



ҚазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

NATIONAL COMPANY
KAZMUNAYGAS

1H2022 OPERATIONAL AND FINANCIAL RESULTS



Dauren Karabayev
Deputy Chairman for Economics and Finance
23 August 2022

Disclaimer

Forward-looking statements

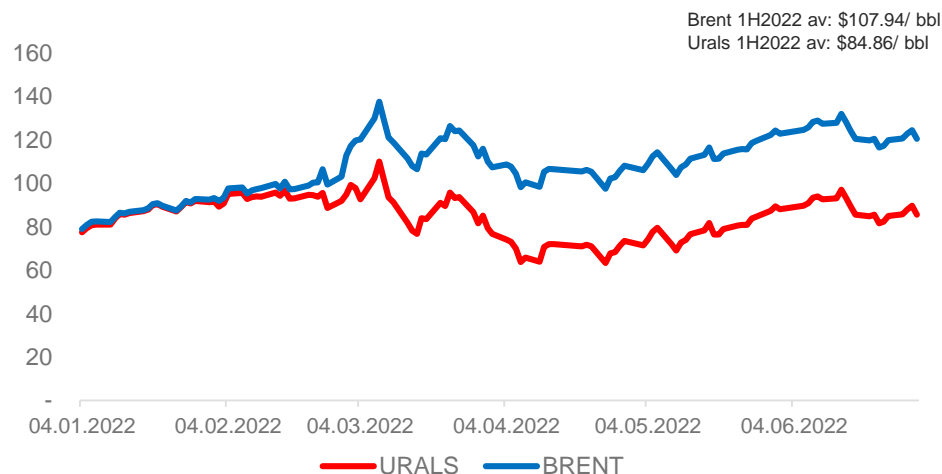
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Macroeconomic environment

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



- In 1H 2022, average **Dated Brent up** by 66.1% YoY
- Spread between **Brent and Urals** on 30 June 2022 – \$34.9/ bbl

Kazakhstan's macroeconomic indicators²

Indicators	1H2021	1H2022
GDP growth, %	2.2	3.4
Inflation, % (YoY)	7.9	15.0
Base rate, %	9.00	14.50

FX rate	1H2021	1H2022
USDKZT, average	424.22	450.06
USDKZT, end-of period	427.89 ³	470.34

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.

(3) USD/KZT exchange rate as of 31 December 2021 – 431.80

Highlights

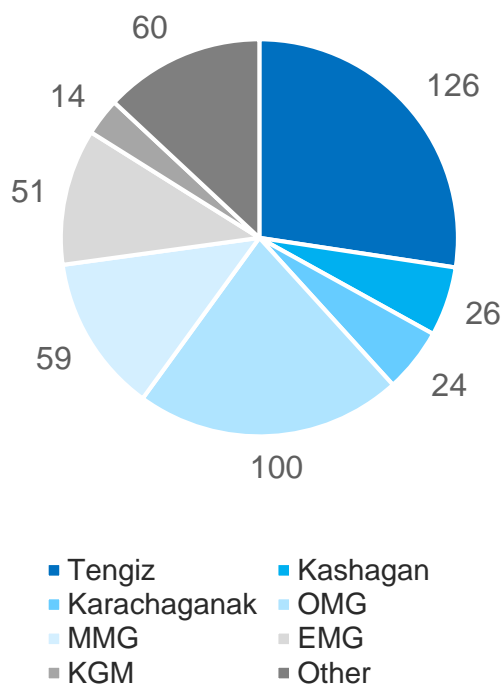
	1H 2021	1H 2022
Oil and gas condensate	445 kbopd (10.7 mt)	447 kbopd (10.8 mt)
Oil transportation	36.9 mt	37.2 mt
Refining volumes	9.7 mt	9.7 mt
EBITDA	USD 1,767 mn	USD 2,486 mn
FCF	USD 685 mn	USD 417 mn
Cash CAPEX	USD 361 mn	USD 370 mn
Net debt	USD 5,104 mn ¹	USD 4,872 mn

- 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 8 people.
- On 20 June 2022 KMG paid dividends to Samruk-Kazyna and National Bank in the amount of 200 bn tenge.
- On 13 June 2022, the Company completed the acquisition of a 49.5% stake in Kazakhstan Petrochemical Industries Inc. LLP, which is implementing a large-scale project for the construction of a polypropylene plant.

