



ҚазМұнайГаз
NATIONAL COMPANY • ҰЛТТЫҚ КОМПАНИЯСЫ

NATIONAL COMPANY KAZMUNAYGAS

OPERATIONAL AND FINANCIAL RESULTS 1Q 2023

26 May 2023

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Forward-looking statements

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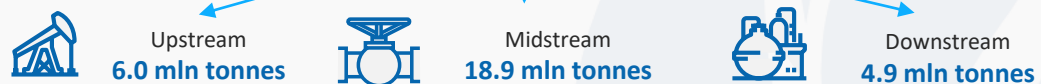
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General information

Key elements

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

1Q 2023

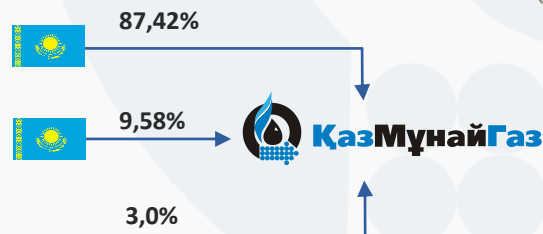
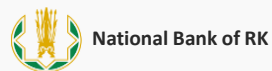


\$37.1 bln
Assets

\$4.1 bln
Revenue

\$1.2 bln
EBITDA

Ownership

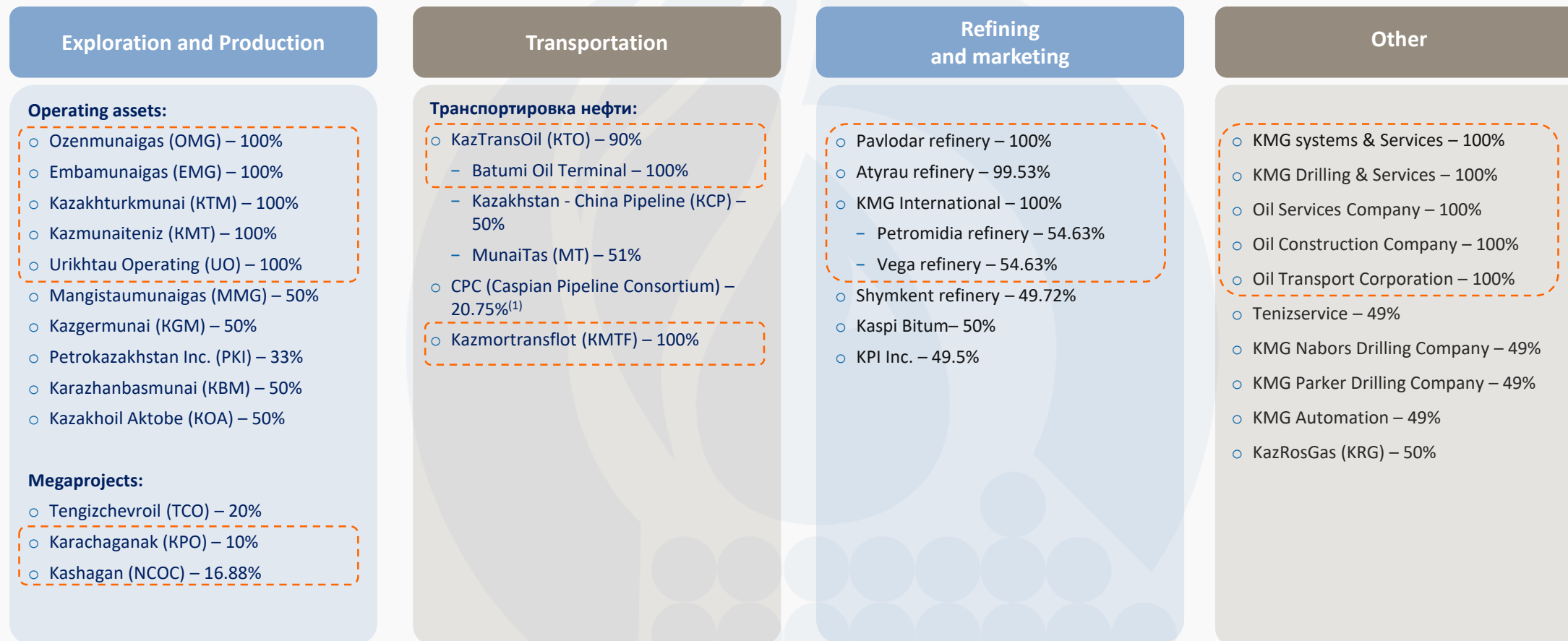


Regions of presence



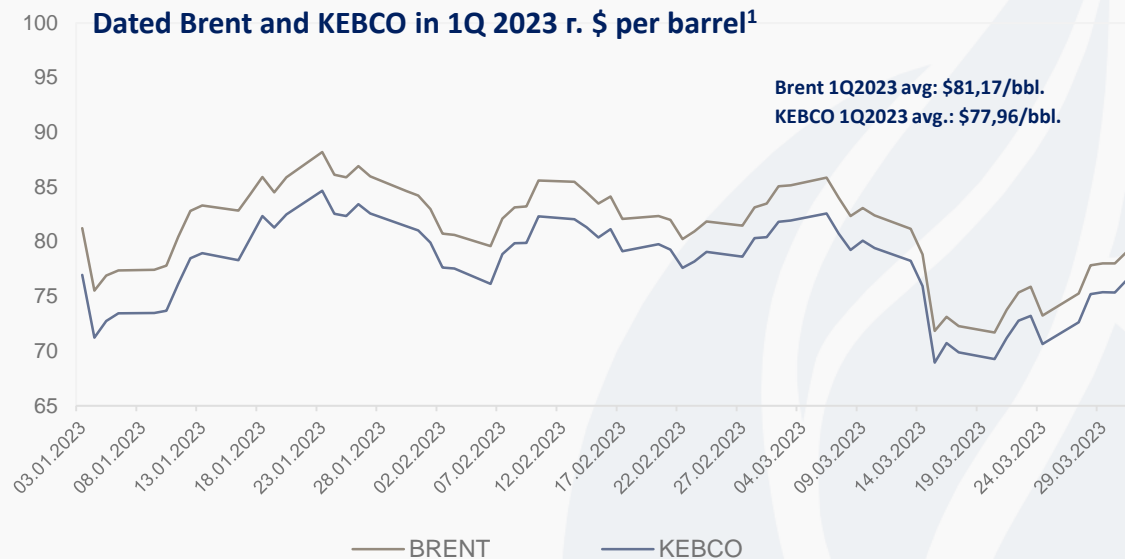
Structure of the KMG group

 Consolidation perimeter



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

Macroeconomic environment



- The average price of Brent crude oil for 1Q 2023 is \$81,17 per barrel (a decrease 20.6% q/q).



- The average price of KEBCO crude oil for 1Q 2023 – \$77,96 per barrel.

