



ҚазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

NATIONAL COMPANY
KAZMUNAYGAS

1Q2022 OPERATIONAL AND FINANCIAL RESULTS



Dauren Karabayev
Deputy Chairman for Economics and Finance
7 June 2022

Disclaimer

Forward-looking statements

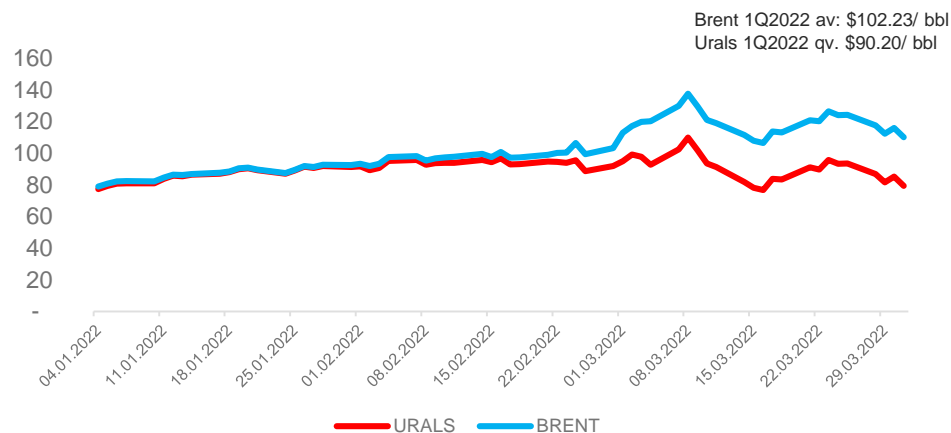
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Macroeconomic environment

Dated Brent and Urals in 1Q 2022, US\$ pb¹



- In 1Q 2022, average **Dated Brent up** by 67.3% YoY
- Spread between **Brent and Urals** on 31 March 2022 – \$30.7/ bbl

Kazakhstan's macroeconomic indicators²

Indicators	1Q2021	1Q2022
GDP growth, %	-1.6	4.4
Inflation, % (YoY)	7.0	13.2
Base rate, %	9.00	14.00

FX rate	1Q2021	1Q2022
USDKZT, average	419.94	457.41
USDKZT, end-of period	424.89	466.31

Moody's	S&P	Fitch
Baa1	BBB+	BBB+
Baa2 (Stable) Baa2 (Stable)	BBB	BBB (Stable)
Baa3	BBB- (Stable)	BBB- (Stable)
Ba1	BB+	BB+
Ba2	BB (Negative)	BB
Ba3	BB-	BB-

Investment grade

- **Kazakhstan sovereign credit ratings**
- **KMG credit rating**

(1) Brent dated, source: S&P Global Platts.

(2) Official statistics, source: Committee on Statistics, National Bank of Kazakhstan.

Highlights

	1Q2021	1Q2022
Oil and gas condensate	443 kbopd (5.3 mt)	458 kbopd (5.5 mt)
Oil transportation	18.3 mt	18.3 mt
Refining volumes	4.7 mt	4.6 mt
EBITDA ¹	USD 758 mln	USD 971 mln
Adj. EBITDA ¹	USD 420 mln	USD 392 mln
FCF ²	USD 83 mln	USD (88) mln
Cash CAPEX ³	USD 194 mln	USD 167 mln
Net debt	USD 5,104 mln	USD 4,694 mln

- On 23 April 2022 CPC Marine Terminal resumed into normal operation after repairs due to damages caused by bad weather on 21 and 22 March 2022.
- On 15 April 2022 Magzum Mirzagaliyev was appointment as CEO of KMG.
- Since the beginning of 2022 KMG's Board of Directors and Management Board had some changes. As of today the Board of Directors consists of 8 persons and Management Board consists of 5 people.

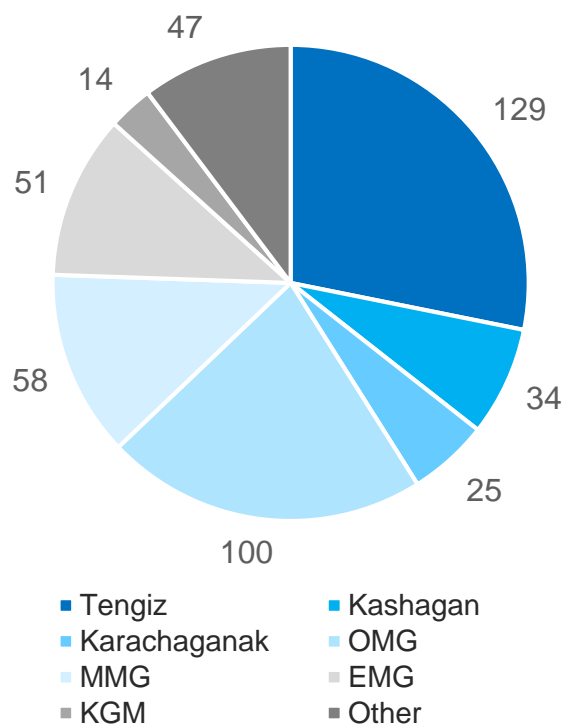
(1) Does not include KTG financial results. For more information, please, refer to Note 4 (discontinued operations) in the Consolidated Financial Statements.

(2) Includes 1Q2021 cash inflows and outflows from discontinued operations (KTG).