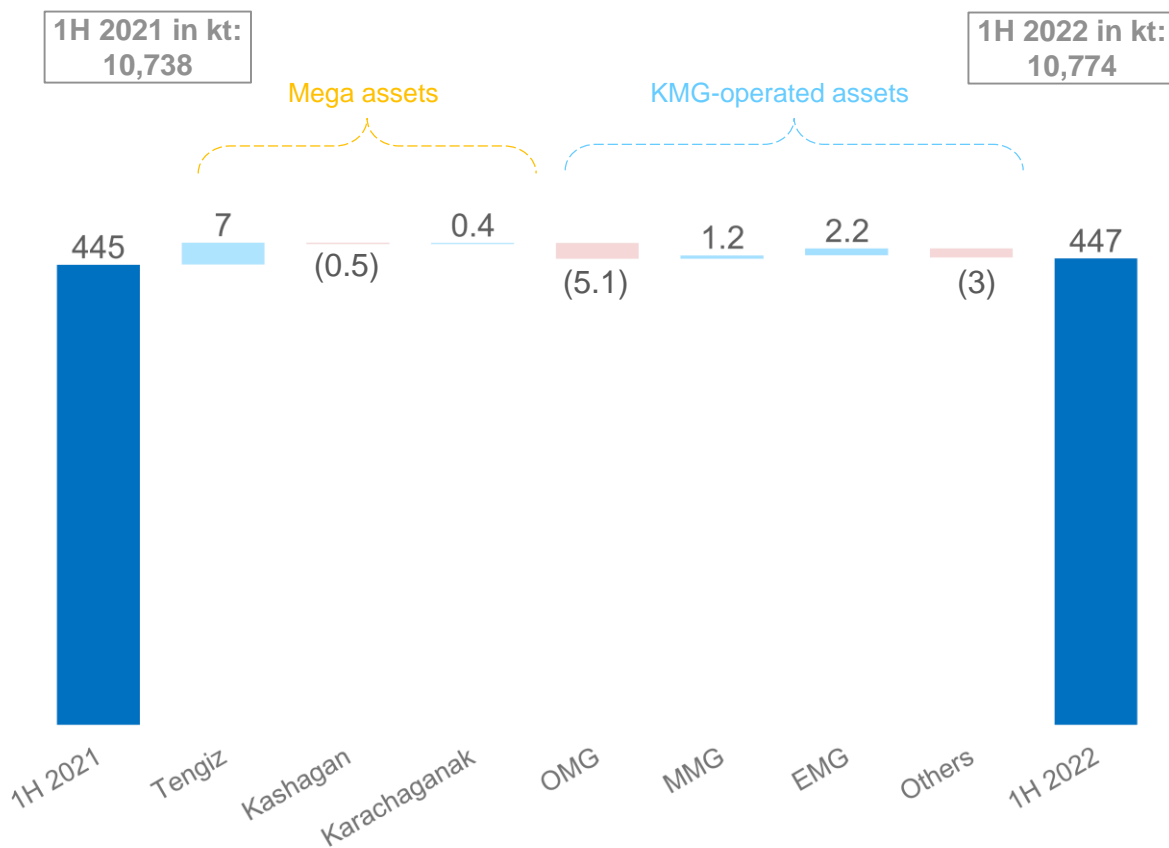
(1) As of 31 December 2021.

Upstream

1H 2022 production: 447 kbopd¹
(breakdown by assets)