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

Kazakhstan's macroeconomic indicators

Indicators	1Q2023	1Q2022
GDP growth, %	4,9	3
Inflation, % (YoY)	18,1	12
Base rate, %	16,75	13,5

FX rate	1Q2023	1Q2022
USDKZT, average	454,82	457,41
USDKZT, end-of period	451,71	466,31

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

(1) Brent and KEBCO crude oil (quotations start from July 6, 2022)
Source: S&P Global Platts, Bureau of National Statistics, National Bank of Kazakhstan

Key events

Company's credit rating

On 9 March 2023, Standard&Poor's upgraded the Company's rating at 'BB+', the outlook from 'negative' to 'stable', reflecting the agency's rating action on Kazakhstan.

Early redemption of Notes

On 26 April 2023, KMG accomplished the full early redemption of \$500 mln Notes due in 2025.

Dividends payable to shareholders

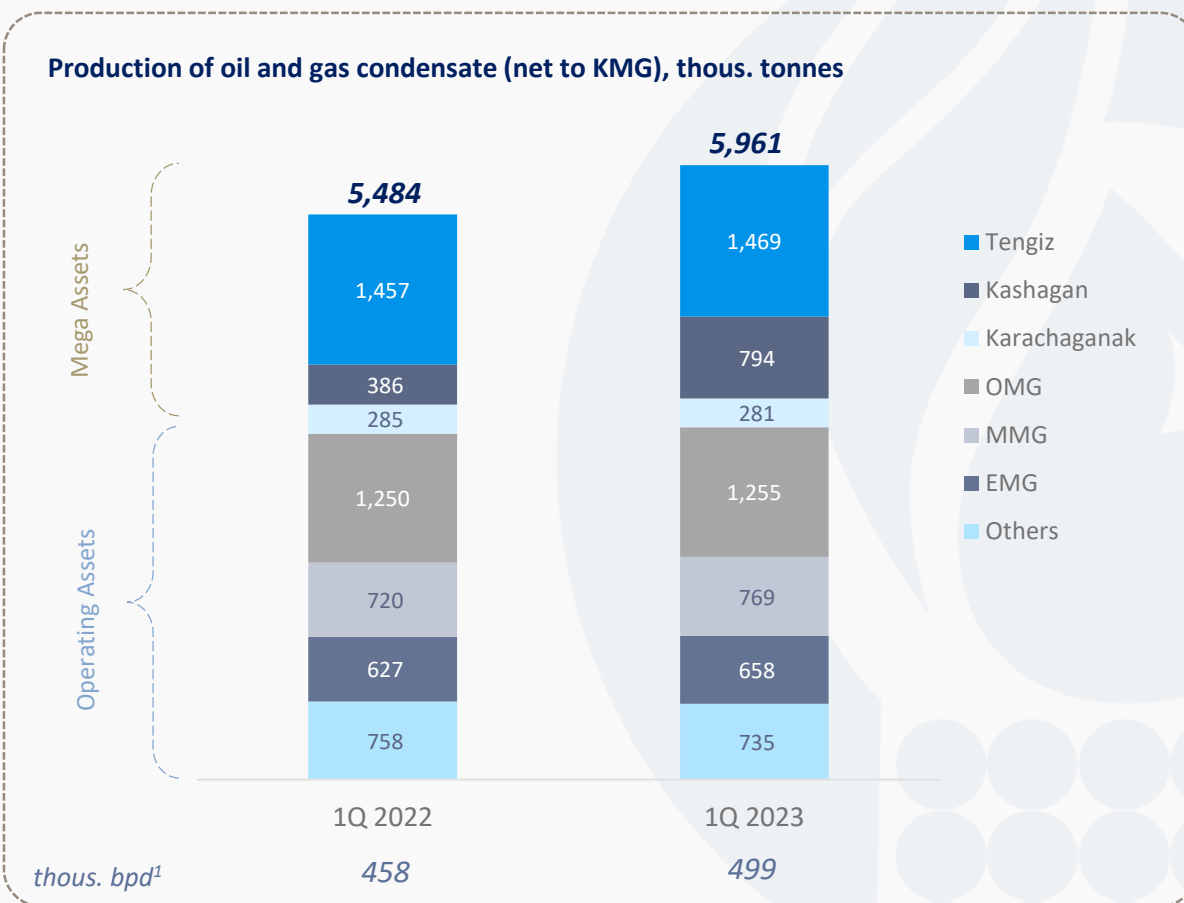
In May 2023, the KMG Board of Directors recommended part of the net income for 2022 to pay dividends to its shareholders in the amount of 300 bln tenge.

