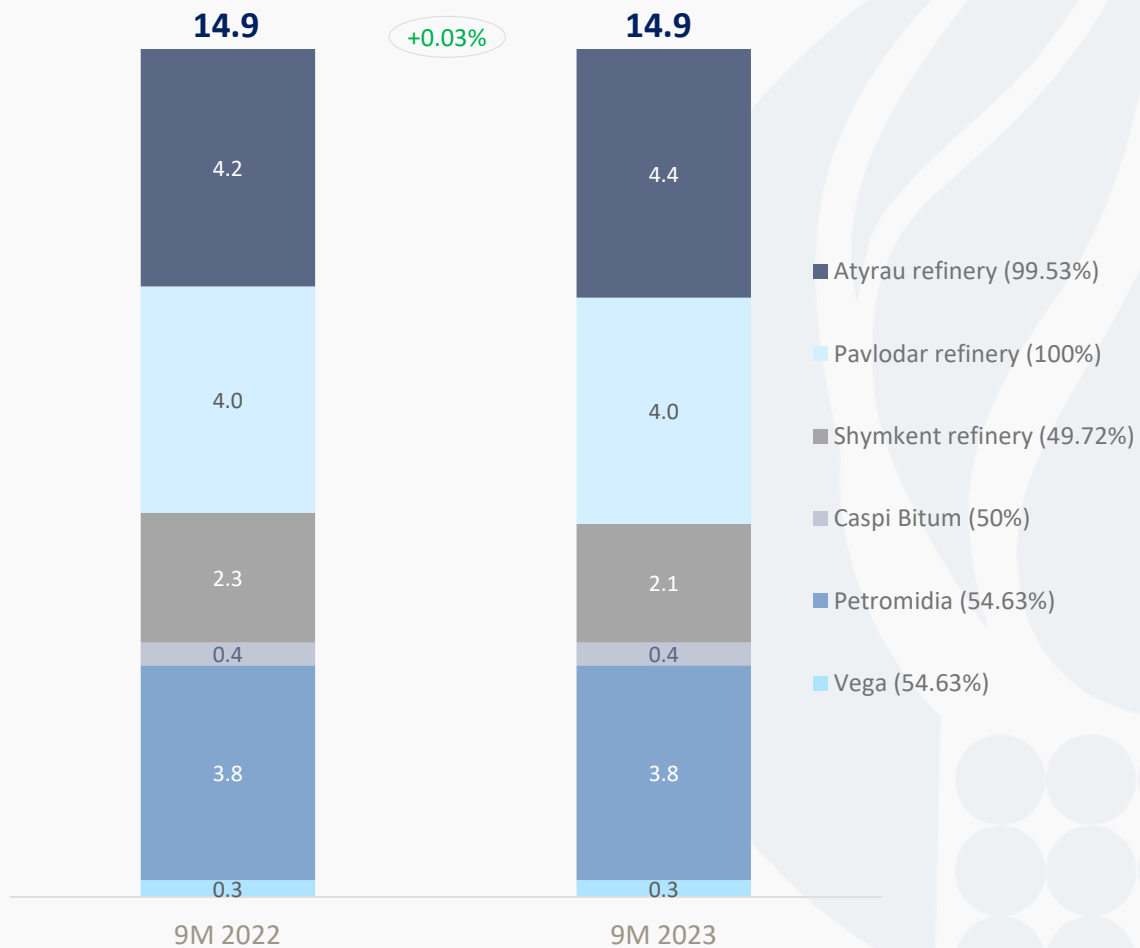
**Oil transportation by companies in 9M 2023
in gross terms, mt**



(1) Since KTO is wholly controlled by KMG, 100% is included in the transportation volumes