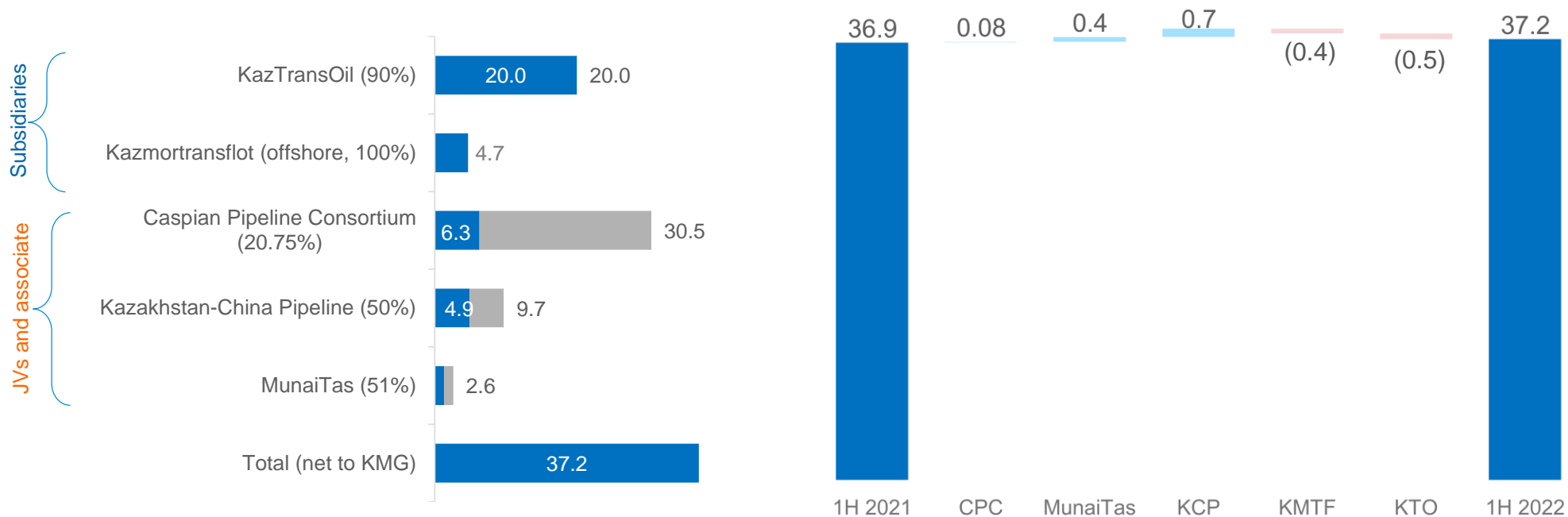


YoY changes in Upstream, kbopd



Oil midstream

1H 2022 breakdown of oil transportation by companies on gross basis, mt

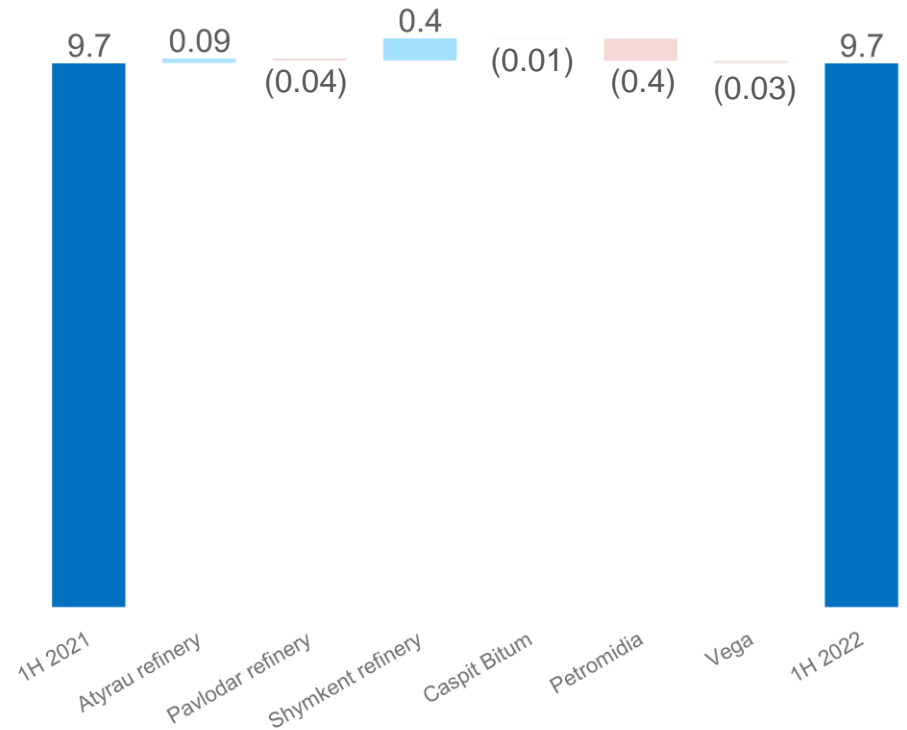
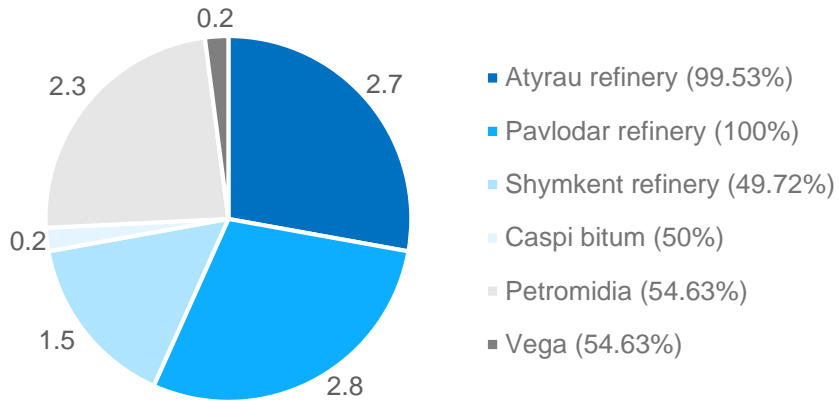


(1) Since KTO is fully operated by KMG, transportation volumes are being reported for 100%.

Downstream

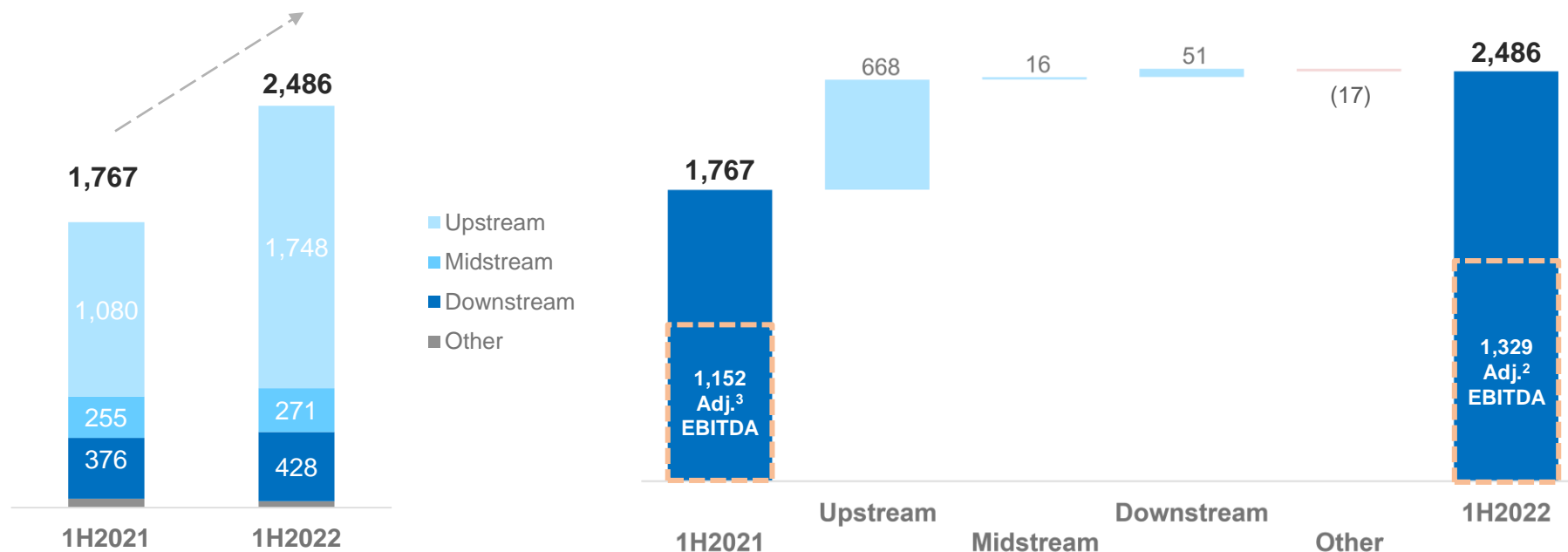
Refining volume (net to KMG), mt

1H 2022 – 9.7 mt, breakdown by asset



Change in EBITDA by segments, 1H2022 vs. 1H2021

EBITDA¹ by segments, US\$ mln (1H2022 vs. 1H2021²)



(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.