Highlights

OPERATING RESULTS	1Q 2023	1Q 2022	% change
Oil and gas condensate production	6.0 mln tonnes (499 thous. bpd)	5.5 mln tonnes (458 thous. bpd)	+8.7%
Oil transportation	18.9 mln tonnes	18.3 mln tonnes	+3.0%
Refining volumes	4.9 mln tonnes	4.6 mln tonnes	+8.1%
FINANCIAL RESULTS			
Revenue	\$ 4,149 mln	\$ 4,770 mln	-13.5%
EBITDA	\$ 1,210 mln	\$ 1,304 mln	-7.2%
FCF ¹	\$ (116) mln	\$ 355 mln	-132.6%
CAPEX (cash)	\$ 415 mln	\$ 200 mln	+107.8%
Gross debt	\$ 9,362 mln	\$ 8,956 mln	+4.5%
Net debt	\$ 4,688 mln	\$ 4,632 mln	+1.2%

(1) Free cash flow = cash flow from operating activities minus acquisitions of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets. Dividends received from joint ventures and associates are included in cash flow from operating activities.

Upstream

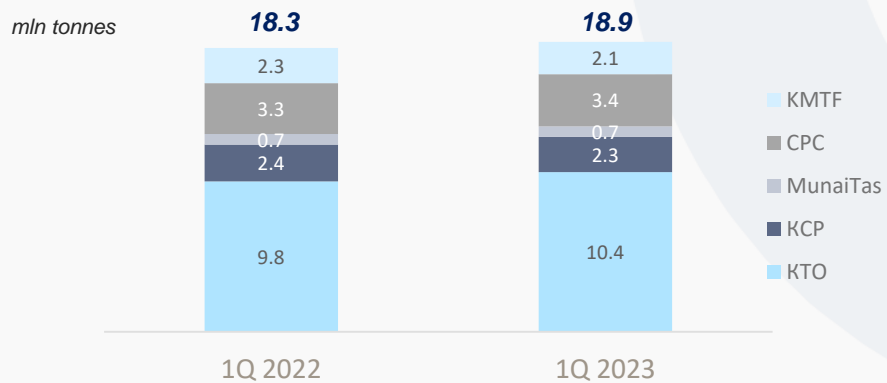
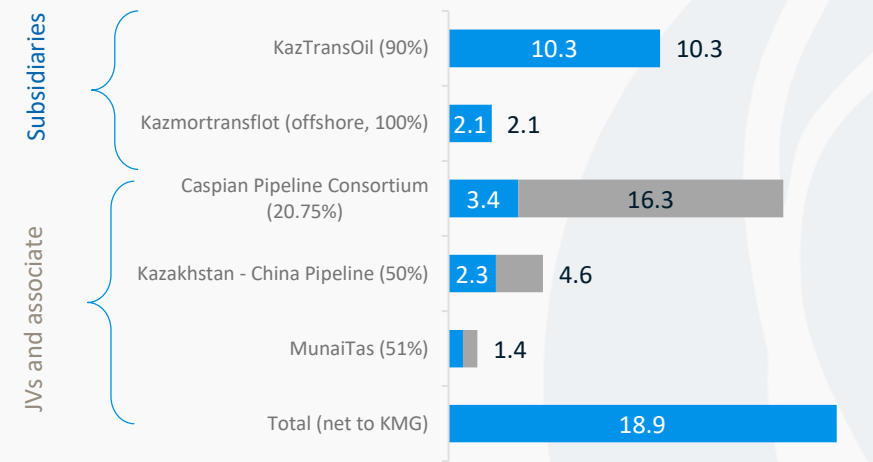


- The volume of oil and gas condensate production increased by 8.7% and amounted to 5,961 thous. tonnes.
- Oil production at Tengiz increased by 0.8%, amounting to 1,469 thous. tonnes (130 thous. bpd).
- The total production at Kashagan increased by 105.5%, amounting to 794 thous. tonnes.
- Oil and condensate production at Karachaganak decreased by 1.3% and amounted to 281 thous. tonnes (25 thous. bpd).
- The volume of oil and condensate production at operating assets increased by 1.8% to 3,417 thous. tonnes (275 thous. bpd).

(1) Converted using corresponding barrelisation rates

Oil midstream

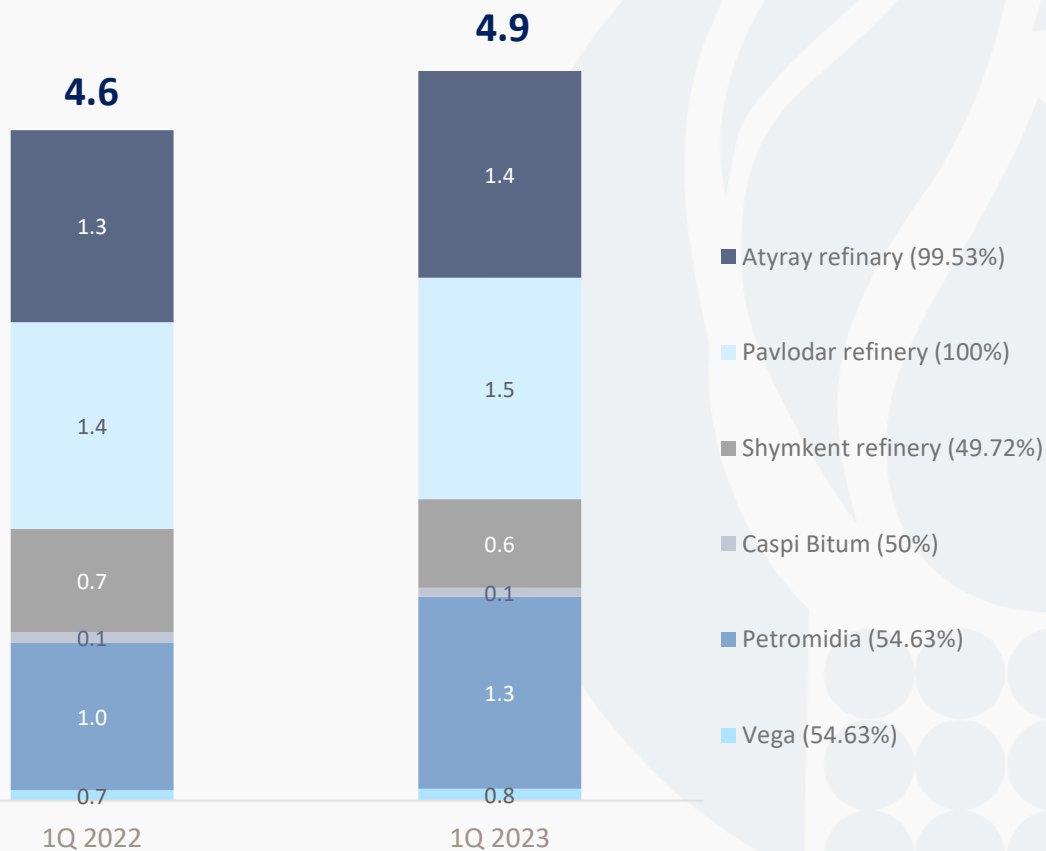
Oil transportation by companies in 1Q 2023 in gross terms, mln tonnes