Downstream

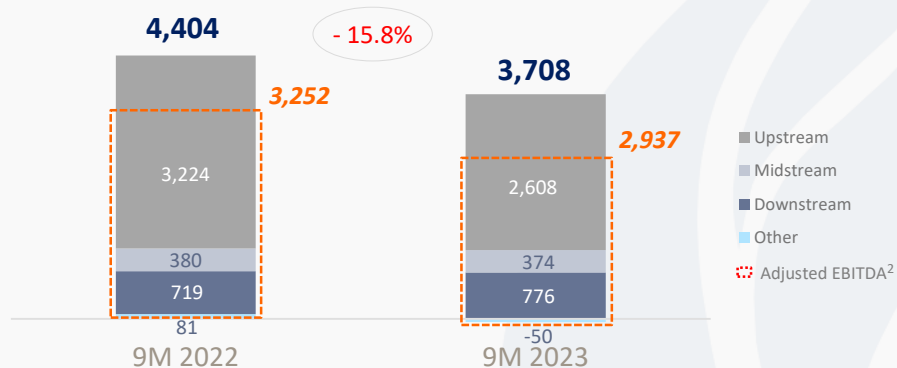
Refining volumes (net to KMG), mt



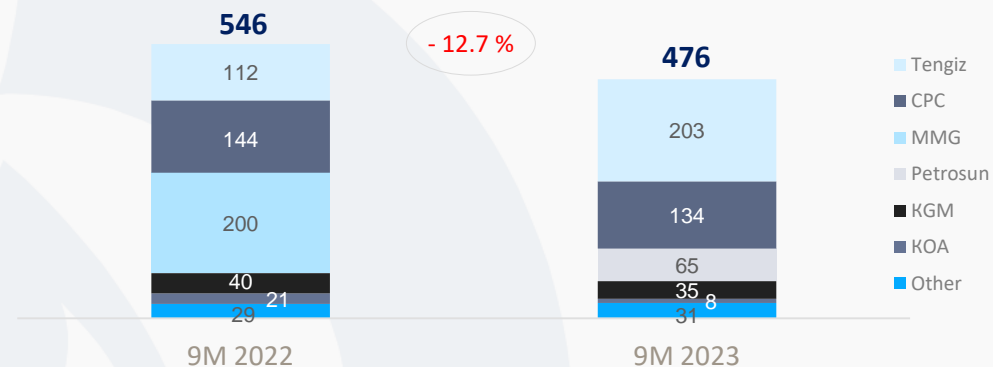
- The total volume of hydrocarbon processing remained practically unchanged and amounted to 14,901 thous. tonnes.
- At Kazakhstani refineries, the volume of hydrocarbons processed decreased by 0.4% and amounted to 10,774 thous. tonnes.
- Refining volume at KMG International plants (Petromidia, Vega) in Romania increased by 1.0% and amounted to 4,127 thous. tonnes.

Key financial indicators

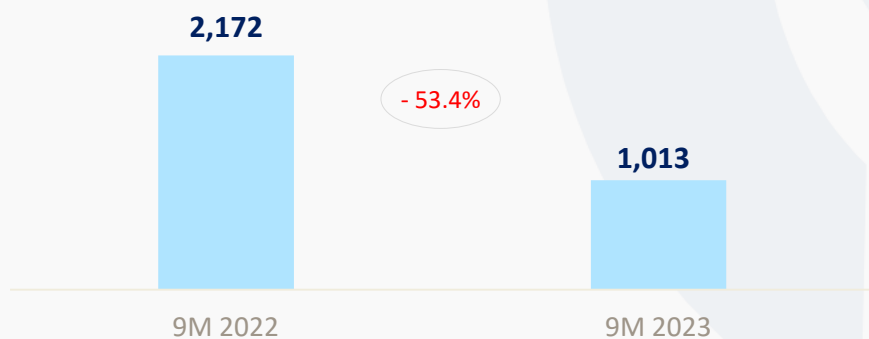
EBITDA¹ by segments, US\$ mln



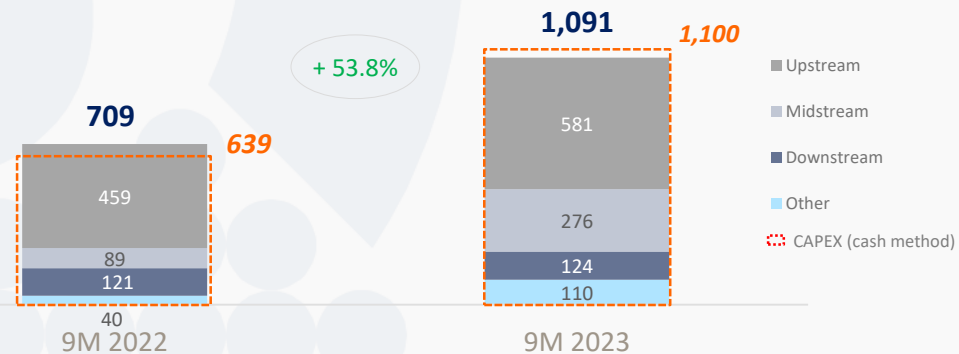
Dividends from JVs and associates, US\$ mln