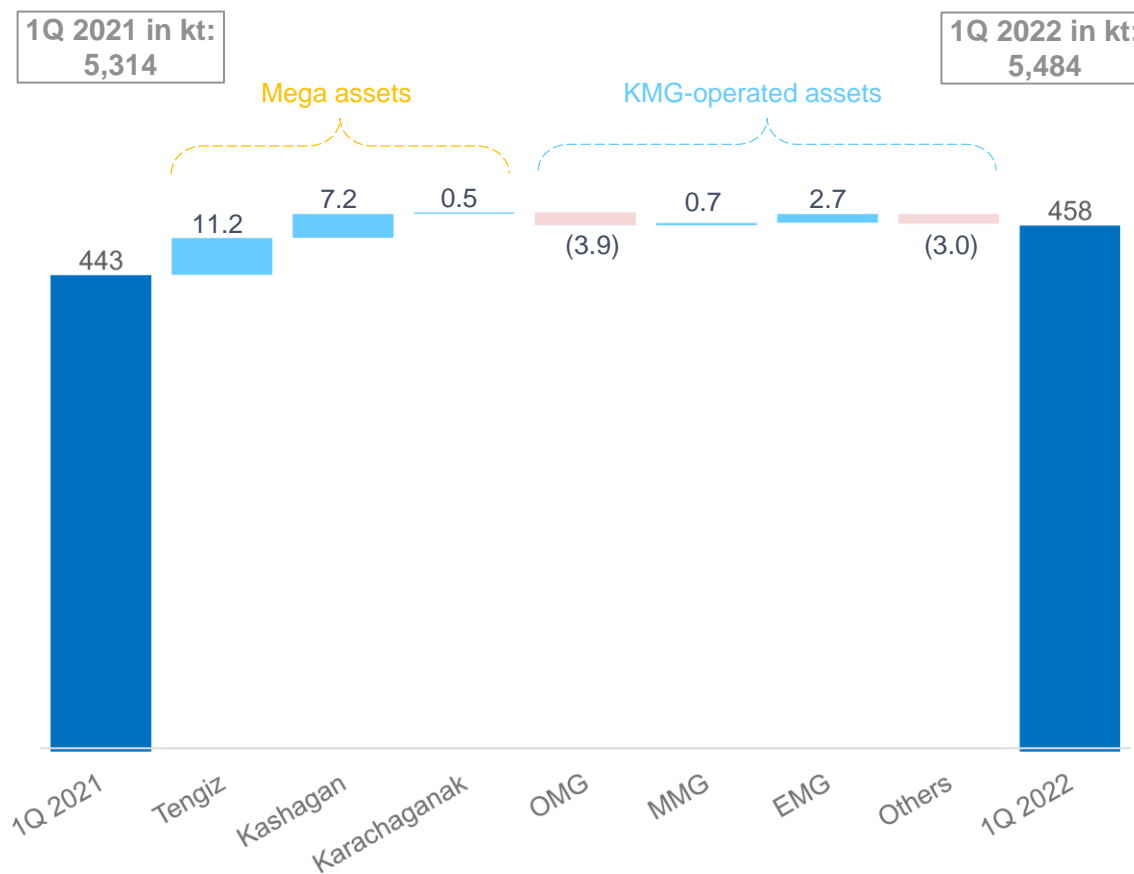
(3) Includes 1Q2021 cash capex of KTG.

Upstream

1Q 2022 production: 458 kbopd¹
(breakdown by assets)

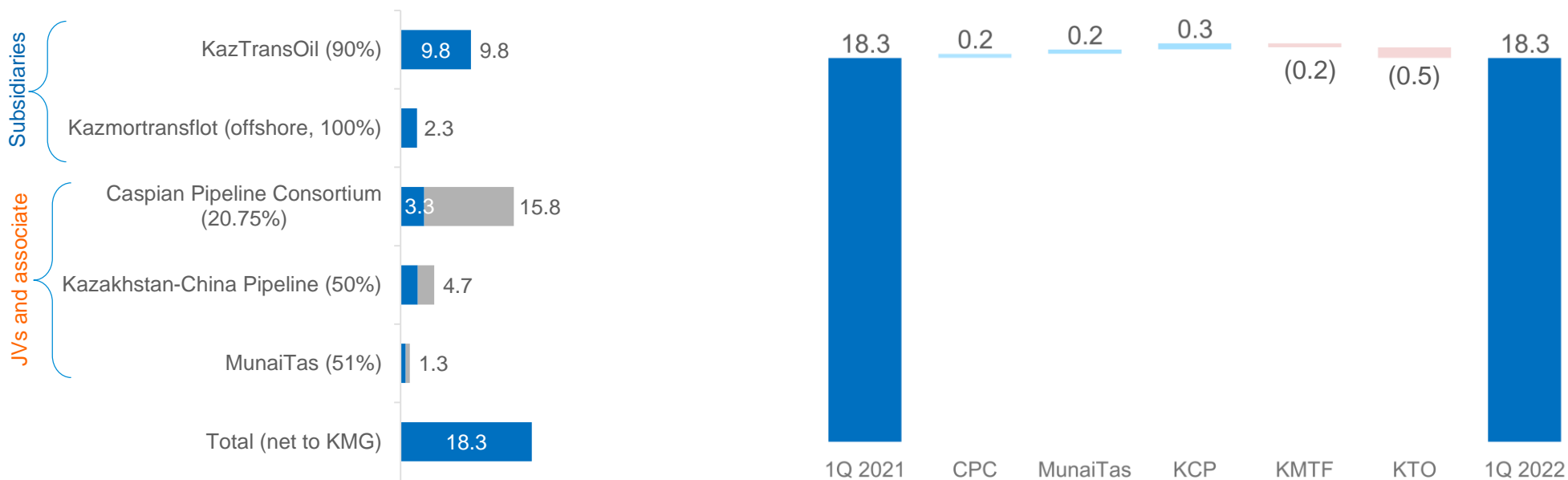


YoY changes in Upstream, kbopd



Midstream

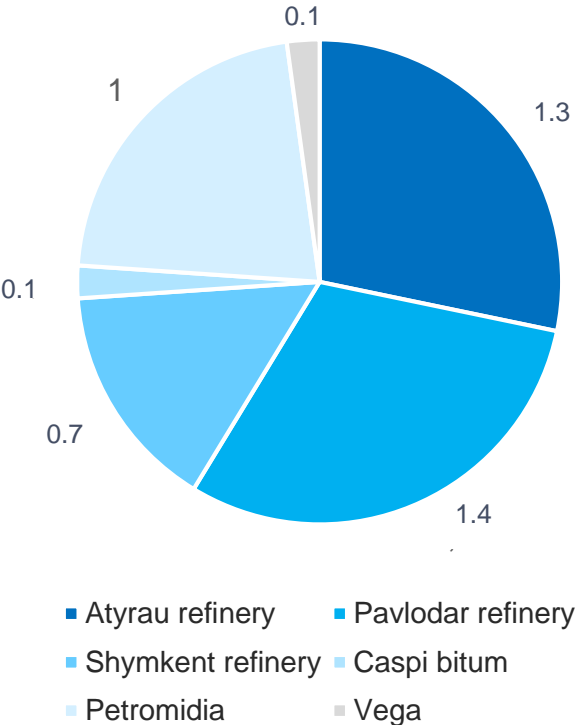
1Q 2021 breakdown of oil transportation by companies on gross basis, mt