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

Downstream

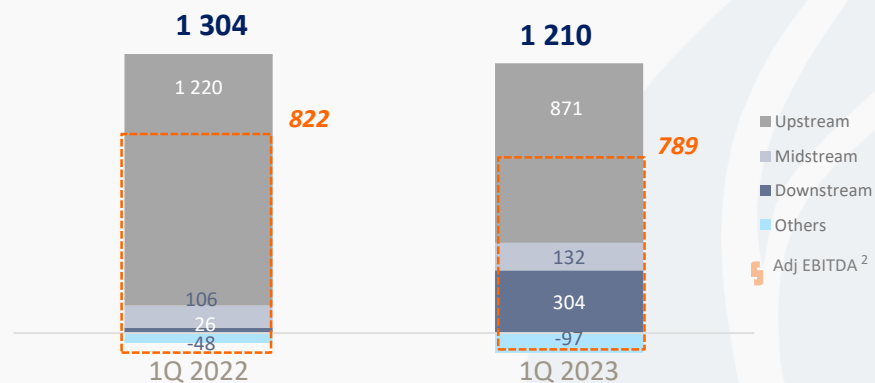
Refining volumes (net to KMG), mln tonnes



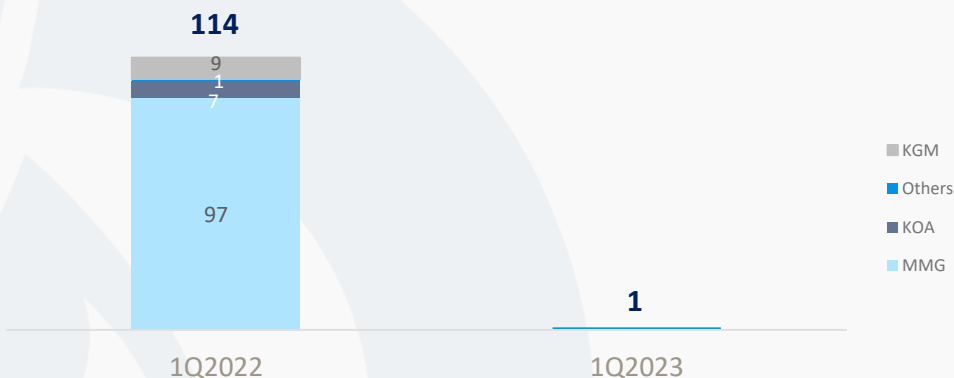
- The total volume of hydrocarbon processing increased by 8.1% and amounted to 4,936 thous. tonnes.
- At Kazakh refineries, the volume of hydrocarbon processing increased by 1.8% and amounted to 3,581 thous. tonnes.
- The volume of processing at the plants of KMG International (Petromidia, Vega) in Romania increased by 29.2% and amounted to 1,355 thous. tonnes.

Key financial highlights

EBITDA¹ by segments, mln USD



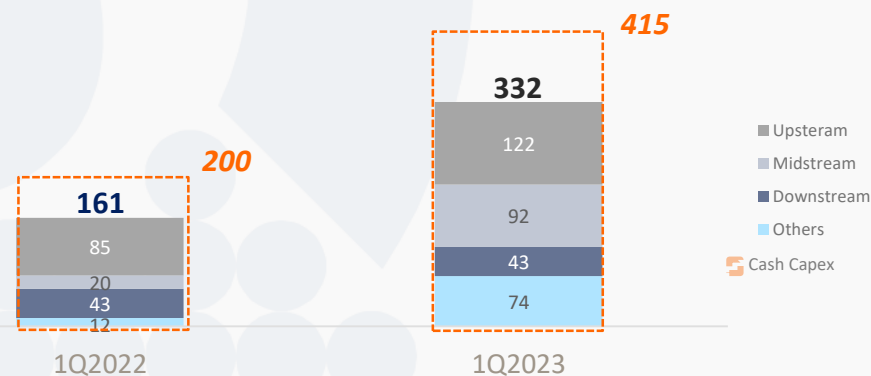
Dividends from JVs and associates, mln USD