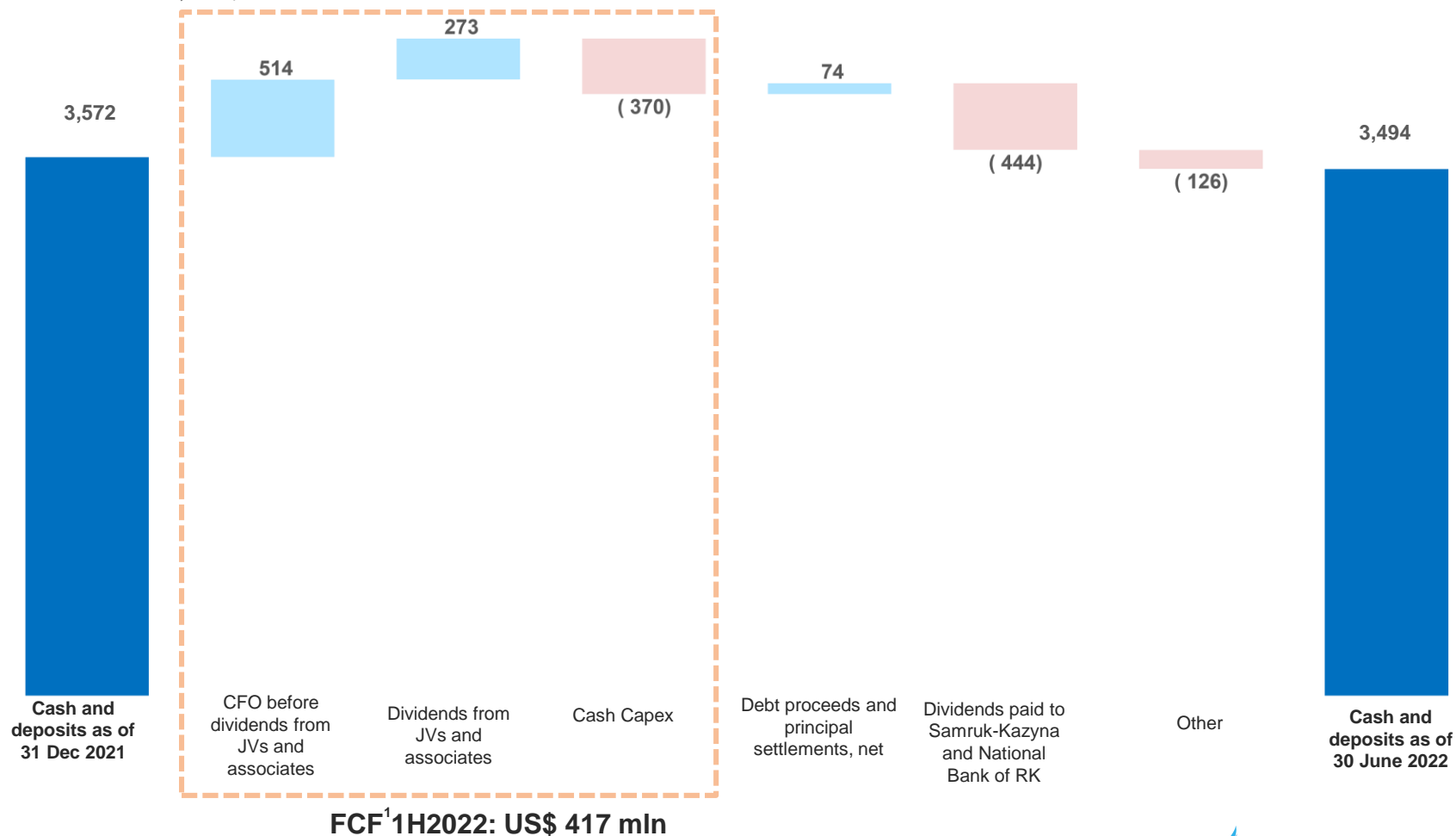
(2) EBITDA and Adjusted EBITDA for 1H2021 had been recalculated without KTG

(3) 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. Adjusted EBITDA for 1H2021 does not include dividends from KazTransGas Joint ventures and Associates.

Note: Numbers may not sum due to rounding.