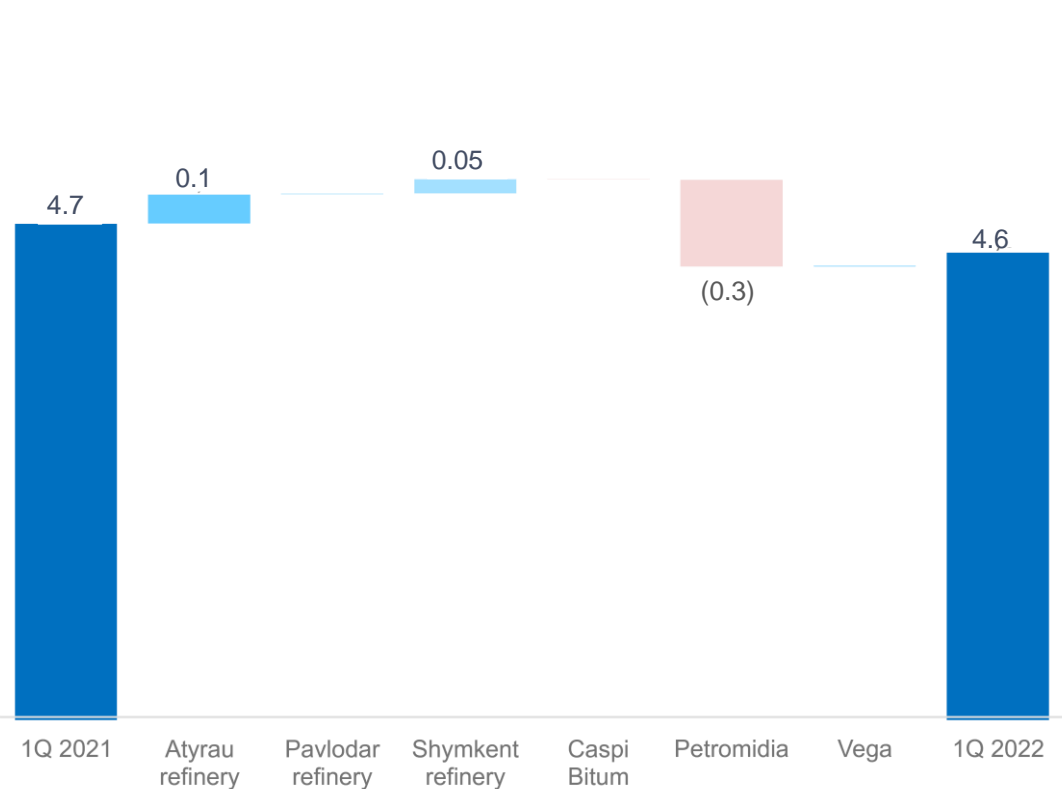
(1) Since KTO is fully operated by KMG, transportation volumes are being reported for 100%.

Downstream

1Q 2022 refining volume (net to KMG):
4.6 mt (breakdown by assets)

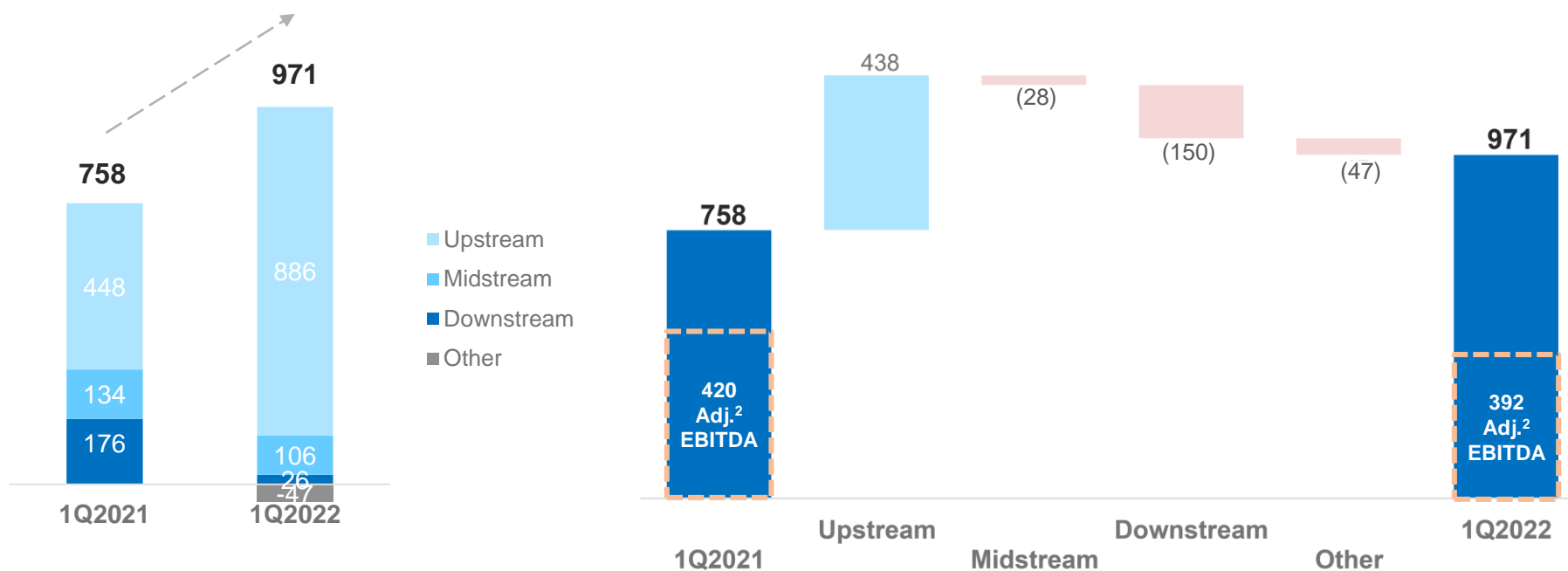


YoY changes in Downstream, mt



Change in EBITDA by segments, 1Q2022 vs. 1Q2021

EBITDA¹ by segments, US\$ mln (1Q2022 vs. 1Q2021)