FCF, mln USD



CAPEX (accrual basis), mln USD

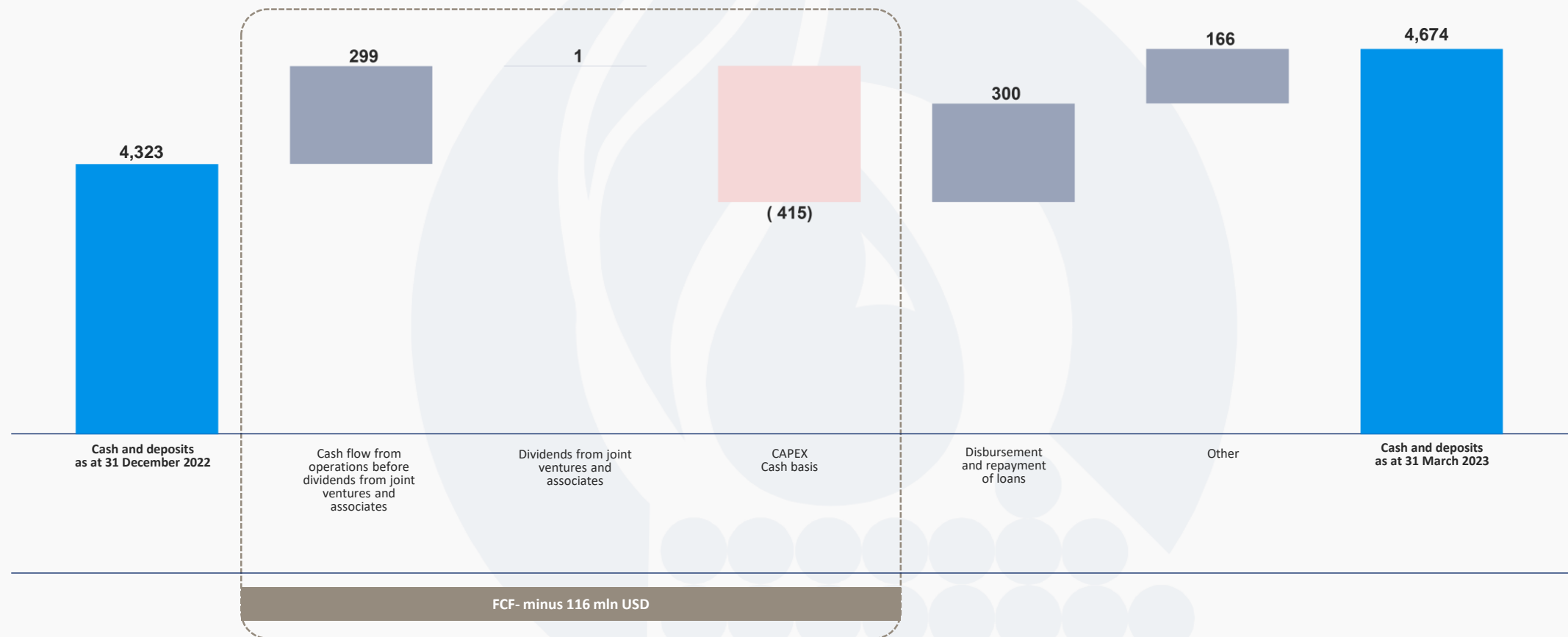


(1) EBITDA = revenue plus share in profits of JVs and associates, net, minus the cost of purchased oil, gas, petroleum products and other materials, minus operating expenses, minus personnel management costs, minus transportation and selling expenses, minus taxes other than income tax.
 (2) Adjusted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