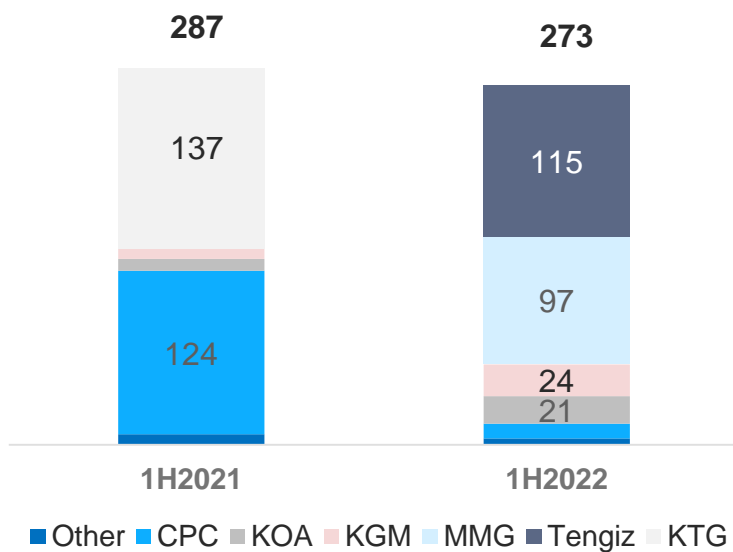
Cash sources and uses & FCF

Cash sources and uses, US\$ mln

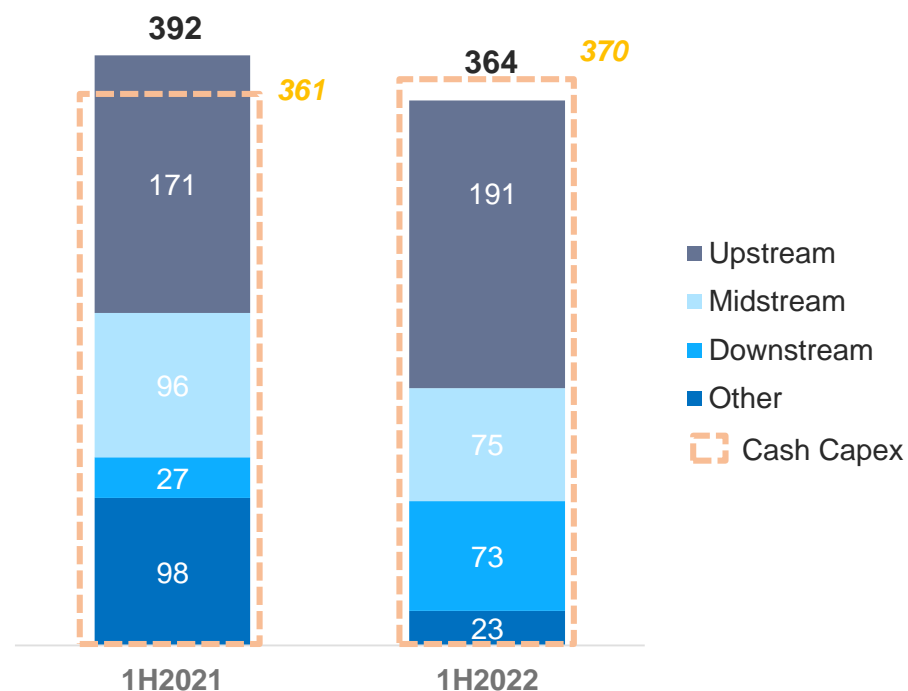


Dividends and capex

Dividends from JVs and associates¹, US\$ mn



CAPEX (accrual basis)², US\$ mn



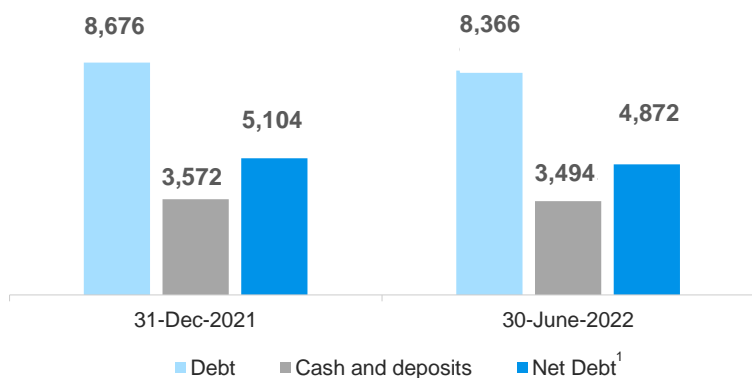
(1) Dividends for 1H2021 include KTG. Excluding KTG dividends for 1H2021 were USD 149 mn.

(2) For 1H2021: capex on accrual basis does not include capex of KTG, but cash capex includes KTG.

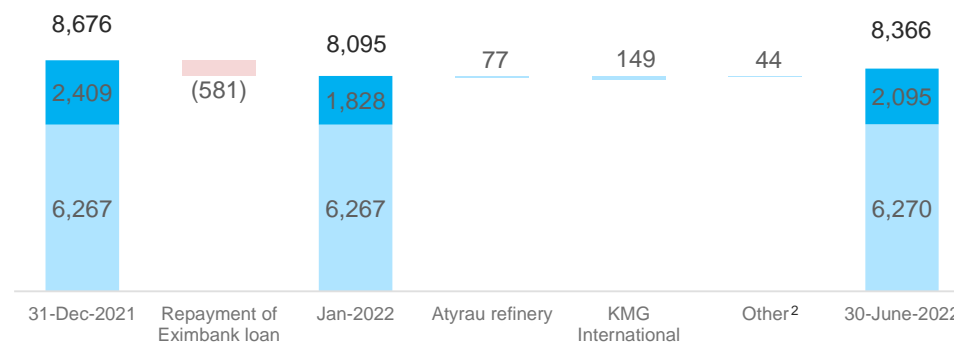
Note: Numbers may not sum due to rounding.

Debt profile

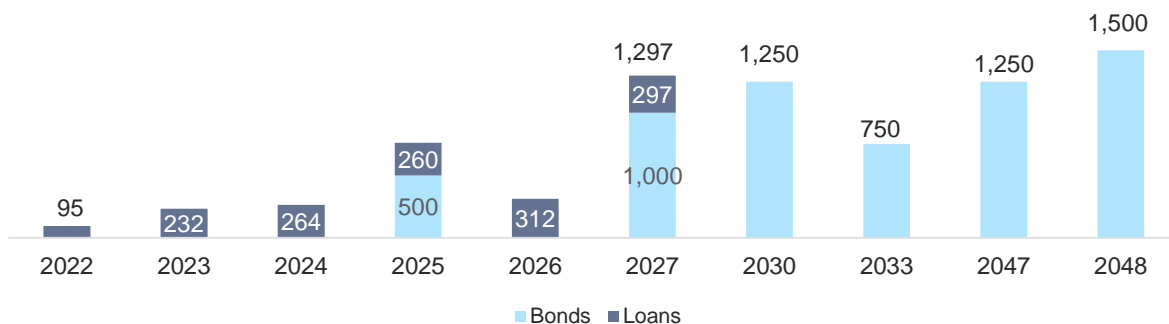
Debt and leverage, US\$ mln



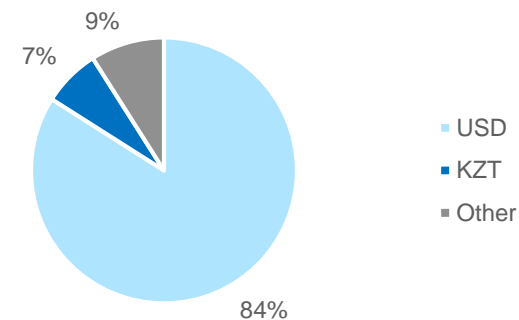
Debt movement, US\$ mn



Debt maturity profile (nominal)³, US\$ mn



Currency of borrowings, 30 June 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) Other includes currency translation, foreign exchange gain/loss, interest expense, interest capitalized, additions and repayments of other companies' debt.