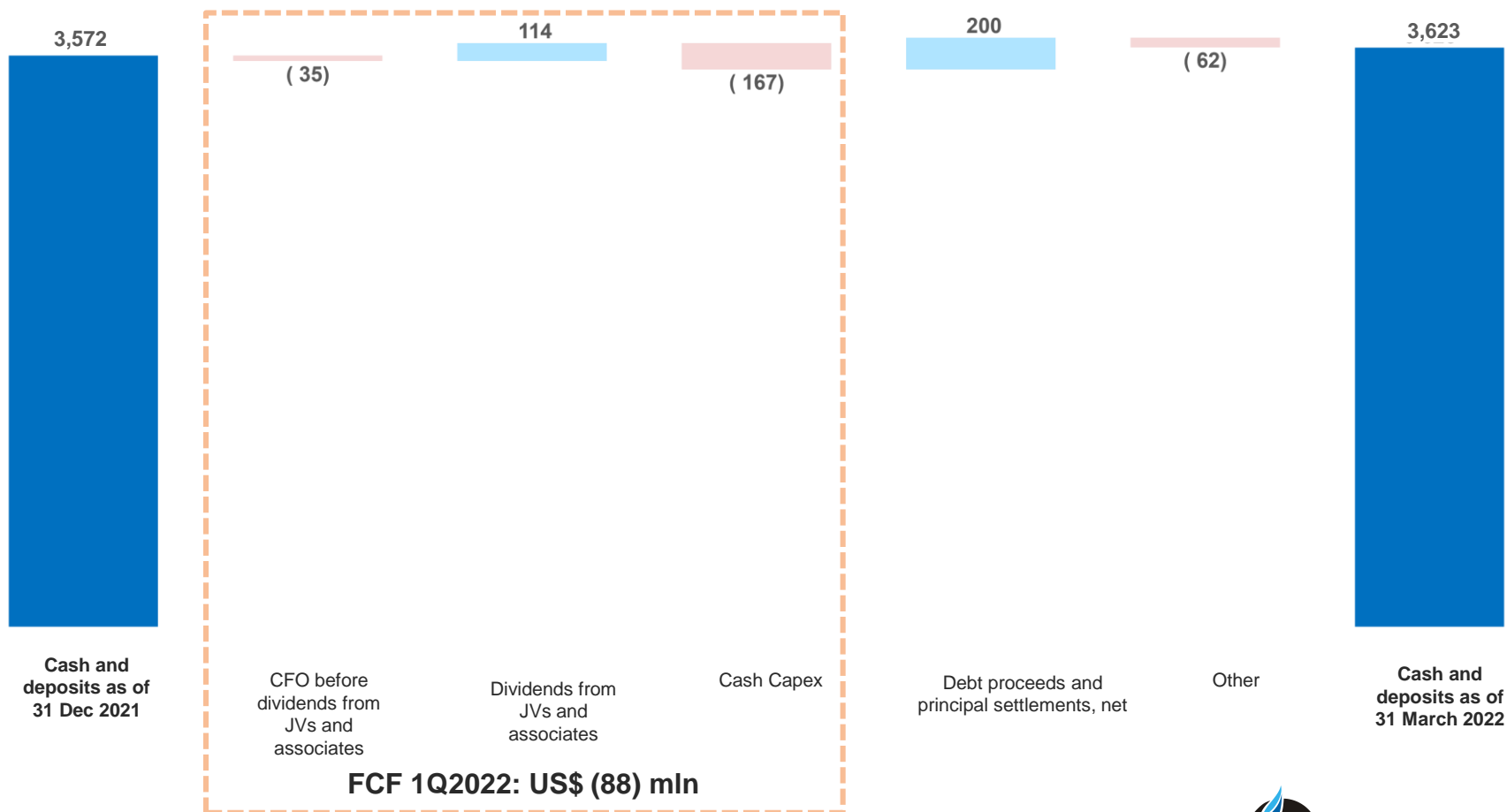
(1) EBITDA = revenue plus share in profit of JVs and associates, net, minus cost of purchased oil, gas petroleum products and other materials minus production expenses minus G&A expenses minus transportation and selling expenses minus taxes other than income tax.

(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.