Note: Numbers may not match due to rounding

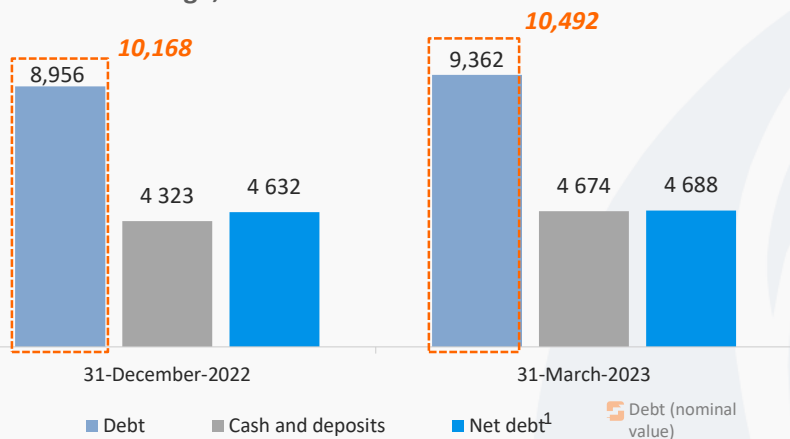
Cash sources and uses & FCF

Cash sources and uses, mln USD

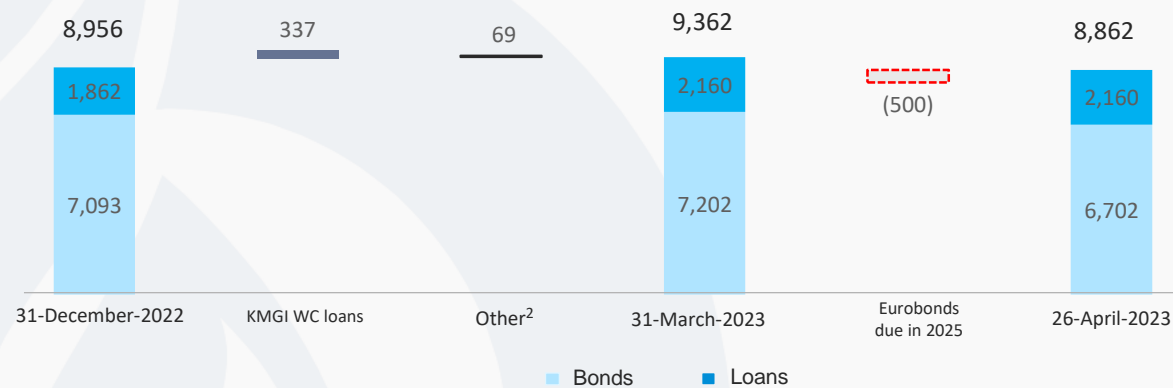


Debt

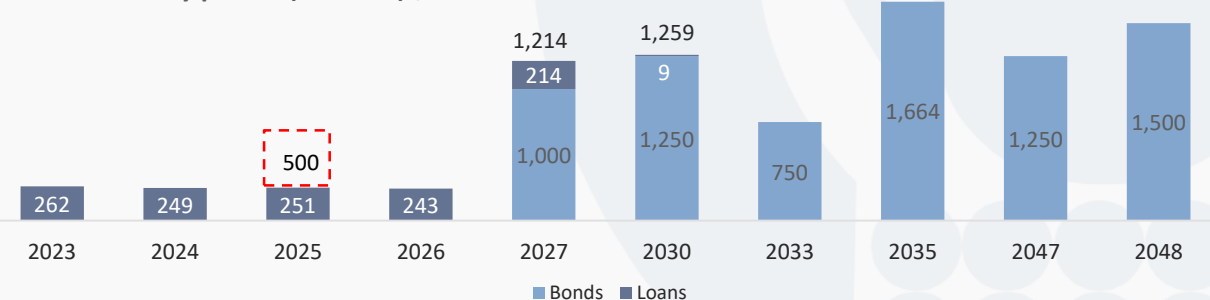
Debt and leverage, mln USD



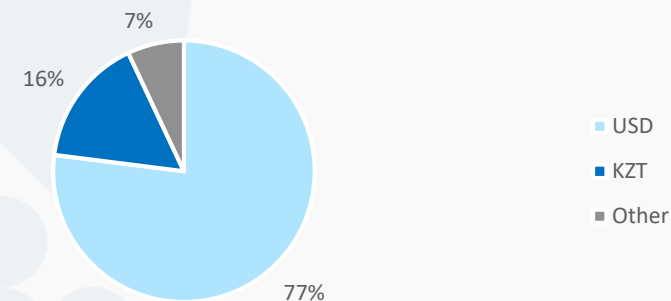
Debt movement, mln USD



Debt maturity profile (nominal)³, mln USD



Currency of borrowings, 31 March 2023



(1) Net debt = long-term loans plus current loans minus cash and cash equivalents minus short-term bank deposits minus long-term bank deposits.
 (2) Other includes currency translation, foreign exchange gains/losses, interest expenses, capitalized interest, additions to and repayments of debts of other companies.
 (3) Excluding KMG International credit lines, overdrafts and trade finance

Note: Numbers may not match due to rounding.



Thank you for your attention

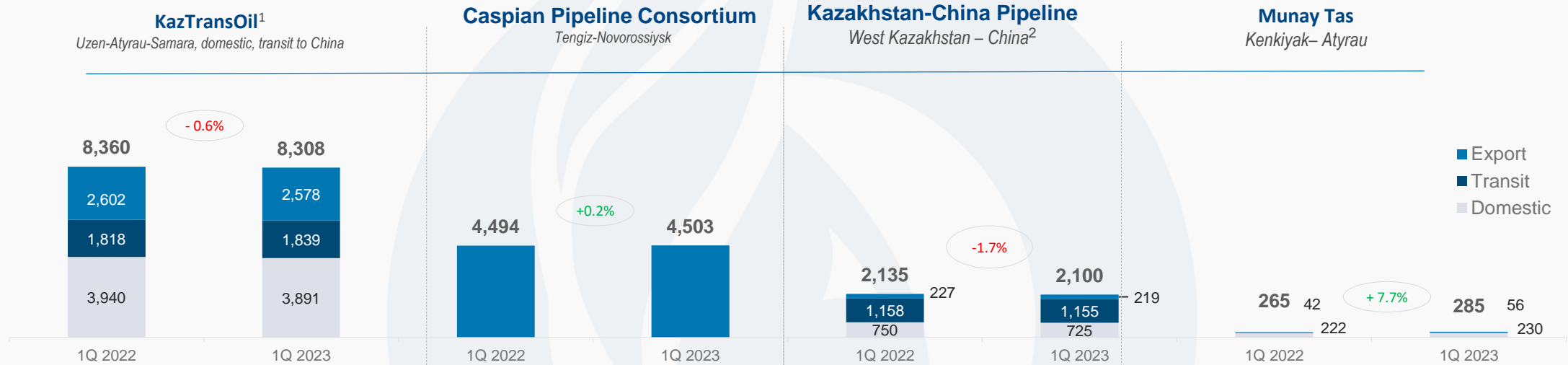
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Mail: ir@kmg.kz

Telephone: +7 7172 78 64 34

Transportation: oil turnover

Oil cargo turnover by destinations (net to KMG), (mln tonnes*km)



Oil transportation tariffs for 1Q 2022

Company	Direction	UoM	Weighted Average tariffs	% change 2021 vs 2022
KazTransOil	Export	tn per 1,000 km	8,830 KZT	8.9%
	Domestic	tn per 1,000 km	3,931 KZT	- 12.9%
	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

	Kazakhstan				Romania	
	Atyrau (99.53%)	Pavlodar (100%)	Shymkent (49.72%)	Caspi Bitum (50%)	Petromidia (54.63%)	Vega (54.63%)
Refining volumes in 1Q 2023 (net to KMG ¹), mln tonnes	1.4	1.5	0.7	0.1	1.3	0.1
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	-
Oil products production, kt	1,243	1,381	582	61	1,242	75
Light products yield	60% ³	72%	73%	-	84%	-
Refining depth	79%	85%	82%	-	94%	-
Utilization rate	103%	98%	86%	50%	85%	61%
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, 1Q 2023

<i>MIn USD</i>	Upstream	Midstream	Downstream	KMG	Other	Total
Operating EBITDA	550	60	266	(32)	(56)	788
Share in profit of JVs and associates	321	72	38	0	(10)	421
Tengiz (20%)	284					
CPC (20,75%)		59				
MMG (50%)	23					
KazRosGas (50%)					(9)	
KCP (50%)		11				
KOA (50%)	5					
Valsera (50%)			15			
PKI (33%)	4					
KGM (50%)	11					
Other	(6)	2	23	0	(1)	
EBITDA	871	132	304	(32)	(65)	1,210
<i>% of total</i>	72%	11%	25%	-3%	-5%	100%

Note: Numbers may not sum due to rounding

EBITDA segmented, 1Q 2022

<i>MIn USD</i>	Upstream	Midstream	Downstream	KMG	Other	Total
Operating EBITDA	689	49	25	74	(129)	708
Share in profit of profit JVs and associates	531	57	1	0	7	596
Tengiz (20%)	437					
CPC (20,75%)		49				
MMG (50%)	76					
KazRosGas (50%)					5	
KCP (50%)		6				
KOA (50%)	5					
Valseira (50%)			(3)			
PKI (33%)	8					
KGM (50%)	10					
Other	(5)	2	4	0	1	
EBITDA	1,220	106	26	74	(122)	1,304
<i>% of total</i>	94%	8%	2%	6%	-9%	100%

Note: numbers may not sum due to rounding.