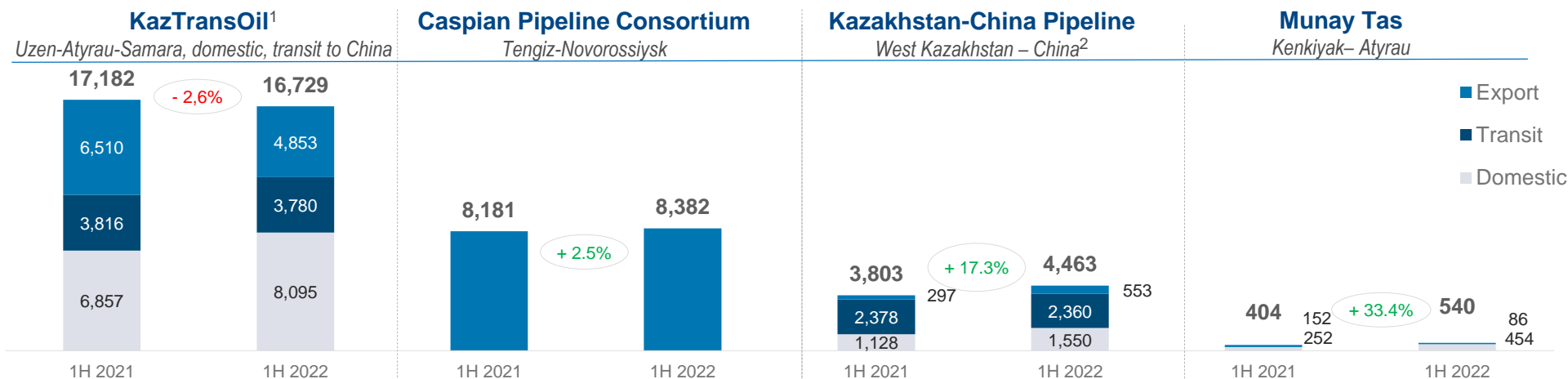
(3) Excludes KMG International credit lines, overdrafts and trade financing.

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 1H 2022

Company	Direction	UoM	Weighted Average tariffs	% change 1H 2021 vs 1H 2022
KazTransOil	Export	tn per 1,000 km	7,603 KZT	3.2%
	Domestic	tn per 1,000 km	3,729 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 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 1H 2022 (net to KMG¹), mt

	Kazakhstan				Romania	
	2.7	2.8	1.5	0.2	2.3	0.2
	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	62% ³	72%	76%	–	86%	–
Refining depth	78%	87%	83%	–	95%	–
Utilization rate	97%	95%	101%	84%	77%	65%
Weighted average tariffs, KZT/tonne	42,515	23,240	35,336	24,858	–	–

(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, 1H2022

<i>In US\$ mm</i>	UPSTREAM	MIDSTREAM	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	519	106	405	142	(117)	1,056
Share in profit of JVs and associates	1,228	164	23	0	15	1,430
Tengiz (20%)	891					
CPC (20.75%)		142				
Kashagan (8.44%)	216					
MMG (50%)	90					
KazRosGas (50%)					19	
KCP (50%)		20				
KOA (50%)	11					
Valsera (50%)			12			
PKI (33%)	6					
KGM (50%)	24					
Other	(11)	3	10	0	(4)	
EBITDA	1,748	271	428	142	(103)	2,486
<i>% of total</i>	<i>70%</i>	<i>11%</i>	<i>17%</i>	<i>6%</i>	<i>-4%</i>	<i>100%</i>

EBITDA segmented, 1H2021

<i>In US\$ mm</i>	UPSTREAM	MIDSTREAM	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	458	143	362	103	(63)	1,003
Share in profit of JVs and associates	622	111	14	0	16	764
Tengiz (20%)	469					
CPC (20.75%)		93				
Kashagan (8.44%)	73					
MMG (50%)	63					
KazRosGas (50%)					22	
KCP (50%)		16				
KOA (50%)	6					
Valsera (50%)			11			
PKI (33%)	14					
KGM (50%)	10					
Other	(12)	2	3	0	(5)	
EBITDA	1,080	255	376	103	(47)	1,767
<i>% of total</i>	<i>61%</i>	<i>14%</i>	<i>21%</i>	<i>6%</i>	<i>-3%</i>	<i>100%</i>

Consolidated statement of comprehensive income

In KZT mln

	1H 2022	1H 2021	Change	Change, %
Revenue and other income				
Revenue	4,203,150	2,672,028	1,531,122	57%
Share in profit of joint ventures and associates, net	643,548	324,165	319,383	99%
Finance income	52,902	34,645	18,257	53%
Gain on sale of joint venture	-	2,674	-	-
Other operating income	10,038	14,381	(4,343)	-30%
Total revenue and other income	4,909,638	3,047,893	1,861,745	61%
Costs and expenses				
Cost of purchased oil, gas, petroleum products and other materials	(2,817,958)	(1,621,125)	(1,196,833)	74%
Production expenses	(482,206)	(312,816)	(169,390)	54%
Taxes other than income tax	(291,171)	(189,918)	(101,253)	53%
Depreciation, depletion and amortization	(163,416)	(160,082)	(3,334)	2%
Transportation and selling expenses	(69,811)	(65,552)	(4,259)	6%
General and administrative expenses	(66,793)	(57,079)	(9,714)	17%
Reversal of impairment/(impairment) of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale	630	(3,758)	4,388	-117%
Exploration expenses	0	(19,800)	19,800	-100%
Finance costs	(153,361)	(115,824)	(37,537)	32%
Foreign exchange (loss)/gain, net	(39,920)	3,780	(43,700)	-1,156%
Loss on disposal of subsidiaries	0	(1,351)	1,351	-100%
Other expenses	(14,072)	(8,595)	(5,477)	64%
Total costs and expenses	(4,098,078)	(2,552,120)	(1,545,958)	61%
Profit before income tax	811,560	495,773	315,787	64%
Income tax expenses	(134,600)	(106,085)	(28,515)	27%
Profit for the year from continuing operations	676,960	389,688	287,272	74%
Discontinued operations				
Profit after income tax for the period from discontinued operations	0	254,745	(254,745)	-100%
Net profit for the period	676,960	644,433	32,527	5%