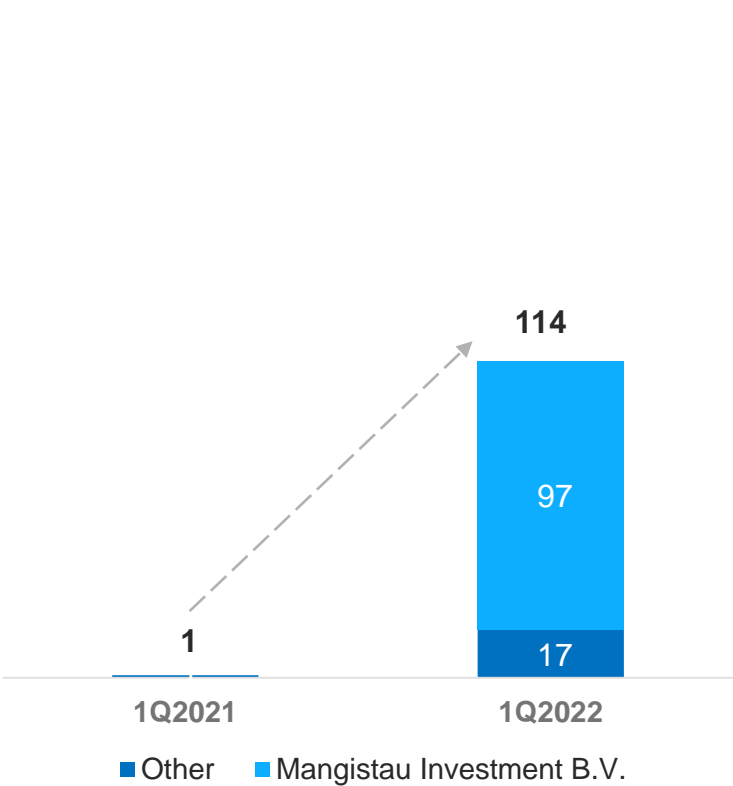
Cash sources and uses & FCF

Cash sources and uses, US\$ mln

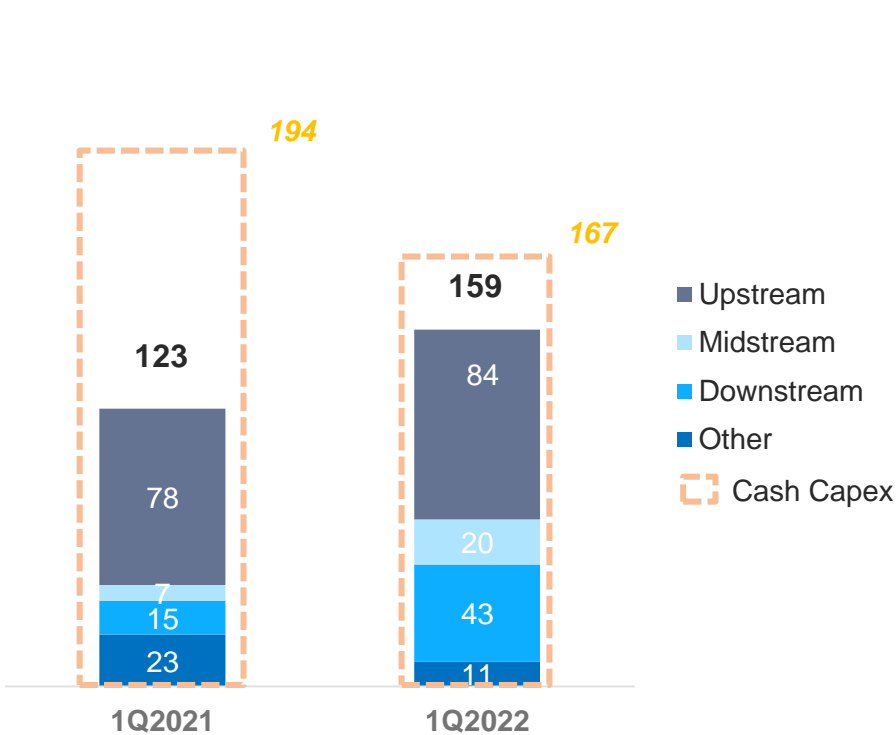


Dividends and capex

Dividends from JVs and associates¹, US\$ mn



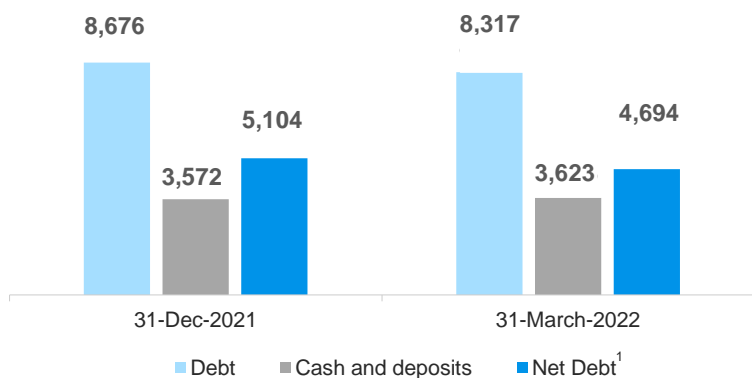
CAPEX (accrual basis)¹, US\$ mn



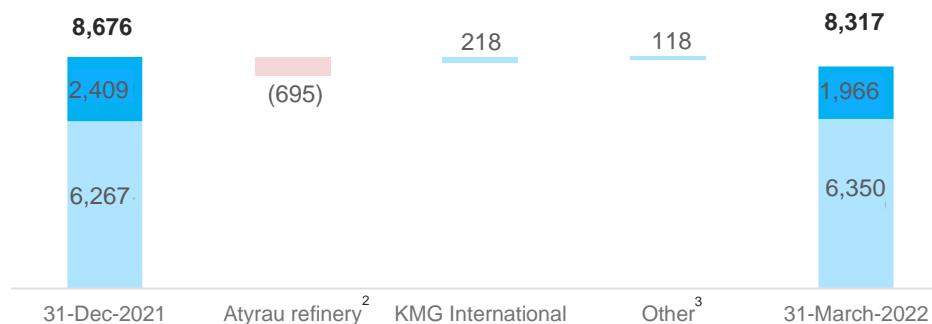
(1) Capex on accrual basis does not include 1Q2021 capex of KTG.
 Note: Numbers may not sum due to rounding.