FCF, US\$ mln



Capital expenditures (accrual), US\$ mln



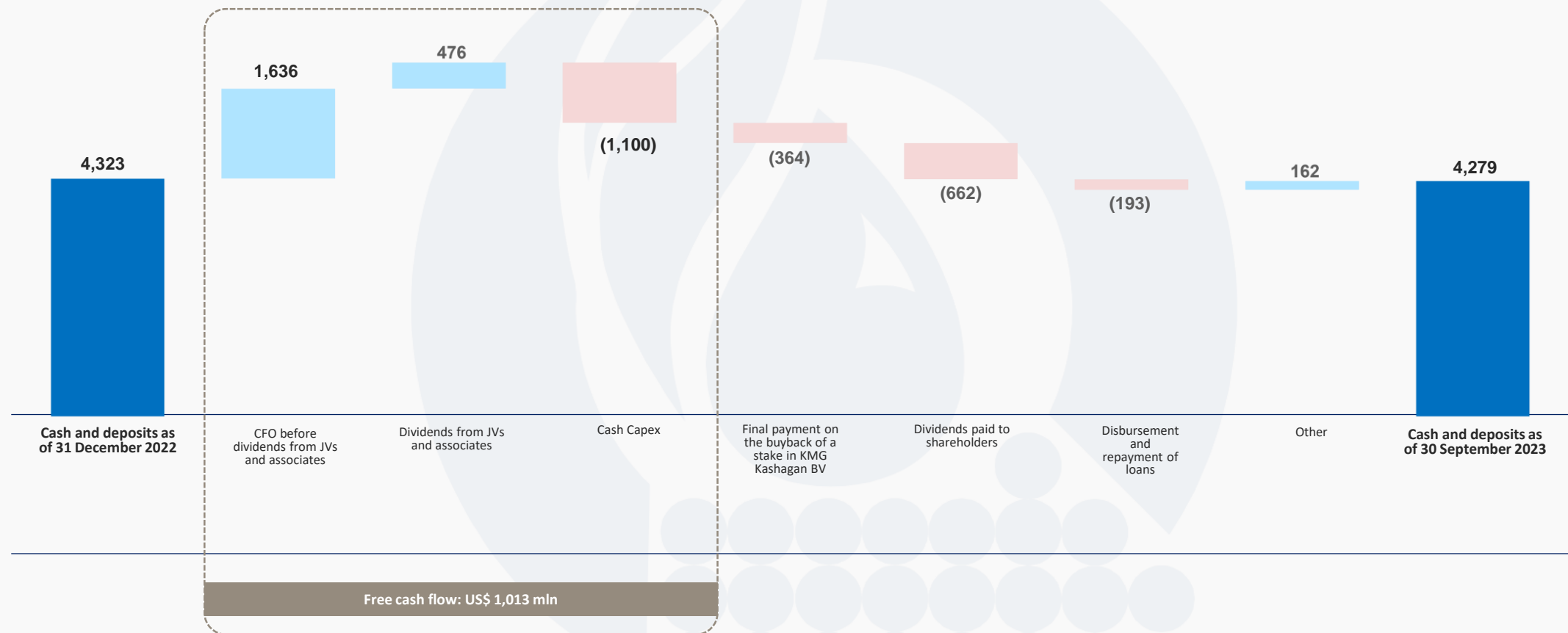
(1) EBITDA = revenue plus share in profits of JVs and associates, net, minus the cost of purchased oil, gas, petroleum products and other materials, minus production expenses, minus personnel management costs, minus transportation and selling expenses, minus taxes other than income tax.

(2) Adj.EBITDA = revenue plus dividends received from JVs and associates minus cost of purchased oil, gas petroleum products and other materials minus production expenses minus G&A expenses minus transportation and selling expenses minus taxes other than income tax.

Note: Numbers may not sum due to rounding.