Consolidated statement of comprehensive income

In KZT mln

	1Q 2023	1Q 2022	Change	Change, %
Revenue and other income				
Revenue	1 886 921	2 181 941	(295 020)	-14%
Share in profit of joint ventures and associates, net	191 697	272 553	(80 856)	-30%
Finance income	37 552	22 538	15 014	67%
Other operating income	5 813	7 144	(1 331)	-19%
Total revenue and other income	2 121 983	2 484 176	(362 193)	-15%
Costs and expenses				
Cost of purchased oil, gas, petroleum products and other materials	(1 031 722)	(1 465 682)	433 960	-30%
Production expenses	(260 353)	(187 450)	(72 903)	39%
Taxes other than income tax	(141 884)	(125 893)	(15 991)	13%
Depreciation, depletion and amortization	(151 868)	(142 715)	(9 153)	6%
Transportation and selling expenses	(61 170)	(45 799)	(15 371)	34%
General and administrative expenses	(33 174)	(33 257)	83	0%
Finance costs	(76 607)	(85 138)	8 531	-10%
Foreign exchange (loss)/gain, net	(7 176)	69 197	(76 373)	-110%
Other expenses	(4 600)	(6 082)	1 482	-24%
Total costs and expenses	(1 768 554)	(2 022 819)	254 265	-13%
Profit before income tax	353 429	461 357	(107 928)	-23%
Income tax expenses	(65 873)	(129 167)	63 294	-49%
Net profit for the period	287 556	332 190	(44 634)	-13%

Consolidated statement of financial position

In KZT mln

	31 March 2023	31 December 2022	Change	Change, %
Assets				
Non-current assets				
Exploration and evaluation assets	278 063	251 280	26 783	11%
Property, plant and equipment	6 867 972	6 989 837	(121 865)	-2%
Investment property	16 906	17 304	(398)	-2%
Intangible assets	887 276	918 253	(30 977)	-3%
Right-of-use assets	77 635	76 567	1 068	1%
Investments in joint ventures and associates	5 011 937	4 947 403	64 534	1%
VAT receivable	18 989	16 760	2 229	13%
Advances for non-current assets	63 621	52 982	10 639	20%
Other non-current non-financial assets	3 505	3 713	(208)	-6%
Loans and receivables due from related parties	130 170	129 857	313	0%
Other non-current financial assets	10 220	10 672	(452)	-4%
Long-term bank deposits	59 251	59 229	22	0%
Deferred income tax assets	39 978	41 598	(1 620)	-4%
	13 465 523	13 515 455	(49 932)	0%
Current assets				
Inventories	331 543	309 425	22 118	7%
Trade accounts receivable	545 915	519 537	26 378	5%
VAT receivable	44 973	42 697	2 276	5%
Income tax prepaid	47 766	36 167	11 599	32%
Other current non-financial assets	127 653	109 137	18 516	17%
Loans and receivables due from related parties	49 353	119 874	(70 521)	-59%
Other current financial assets	81 909	57 057	24 852	44%
Short-term bank deposits	1 081 374	1 178 138	(96 764)	-8%
Cash and cash equivalents	970 639	762 817	207 822	27%
	3 281 125	3 134 849	146 276	5%
Assets classified as held for sale	384	459	(75)	-16%
	3 281 509	3 135 308	146 201	5%
Total assets	16 747 032	16 650 763	96 269	1%

In KZT mln

	31 March 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 capital	(959)	(1 759)	800	-45%
Currency translation reserve	4 048 322	4 209 612	(161 290)	-4%
Retained earnings	5 091 189	4 809 455	281 734	6%
Attributable to equity holders of the Parent Company	10 056 235	9 934 991	121 244	1%
Non-controlling interest	(55 719)	(61 541)	5 822	-9%
Total equity	10 000 516	9 873 450	127 066	1%
Non-current liabilities				
Loans and bonds	3 562 726	3 775 891	(213 165)	-6%
Lease liabilities	66 563	65 872	691	1%
Other non-current financial liabilities	14 956	15 080	(124)	-1%
Provisions	281 724	276 818	4 906	2%
Other non-current non-financial liabilities	39 757	41 548	(1 791)	-4%
Deferred income tax liabilities	1 006 649	999 010	7 639	1%
	4 972 375	5 174 219	(201 844)	-4%
Current liabilities				
Trade accounts payable	435 274	564 906	(129 632)	-23%
Loans and bonds	665 997	367 443	298 554	81%
Lease liabilities	16 085	15 682	403	3%
Other current financial liabilities	299 080	283 717	15 363	5%
Provisions	61 925	63 076	(1 151)	-2%
Income tax payable	80 806	66 648	14 158	21%
Other taxes payable	121 750	148 477	(26 727)	-18%
Other current non-financial liabilities	93 224	93 145	79	0%
	1 774 141	1 603 094	171 047	11%
Total liabilities	6 746 516	6 777 313	(30 797)	0%
Total equity and liabilities	16 747 032	16 650 763	96 269	1%
Book value per ordinary share – KZT thousands	14,937	14,678	259	2%