Debt profile

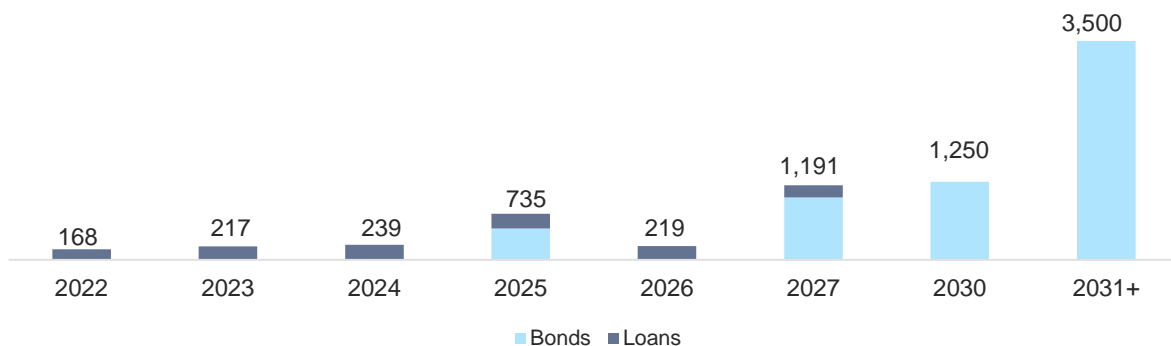
Debt and leverage, US\$ mln



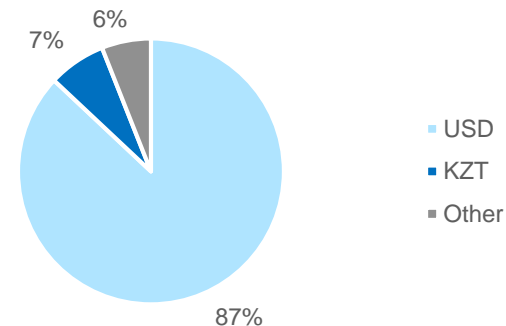
Debt movement, US\$ mn



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



Currency of borrowings, 31 March 2022



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

(2) Including early repayment of the US\$ 581 principal amount of Eximbank loan

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

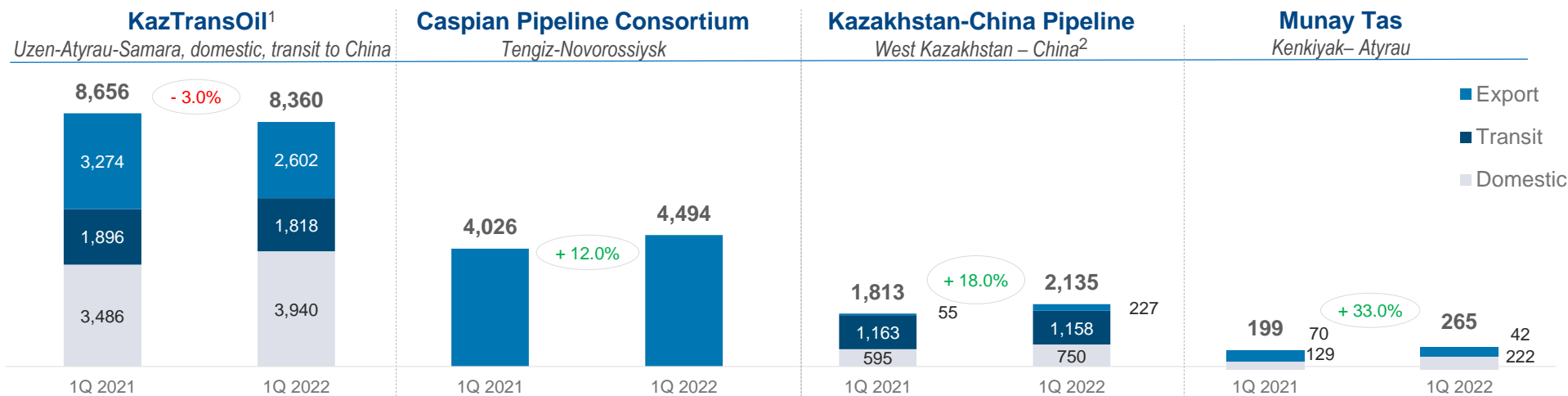
(4) Excludes KMG International credit lines, overdrafts and trade financing.

Note: Numbers may not sum due to rounding.

Appendix

Midstream: Oil transportation turnover

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



Oil transportation tariffs for 1Q 2022

Company	Direction	UoM	Weighted Average tariffs	% change 1Q 2022 vs 1Q 2021
KazTransOil	Export	tn per 1,000 km	7,358.8 KZT	no change
	Domestic	tn per 1,000 km	3,728.8 KZT	- 14.4%
	Transit	per tonne	4.23 USD	no change
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	4,359.4 KZT	0.8%
	Transit	per tonne	10.77 USD	no change
Munay Tas	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

Refining volumes in 1Q 2022 (net to KMG¹), mt

	Kazakhstan			Romania		
	1.3	1.4	0.7	0.1	1.0	0.1
	Atyrau (99.53%)	Pavlodar (100%)	Shymkent (49.72%)	Caspi Bitum (50%)	Petromidia (54.63%)	Vega (54.63%)
Refining capacity, mt/yr	5.5	6.0	6.0	1.0	6.0 ²	0.5
Nelson Index	13.9	10.5	8.2	–	10.5	–
Light products yield	60% ³	72%	77%	–	86%	–
Refining depth	77%	84%	83%	–	95%	–
Utilization rate	96%	93%	97%	56%	65%	56%
Weighted average tariffs, KZT/tonne	42,515	23, 240	35,336	24,860	–	–

(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, 1Q2022

<i>In US\$ mm</i>	UPSTREAM	MIDSTREAM	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	258	49	25	74	(128)	278
Share in profit of JVs and associates	628	57	1	0	7	693
Tengiz (20%)	437					
CPC (20.75%)		49				
Kashagan (8.44%)	97					
MMG (50%)	76					
KazRosGas (50%)					5	
KCP (50%)		6				
KOA (50%)	5					
Valsera (50%)			(3)			
PKI (33%)	8					
KGM (50%)	10					
Other	(5)	2	4	0	1	
EBITDA	886	106	26	74	(121)	971
<i>% of total</i>	<i>91%</i>	<i>11%</i>	<i>3%</i>	<i>8%</i>	<i>-13%</i>	<i>100%</i>

EBITDA segmented, 1Q2021

<i>In US\$ mm</i>	UPSTREAM	MIDSTREAM	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	183	74	166	35	(39)	419
Share in profit of JVs and associates	265	60	10	0	3	338
Tengiz (20%)	213					
CPC (20.75%)		52				
Kashagan (8.44%)	20					
MMG (50%)	29					
KazRosGas (50%)						4
KCP (50%)		6				
KOA (50%)	2					
Valsera (50%)				9		
PKI (33%)	5					
KGM (50%)	1					
Other	(4)	1	1	0	(1)	
EBITDA	448	134	176	35	(36)	758
<i>% of total</i>	<i>59%</i>	<i>18%</i>	<i>23%</i>	<i>5%</i>	<i>-5%</i>	<i>100%</i>