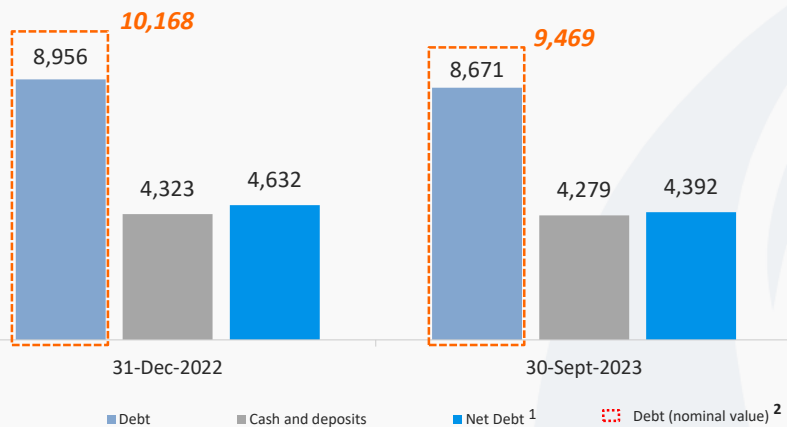
Cash sources and uses & FCF

Cash sources and uses, US\$ mln

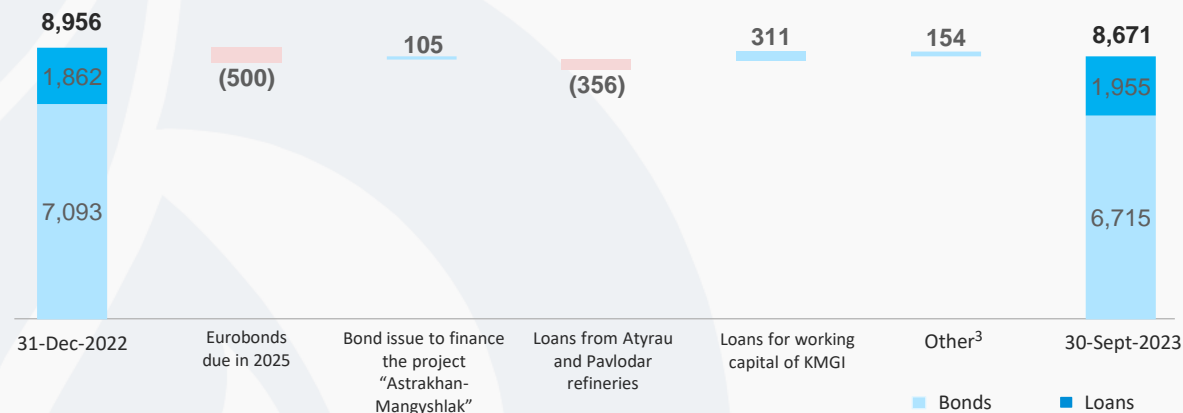


Debt profile

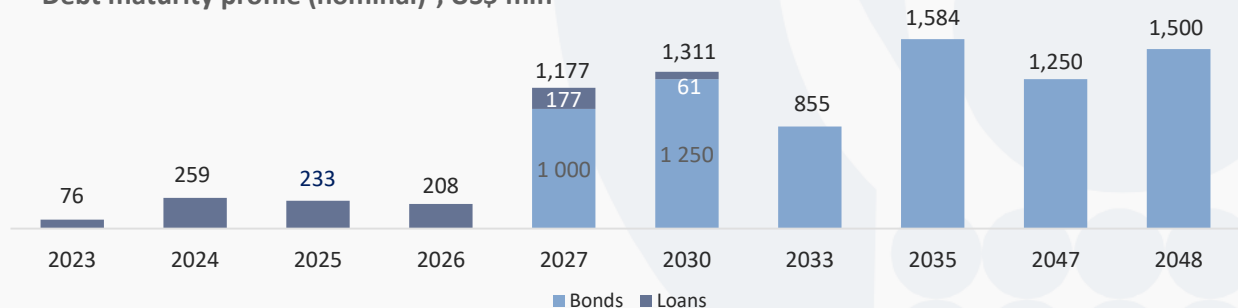
Debt and leverage, US\$ mln



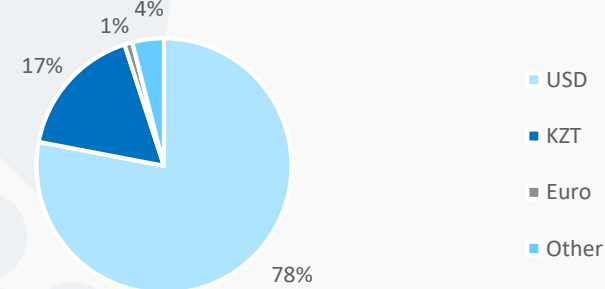
Debt movement, US\$ mln



Debt maturity profile (nominal)⁴, US\$ mln



Currency of borrowings, 30 September 2023



(1) Net debt = non-current borrowings plus current borrowings minus cash & cash equivalents minus short-term bank deposits minus long-term bank deposits.

(2) Debt at nominal value also includes guarantees.

(3) Other includes currency translation, foreign exchange gain/loss, interest expense, interest capitalized, additions and repayments of other companies' debt.

(4) Excludes KMG International credit lines, overdrafts and trade financing.

Note: Numbers may not sum due to rounding.