Consolidated statement of financial position

In KZT mln

	30 June 2022	31 December 2021	Change	Change, %
Assets				
Non-current assets				
Property, plant and equipment	3,496,920	3,405,980	90,940	3%
Right-of-use assets	48,370	40,551	7,819	19%
Exploration and evaluation assets	46,356	43,541	2,815	6%
Investment property	17,995	19,711	(1,716)	-9%
Intangible assets	186,219	182,222	3,997	2%
Long-term bank deposits	60,433	56,058	4,375	8%
Investments in joint ventures and associates	7,564,841	6,550,384	1,014,457	15%
VAT receivable	12,087	11,972	115	1%
Advances for non-current assets	48,553	40,845	7,708	19%
Loans and receivables due from related parties	145,698	142,394	3,304	2%
Other non-current financial assets	11,633	13,248	(1,615)	-12%
Other non-current non-financial assets	4,762	4,784	(22)	0%
Deferred income tax assets	61,037	34,035	27,002	79%
	11,704,904	10,545,725	1,159,179	11%
Current assets				
Inventories	348,317	259,497	88,820	34%
VAT receivable	21,413	24,845	(3,432)	-14%
Income tax prepaid	18,731	24,900	(6,169)	-25%
Trade accounts receivable	833,841	418,255	415,586	99%
Short-term bank deposits	609,447	510,513	98,934	19%
Loans and receivables due from related parties	449,353	485,765	(36,412)	-7%
Other current financial assets	159,391	329,503	(170,112)	-52%
Other current non-financial assets	91,347	76,614	14,733	19%
Cash and cash equivalents	973,258	975,849	(2,591)	0%
	3,505,098	3,105,741	399,357	13%
Assets classified as held for sale	386	795	(409)	-51%
	3,505,484	3,106,536	398,948	13%
Total assets	15,210,388	13,652,261	1,558,127	11%
Equity and liabilities				
Equity				
Share capital	916,541	916,541	0	0%
Additional paid-in capital	1,142	1,142	0	0%
Other capital reserves	(27,007)	10,113	(37,120)	-367%
Currency translation reserve	2,690,703	2,280,533	430,170	19%
Retained earnings	5,414,887	5,059,634	355,253	7%
Attributable to equity holders of the Parent Company	8,996,266	8,247,963	748,303	9%
Non-controlling interest	(70,007)	(89,282)	19,275	-22%
Total equity	8,926,259	8,158,681	767,578	9%
Non-current liabilities				
Borrowings	3,578,712	3,261,347	317,365	10%
Provisions	226,274	222,936	3,338	1%
Lease liabilities	40,801	36,106	4,695	13%
Other non-current financial liabilities	15,666	15,915	(249)	-2%
Other non-current non-financial liabilities	37,560	39,229	(1,669)	-4%
Deferred income tax liabilities	660,036	545,763	114,273	21%
	4,559,049	4,121,296	437,753	11%
Current liabilities				
Borrowings	355,985	484,980	(128,995)	-27%
Provisions	19,377	22,309	(2,932)	-13%
Income tax payable	27,332	6,882	20,450	297%
Trade accounts payable	870,116	519,201	350,915	68%
Other taxes payable	186,443	126,424	60,019	47%
Lease liabilities	9,931	8,988	943	10%
Other current financial liabilities	112,762	69,231	43,531	63%
Other current non-financial liabilities	143,134	134,269	8,865	7%
	1,725,080	1,372,284	352,796	26%
Total liabilities	6,284,129	5,493,580	790,549	14%
Total equity and liabilities	15,210,388	13,652,261	1,558,127	11%
Book value per ordinary share – Tenge thousands	14,325	13,074	1	10%