Consolidated statement of comprehensive income

In KZT mln

	1Q 2022	1Q 2021	Change	Change, %
Revenue and other income				
Revenue	1,957,153	1,192,444	764,709	64%
Share in profit of joint ventures and associates, net	316,836	142,119	174,717	123%
Finance income	22,319	16,010	6,309	39%
Other operating income	7,144	10,217	(3,073)	-30%
Total revenue and other income	2,303,452	1,360,790	942,662	69%
Costs and expenses				
Cost of purchased oil, gas, petroleum products and other materials	(1,465,682)	(728,167)	(737,515)	101%
Production expenses	(190,397)	(143,794)	(46,603)	32%
Taxes other than income tax	(109,675)	(88,012)	(21,663)	25%
Depreciation, depletion and amortization	(83,234)	(79,108)	(4,126)	5%
Transportation and selling expenses	(31,568)	(30,509)	(1,059)	3%
General and administrative expenses	(32,614)	(25,845)	(6,769)	26%
(Impairment) of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale/reverse of impairment	(47)	6	(53)	-883%
Exploration expenses	0	(19,800)	19,800	-100%
Finance costs	(83,703)	(58,218)	(25,485)	44%
Net foreign exchange gain	69,574	2,642	66,932	2,533%
Other expenses	(6,032)	(5,362)	(670)	12%
Total costs and expenses	(1,933,378)	(1,176,167)	(757,211)	64%
Profit before income tax	370,074	184,623	185,451	100%
Income tax expenses	(82,643)	(42,324)	(40,319)	95%
Profit for the year from continuing operations	287,431	142,299	145,132	102%
Discontinued operations				
Profit after income tax for the year from discontinued operations	0	143,821	(143,821)	-100%
Net profit for the year	287,431	286,120	1,311	0%
Net profit/(loss) for the year attributable to:				
Equity holders of the Parent Company	311,861	286,703	25,158	9%
Non-controlling interest	(24,430)	(583)	(23,847)	4,090%
	287,431	286,120	1,311	0%

Consolidated statement of financial position

In KZT mln

	31 March 2022	31 December 2021	Change	Change, %
Assets				
Non-current assets				
Property, plant and equipment	3,492,680	3,405,980	86,700	3%
Right-of-use assets	45,032	40,551	4,481	11%
Exploration and evaluation assets	44,937	43,541	1,396	3%
Investment property	18,092	19,711	(1,619)	-8%
Intangible assets	186,121	182,222	3,899	2%
Long-term bank deposits	60,124	56,058	4,066	7%
Investments in joint ventures and associates	7,307,157	6,550,384	756,773	12%
Deferred income tax assets	37,436	34,035	3,401	10%
VAT receivable	11,888	11,972	(84)	-1%
Advances for non-current assets	44,847	40,845	4,002	10%
Loans and receivables due from related parties	153,391	142,394	10,997	8%
Other non-current financial assets	11,946	13,248	(1,302)	-10%
Other non-current non-financial assets	5,603	4,784	819	17%
	11,419,254	10,545,725	873,529	8%
Current assets				
Inventories	279,012	259,497	19,515	8%
VAT receivable	26,609	24,845	1,764	7%
Income tax prepaid	26,711	24,900	1,811	7%
Trade accounts receivable	652,760	418,255	234,505	56%
Short-term bank deposits	572,501	510,513	61,988	12%
Loans and receivables due from related parties	497,239	485,765	11,474	2%
Other current financial assets	113,331	329,503	(216,172)	-66%
Other current non-financial assets	91,360	76,614	14,746	19%
Cash and cash equivalents	1,056,598	975,849	80,749	8%
	3,316,121	3,105,741	210,380	7%
Assets classified as held for sale	404	795	(391)	-49%
	3,316,525	3,106,536	209,989	7%
Total assets	14,735,779	13,652,261	1,083,518	8%
Equity and liabilities				
Equity				
Share capital	916,541	916,541	0	0%
Additional paid-in capital	1,142	1,142	0	0%
Other equity	1,646	10,113	(8,467)	-84%
Currency translation reserve	2,635,748	2,260,533	375,215	17%
Retained earnings	5,371,139	5,059,634	311,505	6%
Attributable to equity holders of the Parent Company	8,926,216	8,247,963	678,253	8%
Non-controlling interest	(113,393)	(89,282)	(24,111)	27%
Total equity	8,812,823	8,158,681	654,142	8%
Non-current liabilities				
Borrowings	3,513,797	3,261,347	252,450	8%
Provisions	227,079	222,936	4,143	2%
Deferred income tax liabilities	631,782	545,763	86,019	16%
Lease liabilities	39,591	36,106	3,485	10%
Other non-current financial liabilities	16,393	15,915	478	3%
Other non-current non-financial liabilities	38,218	39,229	(1,011)	-3%
	4,466,860	4,121,296	345,564	8%
Current liabilities				
Borrowings	364,328	484,980	(120,652)	-25%
Provisions	20,209	22,309	(2,100)	-9%
Income tax payable	12,150	6,882	5,268	77%
Trade accounts payable	692,139	519,201	172,938	33%
Other taxes payable	132,799	126,424	6,375	5%
Lease liabilities	9,056	8,988	68	1%
Other current financial liabilities	105,327	69,231	36,096	52%
Other current non-financial liabilities	120,088	134,269	(14,181)	-11%
	1,456,096	1,372,284	83,812	6%
Total liabilities	5,922,956	5,493,580	429,376	8%
Total equity and liabilities	14,735,779	13,652,261	1,083,518	8%
Book value per ordinary share – Tenge thousands	14.139	13.074	1.07	8%