THANK YOU FOR YOUR ATTENTION

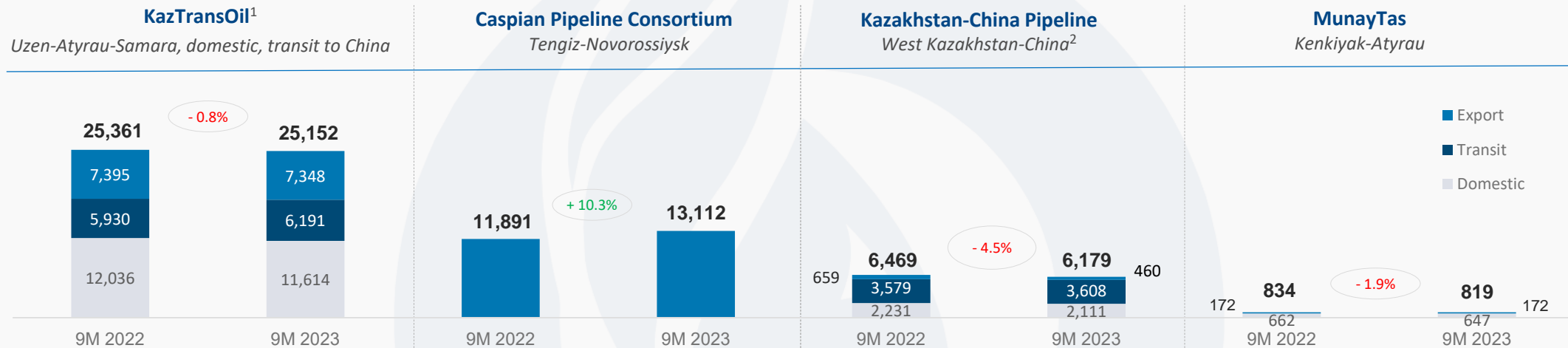
Website: www.kmg.kz

E-mail: ir@kmg.kz

Tel.: +7 7172 78 64 34

Midstream: Oil transportation turnover

Oil transportation turnover by directions (net to KMG), (mt*km)



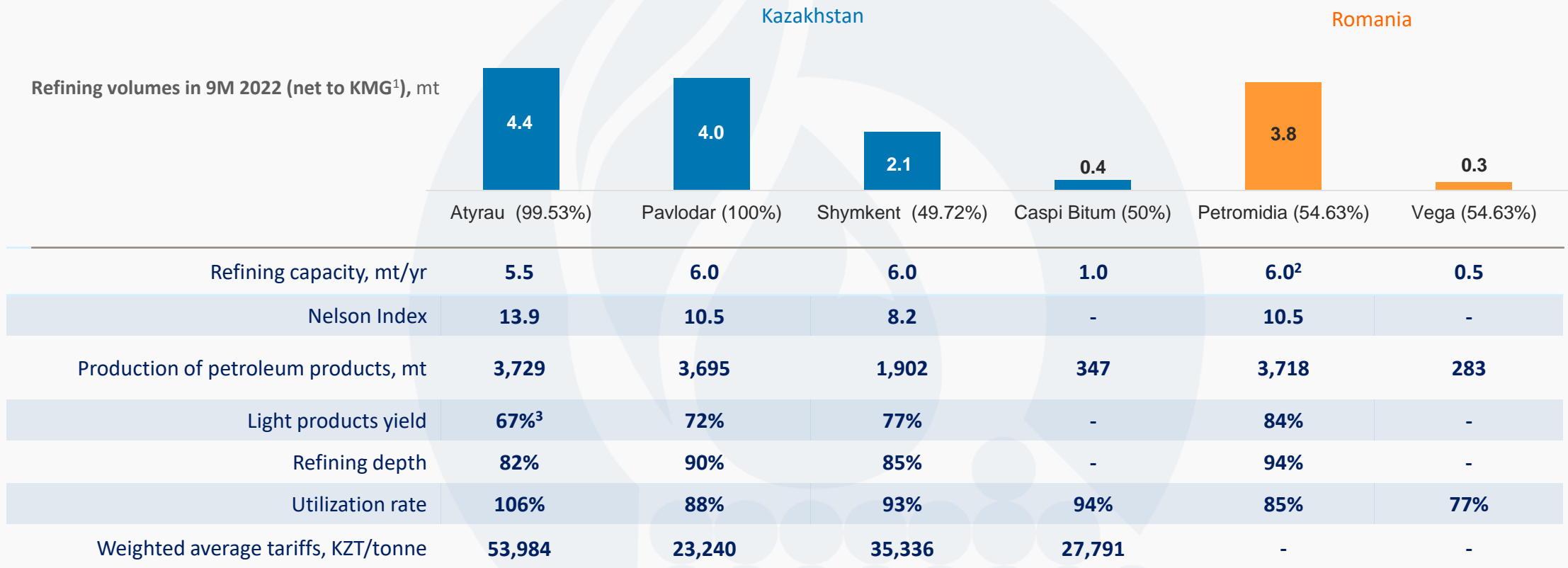
Weighted average oil transportation tariffs for 9M 2023

Company	Direction	UoM	Weighted Average tariffs	% change 9M 2022 vs 9M 2023
KazTransOil	Export	tn per 1,000 km	9,270 KZT	+ 15.7%
	Domestic	tn per 1,000 km	4,520 KZT	+ 19.1%
	Transit	per tonne	4.47 USD	+ 5.7%
Caspian Pipeline Consortium	Export	per tonne	36.00 USD	no change
Kazakhstan-China Pipeline	Export	tn per 1,000 km	6,799 KZT	no change
	Domestic	tn per 1,000 km	4,359 KZT	0.8%
	Transit	per tonne	10.77 USD	no change
MunayTas	Export	tn per 1,000 km	5,912 KZT	no change
	Domestic	tn per 1,000 km	5,912 KZT	no change

(1) Since KTO is fully operated by KMG, transportation volumes are being reported for 100%.

(2) Includes pipelines Atasu-Alashankou, Kenkiyak-Kumkol.