Consolidated statement of cash flows – indirect

In KZT mln

	1H 2022	1H 2021	Change	Change, %
Cash flows from operating activities				
Profit before income tax from continuing operations	811,560	495,773	315,787	64%
Profit before income tax from discontinued operations	0	277,857	(277,857)	-100%
Profit before income tax	811,560	773,630	37,930	5%
Adjustments:				
Depreciation, depletion and amortization	163,416	160,082	3,334	2%
Depreciation, depletion and amortization from discontinued operations	0	37,312	(37,312)	-100%
(Reversal of impairment)/impairment of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale	(630)	3,774	(4,404)	-117%
Exploration expenses	0	19,800	(19,800)	-100%
Realized losses from derivatives on petroleum products	78,908	7,879	71,029	901%
Finance income	(52,902)	(34,645)	(18,257)	53%
Finance income from discontinued operations	0	(11,442)	11,442	-100%
Finance costs	153,361	115,824	37,537	32%
Finance costs from discontinued operations	0	21,365	(21,365)	-100%
Loss on disposal of subsidiaries	0	1,351	(1,351)	-100%
Gain on sale of joint venture	0	(2,674)	2,674	-100%
Share in profit of joint ventures and associates, net	(643,548)	(324,165)	(319,383)	99%
Share in profit of joint ventures and associates from discontinued operations, net	0	(157,059)	157,059	-100%
Movements in provisions	20,193	(6,270)	26,463	-422%
Net foreign exchange loss	61,439	1,987	59,452	2,992%
Write off of inventories to net realizable value	8,976	3,377	5,599	166%
Loss/(gain) on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net	793	(5,222)	6,015	-115%
Other adjustments	2,844	6,039	(3,195)	-53%
Operating profit before working capital changes	604,410	610,943	(6,533)	-1%
Change in VAT receivable	3,302	60,957	(57,655)	-95%
Change in inventory	(127,205)	(29,602)	(97,603)	330%
Change in trade accounts receivable and other assets	(420,697)	(135,047)	(285,650)	212%
Change in trade and other payables and contract liabilities	277,454	(29,396)	306,850	-1,044%
Change in other taxes payable	41,657	(5,080)	46,737	-920%
Cash generated from operations	378,921	472,775	(93,854)	-20%
Dividends received from joint ventures and associates	123,038	121,620	1,418	1%
Income taxes paid	(55,362)	(31,202)	(24,160)	77%
Interest received	17,188	18,837	(1,669)	-9%
Interest paid	(109,610)	(138,286)	28,676	-21%
Net cash flow from operating activities	354,155	443,744	(89,589)	-20%
Cash flows from investing activities				
Placement of bank deposits	(503,950)	(228,441)	(275,509)	121%
Withdrawal of bank deposits	454,519	266,209	188,310	71%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	(166,392)	(153,077)	(13,315)	9%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	1,382	68,759	(67,377)	-98%
Additional contributions to joint ventures without changes in ownership	(67)	(1,926)	1,859	-97%
Proceeds from disposal of subsidiaries, net of cash disposed	0	728	(728)	-100%
Loans given to related parties	(33,156)	(24,268)	(8,888)	37%
Repayment of loans due from related parties	12,958	12,282	676	6%
Other	(793)	73	(866)	-1,186%
Net cash flows used in investing activities	(235,499)	(59,661)	(175,838)	295%
Cash flows from financing activities				
Proceeds from borrowings	108,460	165,933	(57,473)	-35%
Repayment of borrowings	(75,088)	(167,820)	92,732	-55%
Dividends paid to Samruk-Kazyna and National Bank of RK	(199,997)	(45,212)	(154,785)	342%
Dividends paid to non-controlling interests	(1,003)	(5,078)	4,075	-80%
Distribution to Samruk-Kazyna	(1,762)	(600)	(1,162)	194%
Reservation of cash for payment of borrowings	0	(32,799)	32,799	-100%
Payment of principal lease liabilities	(7,113)	(12,142)	5,029	-41%
Net cash flows used in financing activities	(176,503)	(97,718)	(78,785)	81%
Effects of exchange rate changes on cash and cash equivalents	55,128	12,807	42,321	330%
Change in allowance for expected credit losses	128	(92)	220	-239%
Net change in cash and cash equivalents	(2,591)	299,080	(301,671)	-101%
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	973,258	1,444,944	(471,686)	-33%

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

In KZT mln

	1H 2022	1H 2021	Change	Change, %
Cash flows from operating activities				
Receipts from customers	4,295,913	3,480,462	815,451	23%
Payments to suppliers	(2,931,753)	(2,297,141)	(634,612)	28%
Other taxes and payments	(743,499)	(667,013)	(76,486)	11%
Dividends received from joint ventures and associates	123,038	121,620	1,418	1%
Income taxes paid	(55,362)	(31,202)	(24,160)	77%
Interest received	17,168	18,837	(1,669)	-9%
Interest paid	(109,610)	(138,286)	28,676	-21%
Payments to employees	(187,756)	(174,835)	(12,921)	7%
Taxes received from Tax authorities	4,045	61,910	(57,865)	-93%
Social payments and pension funds	(32,166)	(29,109)	(3,057)	11%
Other receipts/(payments)	(25,863)	98,501	(124,364)	-126%
Net cash flow from operating activities	354,155	443,744	(89,589)	-20%
Cash flows from investing activities				
Placement of bank deposits	(503,950)	(228,441)	(275,509)	121%
Withdrawal of bank deposits	454,519	266,209	188,310	71%
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	(166,392)	(153,077)	(13,315)	9%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	1,382	68,759	(67,377)	-98%
Additional contributions to joint ventures without changes in ownership	(67)	(1,926)	1,859	-97%
Proceeds from disposal of subsidiaries, net of cash disposed	0	728	(728)	-100%
Loans given to related parties	(33,156)	(24,268)	(8,888)	37%
Repayment of loans due from related parties	12,958	12,282	676	6%
Other	(793)	73	(866)	-1,186%
Net cash flows used in investing activities	(235,499)	(59,661)	(175,838)	295%
Cash flows from financing activities				
Proceeds from borrowings	108,460	165,933	(57,473)	-35%
Repayment of borrowings	(75,088)	(167,820)	92,732	-55%
Dividends paid to Samruk-Kazyna and National Bank of RK	(199,997)	(45,212)	(154,785)	342%
Dividends paid to non-controlling interests	(1,003)	(5,078)	4,075	-80%
Distribution to Samruk-Kazyna	(1,762)	(600)	(1,162)	194%
Reservation of cash for payment of borrowings	0	(32,799)	32,799	-100%
Payment of principal lease liabilities	(7,113)	(12,142)	5,029	-41%
Net cash flows used in financing activities	(176,503)	(97,718)	(78,785)	81%
Effects of exchange rate changes on cash and cash equivalents				330%
	55,128	12,807	42,321	
Change in allowance for expected credit losses	128	(92)	220	-239%
Net change in cash and cash equivalents	(2,591)	299,080	(301,671)	-101%
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	973,258	1,444,944	(471,686)	-33%