Consolidated statement of cash flows – indirect

In KZT mln	1Q 2022	1Q 2021	Change	Change, %
Cash flows from operating activities				
Profit before income tax from continuing operations	370,074	184,623	185,451	100%
Profit before income tax from discontinued operations	0	154,758	(154,758)	-100%
Profit before income tax	370,074	339,381	30,693	9%
Adjustments:				
Depreciation, depletion and amortization	83,234	79,108	4,126	5%
Depreciation, depletion and amortization from discontinued operations	0	18,995	(18,995)	-100%
(Impairment) of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale/(reversal of impairment)	47	(6)	53	-883%
Exploration expenses	0	19,800	(19,800)	-100%
Unrealized losses from derivatives on petroleum products	15,018	0	15,018	
Realized losses from derivatives on petroleum products	45,015	2,060	42,955	2,085%
Finance income	(22,319)	(16,010)	(6,309)	39%
Finance income from discontinued operations	0	(5,538)	5,538	-100%
Finance costs	83,703	58,218	25,485	44%
Finance costs from discontinued operations	0	9,801	(9,801)	-100%
Share in profit of joint ventures and associates, net	(316,836)	(142,119)	(174,717)	123%
Share in profit of joint ventures and associates from discontinued operations, net	0	(75,607)	75,607	-100%
Movements in provisions	6,117	(2,463)	8,580	-348%
Net foreign exchange gain	(55,256)	(831)	(54,425)	6,549%
Allowance for obsolete inventories	12	1,573	(1,561)	-99%
Loss/(gain) on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net	401	(7,034)	7,435	-106%
Other adjustments	1,281	1,167	114	10%
Operating profit before working capital changes	210,491	280,495	(70,004)	-25%
Change in VAT receivable	(1,489)	48,926	(50,415)	-103%
Change in inventory	(38,683)	(14,584)	(24,099)	165%
Change in trade accounts receivable and other assets	(248,770)	(250,791)	2,021	-1%
Change in trade and other payables and contract liabilities	104,778	69,300	35,478	51%
Change in other taxes payable	1,287	16,340	(15,053)	-92%
Cash generated from operations	27,614	149,686	(122,072)	-82%
Dividends received from joint ventures and associates	52,258	380	51,878	13,652%
Net receipt of derivative instruments	0	1,911	(1,911)	-100%
Income taxes paid	(35,630)	(18,507)	(17,123)	93%
Interest received	7,021	8,759	(1,738)	-20%
Interest paid	(15,132)	(25,871)	10,739	-42%
Net cash flow from operating activities	36,131	116,358	(80,227)	-69%
Cash flows from investing activities				
Placement of bank deposits	(83,218)	(69,465)	(13,753)	20%
Withdrawal of bank deposits	58,096	85,400	(27,304)	-32%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	(76,312)	(81,632)	5,320	-7%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	550	27,508	(26,958)	-98%
Additional contributions to joint ventures without changes in ownership	(67)	(1,716)	1,649	-96%
Loans given to related parties	(470)	(6,639)	6,69	-93%
Other	(803)	(296)	(507)	171%
Net cash flows used in investing activities	(102,224)	(46,840)	(55,384)	118%
Cash flows from financing activities				
Proceeds from borrowings	135,445	121,201	14,244	12%
Repayment of borrowings	(43,785)	(162,757)	118,972	-73%
Dividends paid to non-controlling interests	(8)	0	(8)	
Distribution to Samruk-Kazyna	(485)	(600)	115	-19%
Payment of principal lease liabilities	(3,798)	(5,507)	1,709	-31%
Net cash flows used in financing activities	87,369	(47,663)	135,032	283%
Effects of exchange rate changes on cash and cash equivalents	59,347	6,536	52,811	808%
Change in allowance for expected credit losses	126	1	125	12,500%
Net change in cash and cash equivalents	80,749	28,392	52,357	184%
Cash and cash equivalents, at the beginning of the period	975,849	1,145,864	(170,015)	-15%
Cash and cash equivalents, at the end of the period	1,056,598	1,174,256	(117,658)	-10%

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

In KZT mln

	1Q 2022	1Q 2021	Change	Change, %
Cash flows from operating activities				
Receipts from customers	1,920,875	1,517,441	403,434	27%
Payments to suppliers	(1,429,741)	(1,018,348)	(411,393)	40%
Other taxes and payments	(345,319)	(291,589)	(53,730)	18%
Dividends received from joint ventures and associates	52,258	380	51,878	13,652%
Income taxes paid	(35,630)	(18,507)	(17,123)	93%
Interest received	7,021	8,759	(1,738)	-20%
Interest paid	(15,132)	(25,871)	10,739	-42%
Payments to employees	(86,098)	(87,231)	1,133	-1%
Taxes received from Tax authorities	966	61,157	(60,191)	-98%
Social payments and pension funds	(15,848)	(15,066)	(782)	5%
Other receipts/(payments)	(17,221)	(14,767)	(2,454)	17%
Net cash flow from operating activities	36,131	116,358	(80,227)	-69%
Cash flows from investing activities				
Placement of bank deposits	(83,218)	(69,465)	(13,753)	-20%
Withdrawal of bank deposits	58,096	85,400	(27,304)	-32%
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	(76,312)	(81,632)	5,320	-7%
Proceeds from sale of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	550	27,508	(26,958)	-98%
Additional contributions to joint ventures without changes in ownership	(67)	(1,716)	1,649	-96%
Loans given to related parties	(470)	(6,639)	6,169	-93%
Other payments	(803)	(296)	(507)	171%
Net cash flows used in investing activities	(102,224)	(46,840)	(55,384)	118%
Cash flows from financing activities				
Proceeds from borrowings	135,445	121,201	14,244	12%
Repayment of borrowings	(43,785)	(162,757)	118,972	-73%
Dividends paid to non-controlling interests	(8)	0	(8)	
Distribution to Samruk-Kazyna	(485)	(600)	115	-19%
Payment of principal lease liabilities	(3,798)	(5,507)	1,709	-31%
Net cash flows used in financing activities	87,369	(47,663)	135,032	-283%
Effects of exchange rate changes on cash and cash equivalents	59,347	6,536	52,811	808%
Change in allowance for expected credit losses	126	1	125	12,500%
Net change in cash and cash equivalents	80,749	28,392	52,357	184%
Cash and cash equivalents, at the beginning of the year	975,849	1,145,864	(170,015)	-15%
Cash and cash equivalents, at the end of the period	1,056,598	1,174,256	(117,658)	-10%