Downstream: Refining details



(1) Operating results are based on the following shares: Atyrau – 100%, Pavlodar – 100%, Shymkent – 50%, Caspi Bitum – 50%, Petromidia – 100%, Vega – 100%

(2) Design capacity includes refining 5 mln tonnes of oil and 1 mln tonnes of other hydrocarbons per year

(3) Light products yield includes benzene and paraxylene at Atyrau refinery.

EBITDA segmented, 9M 2023

<i>In US\$ mln</i>	UPSTREAM	MIDSTREAM	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	1,700	194	664	(34)	(64)	2,460
Share in profit of JVs and associates	908	179	112		48	1,248
Tengiz (20%)	770					
CPC (20.75%)		145				
MMG (50%)	89					
Petrosun (49%)			79			
KazRosGas (50%)					44	
KCP (50%)		31				
KOA (50%)	15					
Valsera (50%)			19			
PKI (33%)	17					
KGM (50%)	37					
Other	(19)	4	14		4	
EBITDA	2,608	374	776	(34)	(16)	3,708
<i>% of total</i>	70%	10%	21%	-1%	0%	100%

Note: Numbers may not sum due to rounding.

EBITDA segmented, 9M 2022

<i>In US\$ mln</i>	UPSTREAM	MIDSTREAM	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	1,768	170	656	169	(56)	2,706
Share in profit of JVs and associates	1,456	210	63		(32)	1,698
Tengiz (20%)	1,289					
CPC (20.75%)		178				
MMG (50%)	123					
Petrosun (49%)			27			
KazRosGas (50%)					7	
KCP (50%)		28				
KOA (50%)	15					
Valsera (50%)			18			
PKI (33%)	12					
KGM (50%)	32					
Other	(15)	4	18		(39)	
EBITDA	3,224	380	719	169	(88)	4,404
<i>% of total</i>	73%	9%	16%	4%	-2%	100%

Consolidated statement of comprehensive income

In KZT mln

	9M 2023	9M 2022	Change	Change, %
Revenue and other income				
Revenue from contracts with customers	6,087,389	6,775,524	(688,135)	-10%
Share in profit of joint ventures and associates, net	565,159	778,508	(213,349)	-27%
Income from disposal of subsidiary	186,225	-	186,225	-
Finance income	112,964	92,035	20,929	23%
Other operating income	47,822	14,303	33,519	234%
Total revenue and other income	6,999,559	7,660,370	(660,811)	-9%
Costs and expenses				
Cost of purchased oil, gas, petroleum products and other materials	(3,381,954)	(3,950,762)	568,808	-14%
Production expenses	(865,376)	(826,384)	(38,992)	5%
Taxes other than income tax	(432,608)	(508,309)	75,701	-15%
Depreciation, depletion and amortization	(441,317)	(374,882)	(66,435)	18%
Transportation and selling expenses	(176,463)	(144,630)	(31,833)	22%
General and administrative expenses	(116,603)	(104,311)	(12,292)	12%
Impairment of property, plant and equipment, exploration assets and intangible assets and exploration expenses	(200,778)	229	(201,007)	-87,776%
Finance costs	(233,690)	(227,621)	(6,069)	3%
Foreign exchange gain/(loss), net	67,992	(1,568)	69,560	-4,436%
Other expenses	(18,321)	(57,532)	39,211	-68%
Total costs and expenses	(5,799,118)	(6,195,770)	396,652	-6%
Profit before income tax	1,200,441	1,464,600	(264,159)	-18%
Income tax expenses	(251,448)	(303,264)	51,816	-17%
Net profit for the period	948,993	1,161,336	(212,343)	-18%

Consolidated statement of financial position

In KZT mln

	30 September 2023	31 December 2022	Change	Change, %
Assets				
Non-current assets				
Exploration and evaluation assets	184,823	251,280	(66,457)	-26%
Property, plant and equipment	7,045,053	6,989,837	55,216	1%
Investment property	17,238	17,304	(66)	-0.4%
Intangible assets	893,077	918,253	(25,176)	-3%
Right-of-use assets	115,505	76,567	38,938	51%
Investments in joint ventures and associates	5,513,494	4,947,403	566,091	11%
VAT receivable	25,050	16,760	8,290	49%
Advances for non-current assets	42,356	52,982	(10,626)	-20%
Other non-current non-financial assets	5,059	3,713	1,346	36%
Loans and receivables due from related parties	140,812	129,857	10,955	8%
Other non-current financial assets	23,830	10,672	13,158	123%
Long-term bank deposits	61,505	59,229	2,276	4%
Deferred income tax assets	44,062	41,598	2,464	6%
	14,111,864	13,515,455	596,409	4%
Current assets				
Inventories	391,057	309,425	81,632	26%
Trade accounts receivable	731,426	519,537	211,889	41%
VAT receivable	57,261	42,697	14,564	34%
Income tax prepaid	31,879	36,167	(4,288)	-12%
Other current non-financial assets	147,574	109,137	38,437	35%
Loans and receivables due from related parties	86,478	119,874	(33,396)	-28%
Other current financial assets	73,812	57,057	16,755	29%
Short-term bank deposits	702,278	1,178,138	(475,860)	-40%
Cash and cash equivalents	1,266,462	762,817	503,645	66%
	3,488,227	3,134,849	353,378	11%
Assets classified as held for sale	373	459	(86)	-19%
	3,488,600	3,135,308	353,292	11%
Total assets	17,600,464	16,650,763	949,701	6%