Consolidated statement of cash flows – indirect method

In KZT mln

	1 кв. 2023	1 кв. 2022	Изменение	Изменение, %
Cash flows from operating activities				
Profit before income tax from continuing operations	353 429	461 357	(107 928)	-23%
Profit before income tax	353 429	461 357	(107 928)	-23%
Adjustments:				
Depreciation, depletion and amortization	151 868	142 715	9 153	6%
Impairment of property, plant and equipment, intangible assets and assets classified as held for sale	310	47	263	560%
Realized losses from derivatives on petroleum products	256	45 015	(44 759)	-99%
Finance income	(37 552)	(22 538)	(15 014)	67%
Finance costs	76 607	85 138	(8 531)	-10%
Share in profit of joint ventures and associates, net	(191 697)	(272 553)	80 856	-30%
Movements in provisions	(5 592)	6 117	(11 709)	-191%
Net foreign exchange gain/loss	884	(55 256)	56 140	-102%
Recovering of inventories to net realizable value	(11)	12	(23)	-192%
Gain/(loss) on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net	(307)	401	(708)	-177%
Other adjustments	244	1 220	(976)	-80%
Operating profit before working capital changes	348 439	391 675	(43 236)	-11%
Change in VAT receivable	(5 036)	(1 552)	(3 484)	224%
Change in inventory	(30 059)	(33 430)	3 371	-10%
Change in trade accounts receivable and other current assets	(55 525)	(220 255)	164 730	-75%
Change in trade and other payables and contract liabilities	(67 671)	107 595	(175 266)	-163%
Change in other taxes payable	(26 804)	1 287	(28 091)	-2 183%
Cash generated from operations	163 344	245 320	(81 976)	-33%
Dividends received from joint ventures and associates	250	52 258	(52 008)	-100%

In KZT mln

	1 кв. 2023	1 кв. 2022	Изменение	Изменение, %
Income taxes paid	(31 257)	(35 636)	4 379	-12%
Interest received	22 059	7 229	14 830	205%
Interest paid	(18 380)	(15 573)	(2 807)	18%
Net cash flow from operating activities	136 016	253 598	(117 582)	-46%
Cash flows from investing activities				
Placement of bank deposits	(472 854)	(204 421)	(268 433)	131%
Withdrawal of bank deposits	550 840	58 096	492 744	848%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	(188 645)	(91 285)	(97 360)	107%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	355	550	(195)	-35%
Additional contributions to joint ventures without changes in ownership	(17)	(67)	50	-75%
Loans given to related parties	(1 140)	(470)	(670)	143%
Redemption of notes of the National Bank of RK	108 019		108 019	
Acquisition of notes of the National Bank	(38 019)		(38 019)	
Other	194	(803)	997	-124%
Net cash flows used in investing activities	(41 267)	(238 400)	197 133	-83%
Cash flows from financing activities				
Proceeds from borrowings	200 942	135 445	65 497	48%
Repayment of borrowings	(64 271)	(43 785)	(20 486)	47%
Dividends paid to non-controlling interests	(10)	(8)	(2)	25%
Distributions to Samruk-Kazyna	(108)	(485)	377	-78%
Repayment of principal of lease liabilities	(5 478)	(5 527)	49	-1%
Net cash flows from financing activities	131 075	85 640	45 435	53%
Effects of exchange rate changes on cash and cash equivalents	(18 003)	74 023	(92 026)	-124%
Change in allowance for expected credit losses	1	126	(125)	-99%
Net change in cash and cash equivalents	207 822	174 987	32 835	19%
Cash and cash equivalents, at the beginning of the year	762 817	1 144 193	(381 376)	-33%
Cash and cash equivalents, at the end of the period	970 639	1 319 180	(348 541)	-26%

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

In KZT mln

	1Q2023	1Q2022	Change	Change, %
Cash flows from operating activities				
Receipts from customers	2 076 197	2 179 982	(103 785)	-5%
Payments to suppliers	(1 342 698)	(1 460 144)	117 446	-8%
Other taxes and payments	(439 358)	(356 393)	(82 965)	23%
Dividends received from joint ventures and associates	250	52 258	(52 008)	-100%
Income taxes paid	(31 257)	(35 636)	4 379	-12%
Interest received	22 059	7 229	14 830	205%
Interest paid	(18 380)	(15 573)	(2 807)	18%
Payments to employees	(106 526)	(86 492)	(20 034)	23%
Taxes received from Tax authorities	2 768	982	1 786	182%
Social payments and pension funds	(20 182)	(15 863)	(4 319)	27%
Other receipts/(payments)	(6 857)	(16 752)	9 895	-59%
Net cash flow from operating activities	136 016	253 598	(117 582)	-46%
Cash flows from investing activities				
Placement of bank deposits	(472 854)	(204 421)	(268 433)	131%
Withdrawal of bank deposits	550 840	58 096	492 744	848%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	(188 645)	(91 285)	(97 360)	107%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	355	550	(195)	-35%
Additional contributions to joint ventures without changes in ownership	(17)	(67)	50	-75%
Loans given to related parties	(1 140)	(470)	(670)	143%
Redemption of notes of the National Bank of RK	108 019		108 019	
Acquisition of notes of the National Bank of RK	(38 019)		(38 019)	
Other	194	(803)	997	-124%
Net cash flows used in investing activities	(41 267)	(238 400)	197 133	-83%
Cash flows from financing activities				
Proceeds from borrowings	200 942	135 445	65 497	48%
Repayment of borrowings	(64 271)	(43 785)	(20 486)	47%
Dividends paid to non-controlling interests	(10)	(8)	(2)	25%
Distributions to Samruk-Kazyna	(108)	(485)	377	-78%
Repayment of principal of lease liabilities	(5 478)	(5 527)	49	-1%
Net cash flows from financing activities	131 075	85 640	45 435	53%
Effects of exchange rate changes on cash and cash equivalents	(18 003)	74 023	(92 026)	-124%
Change in allowance for expected credit losses	1	126	(125)	-99%
Net change in cash and cash equivalents	207 823	174 987	32 836	19%
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	970 639	1 319 180	(348 541)	-26%