In KZT mln

	30 September 2023	31 December 2022	Change	Change, %
Equity and liabilities				
Equity				
Share capital	916,541	916,541	0	0%
Additional paid-in capital	1,142	1,142	0	0%
Other equity	(839)	(1,759)	920	-52%
Currency translation reserve	4,402,302	4,209,612	192,690	5%
Retained earnings	5,480,777	4,809,455	671,322	14%
Attributable to equity holders of the Parent Company	10,799,923	9,934,991	864,932	9%
Non-controlling interest	(85,216)	(61,541)	(23,675)	38%
Total equity	10,714,707	9,873,450	841,257	9%
Non-current liabilities				
Borrowings and bonds	3,647,106	3,775,891	(128,785)	-3%
Lease liabilities	101,583	65,872	35,711	54%
Other non-current financial liabilities	16,489	15,080	1,409	9%
Provisions	235,522	210,722	24,800	12%
Employee benefit liabilities	67,101	66,096	1,005	2%
Other non-current non-financial liabilities	38,507	41,548	(3,041)	-7%
Deferred income tax liabilities	1,174,022	999,010	175,012	18%
	5,280,330	5,174,219	106,111	2%
Current liabilities				
Trade accounts payable	703,303	564,906	138,397	24%
Borrowings and bonds	466,803	367,443	99,360	27%
Lease liabilities	17,435	15,682	1,753	11%
Other current financial liabilities	114,725	283,717	(168,992)	-60%
Provisions	28,136	58,107	(29,971)	-52%
Employee benefit liabilities	4,814	4,969	(155)	-3%
Income tax payable	25,166	66,648	(41,482)	-62%
Other taxes payable	124,495	148,477	(23,982)	-16%
Other current non-financial liabilities	120,550	93,145	27,405	29%
	1,605,427	1,603,094	2,333	0%
Total liabilities	6,885,757	6,777,313	108,444	2%
Total equity and liabilities	17,600,464	16,650,763	949,701	6%
Book value per ordinary share – tenge thousands	16.098	14.678	1.42	10%

Consolidated statement of cash flows – indirect method

In KZT mln

	9M 2023	9M 2022	Change	Change, %
Cash flows from operating activities				
Profit before income tax	1,200,441	1,464,600	(264,159)	-18%
Adjustments:				
Depreciation, depletion and amortization	441,317	374,882	66,435	18%
Impairment/(reversal of impairment) of property, plant and equipment, intangible assets and exploration expenses	200,778	(229)	201,007	-87,776%
Realized losses from derivatives on petroleum products	(451)	100,246	(100,697)	-100%
Finance income	(112,964)	(92,035)	(20,929)	23%
Finance costs	233,690	227,621	6,069	3%
Share in profit of joint ventures and associates, net	(565,159)	(778,508)	213,349	-27%
Movements in provisions	(10,335)	63,937	(74,272)	-116%
Net foreign exchange loss/(gain)	(65,781)	8,396	(74,177)	-883%
Profit from the sale of a subsidiary	(186,225)	-	(186,225)	-
(Recovery)/write off of inventories to net realizable value	912	10,705	(9,793)	-91%
(Gain)/loss on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net	(536)	1,387	(1,923)	-139%
Other adjustments	8,884	7,984	900	11%
Operating profit before working capital changes	1,144,571	1,388,986	(244,415)	-18%
Change in VAT receivable	(22,638)	7,484	(30,122)	-402%
Change in inventory	(75,000)	(104,690)	29,690	-28%
Change in trade accounts receivable and other current assets	(205,077)	(103,647)	(101,430)	98%
Change in trade and other payables and contract liabilities	131,118	17,993	113,125	629%
Change in other taxes payable	(56,450)	14,915	(71,365)	-478%
Cash generated from operating activities	916,524	1,221,041	(304,517)	-25%
Dividends received from joint ventures and associates	215,798	250,381	(34,583)	-14%
Income taxes paid	(114,055)	(84,192)	(29,863)	35%
Interest received	84,311	33,722	50,589	150%
Interest paid	(145,806)	(132,154)	(13,652)	10%
Net cash flow from operating activities	956,772	1,288,798	(332,026)	-26%

In KZT mln

	9M 2023	9M 2022	Change	Change, %
Cash flows from investing activities				
Placement of bank deposits	(1,018,100)	(961,876)	(56,224)	6%
Withdrawal of bank deposits	1,503,410	908,555	594,855	65%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	(498,042)	(292,923)	(205,119)	70%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	3,009	1,816	1,193	66%
Additional contributions to joint ventures without changes in ownership	(19,617)	(67)	(19,550)	29,179%
Acquisition of subsidiary	(163,770)	(1,022,663)	858,893	-84%
Proceeds from disposal of subsidiaries, net of cash disposed	94,624	-	94,624	-
Loans given to related parties	(29,950)	(39,402)	9,452	-24%
Proceeds from sale of notes of the National Bank of RK	13,600	12,958	642	5%
Acquisition of notes of the National Bank of RK	375,240	-	375,240	-
Other	(327,692)	(7,000)	(320,692)	4,581%
Net cash flows used in investing activities	975	(749)	1,724	-230%
Cash flows from investing activities	(66,313)	(1,401,351)	1,335,038	-95%
Cash flows from financing activities				
Proceeds from borrowings	288,560	877,566	(589,006)	-67%
Repayment of borrowings	(375,931)	(153,220)	(222,711)	145%
Dividends paid to shareholders	(300,002)	(199,997)	(100,005)	50%
Dividends paid to non-controlling interests	(1,566)	(1,020)	(546)	54%
Distributions to Samruk-Kazyna	(183)	(265,833)	265,650	-100%
Contribution from the related party	-	3,742	(3,742)	-100%
Other operations	(8,962)	-	(8,962)	-
Repayment of principal portion of lease liabilities	(18,233)	(16,075)	(2,158)	13%
Net cash flows from financing activities	(416,317)	245,163	(661,480)	-270%
Effects of exchange rate changes on cash and cash equivalents	29,511	98,601	(69,090)	-70%
Change in allowance for expected credit losses	(8)	111	(119)	-107%
Net change in cash and cash equivalents	503,645	231,322	272,323	118%
Cash and cash equivalents, at the beginning of the period	762,817	1,144,193	(381,376)	-33%
Cash and cash equivalents, at the end of the period	1,266,462	1,375,515	(109,053)	-8%

Consolidated statement of cash flows – direct method (not part of the financial statements, unaudited)

In KZT mln

	9M 2023	9M 2022	Change	Change, %
Cash flows from operating activities				
Proceeds from customers	6,701,092	7,520,547	(819,455)	-11%
Payments to suppliers	(4,058,781)	(4,633,712)	574,931	-12%
Other taxes and payments	(1,294,058)	(1,274,322)	(19,736)	2%
Dividends received from joint ventures and associates	215,798	250,381	(34,583)	-14%
Income tax payment	(114,055)	(84,192)	(29,863)	35%
Interest received	84,311	33,722	50,589	150%
Interest paid	(145,806)	(132,154)	(13,652)	10%
Employee payments	(350,837)	(296,839)	(53,998)	18%
Tax refund from the budget	3,025	12,254	(9,229)	-75%
Social Contributions and Mandatory Pension Contributions	(59,749)	(48,582)	(11,167)	23%
Other payments	(24,168)	(58,305)	34,137	-59%
Net cash flow from operating activities	956,772	1,288,798	(332,026)	-26%
Cash flows from investing activities				
Placement of bank deposits	(1,018,100)	(961,876)	(56,224)	6%
Withdrawal of bank deposits	1,503,410	908,555	594,855	65%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	(498,042)	(292,923)	(205,119)	70%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	3,009	1,816	1,193	66%
Proceeds from disposal of subsidiaries, net of cash disposed	94,624	0	94,624	-
Acquisition of subsidiary	(163,770)	(1,022,663)	858,893	-84%
Additional contributions to joint ventures without changes in ownership	(19,617)	(67)	(19,550)	29,179%
Loans given to related parties	(29,950)	(39,402)	9,452	-24%
Repayment of loans due from related parties	13,600	12,958	642	5%
Proceeds from sale of notes of the National Bank of RK	375,240		375,240	-
Acquisition of notes of the National Bank of RK	(327,692)	(7,000)	(320,692)	4,581%
Other	975	(749)	1,724	-230%
Cash flows from investing activities	(66,313)	(1,401,351)	1,335,038	-95%
Cash flows from financing activities				
Proceeds from borrowings	288,560	877,566	(589,006)	-67%
Repayment of borrowings	(375,931)	(153,220)	(222,711)	145%
Dividends paid to shareholders	(300,002)	(199,997)	(100,005)	50%
Dividends paid to non-controlling interests	(1,566)	(1,020)	(546)	54%
Distributions to Samruk-Kazyna	(183)	(265,833)	265,650	-100%
Contribution from the related party		3,742	(3,742)	-100%
Other operations	(8,962)		(8,962)	-
Repayment of principal portion of lease liabilities	(18,233)	(16,075)	(2,158)	13%
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