



ҚазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

KMG Operational and Financial results 1Q 2020



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Forward-looking statements

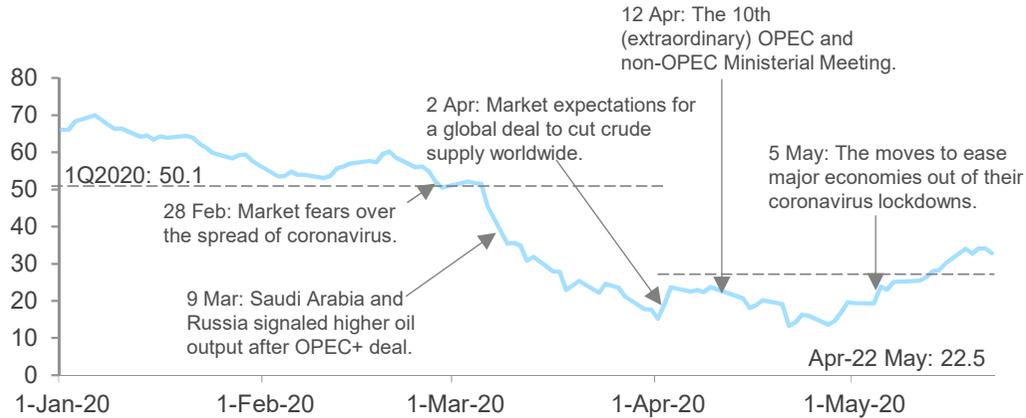
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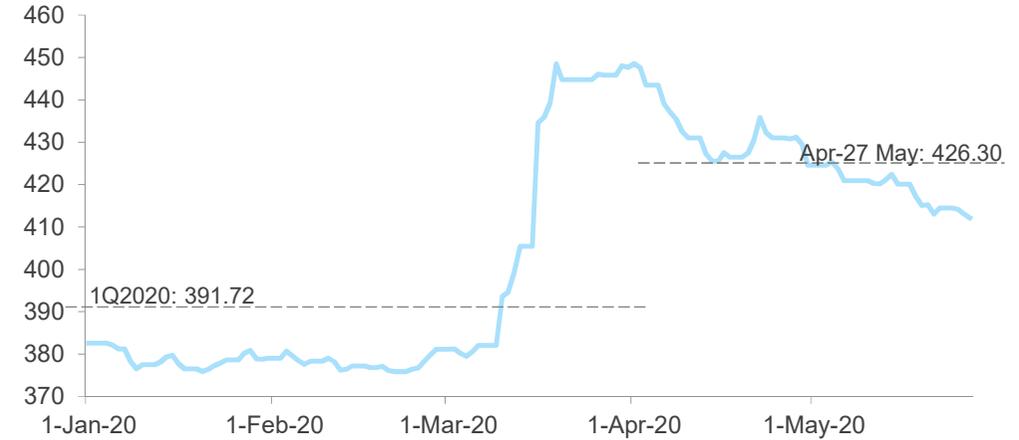
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Challenging macro environment

Dated Brent, US\$ pb¹



USDKZT²



Kazakhstan's macroeconomic indicators³

Indicators	1Q2019	1Q2020
GDP growth, %	3.8	2.7
Inflation, % (March, YoY)	4.8	6.4
Base rate, % (at end-March)	9.25	12.0

FX rate ⁴	1Q2019	1Q2020
USDKZT, average	378.04	391.72
USDKZT, end-of period	382.59	447.67

KMG Credit ratings

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

Kazakhstan sovereign credit ratings

Baa3 (Positive)	BBB- (Stable)	BBB (Stable)
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(1) Brent dated, source: S&P Global Platts.

(2) Official FX; source: National Bank of Kazakhstan.

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

(4) FX rates applied for IR reporting purposes.

1Q20 Highlights

Operational results

- Oil and gas condensate production was **stable** year-on-year and amounted to **5,929 thous. tonnes**;
- Oil and gas transportation segment was **relatively stable** at 18,517 thous. tonnes of oil and 28,320 mln m³ of gas transported;
- Refining volumes at Kazakh and Romanian refineries **decreased by 4.9% year-on-year** to 4,660 thous. tonnes.

Financial results

- EBITDA¹ **down by 45.6%** YoY to USD 702 mln.
- FCF² at **USD 66 mln** vs. USD -150 mln in 1Q2019.
- Net debt³ at **USD 6.2 bln**, almost unchanged vs. 2019 year end.
- On 27 March, **S&P** revised the outlook on KMG from **Stable to Negative**, and affirmed the ratings at BB, followed by its revision of oil price assumptions.
- On 27 March, **Fitch** affirmed KMG's rating at 'BBB-' with a Stable Outlook.

(1) Starting from 2019, the Company revised calculation approach of Earnings before interest, taxes, depreciation and amortization (**EBITDA**), excluding the finance income from the methodology. In the reports for 2019, and for further periods, the Company calculates EBITDA as "Revenue + Share in profit of JVs and associates, net – Cost of purchased oil, gas petroleum products and refining costs – Production expenses – G&A expenses – Transportation and selling expenses – Taxes other than income tax. Financial metrics for prior periods were recalculated respectively.

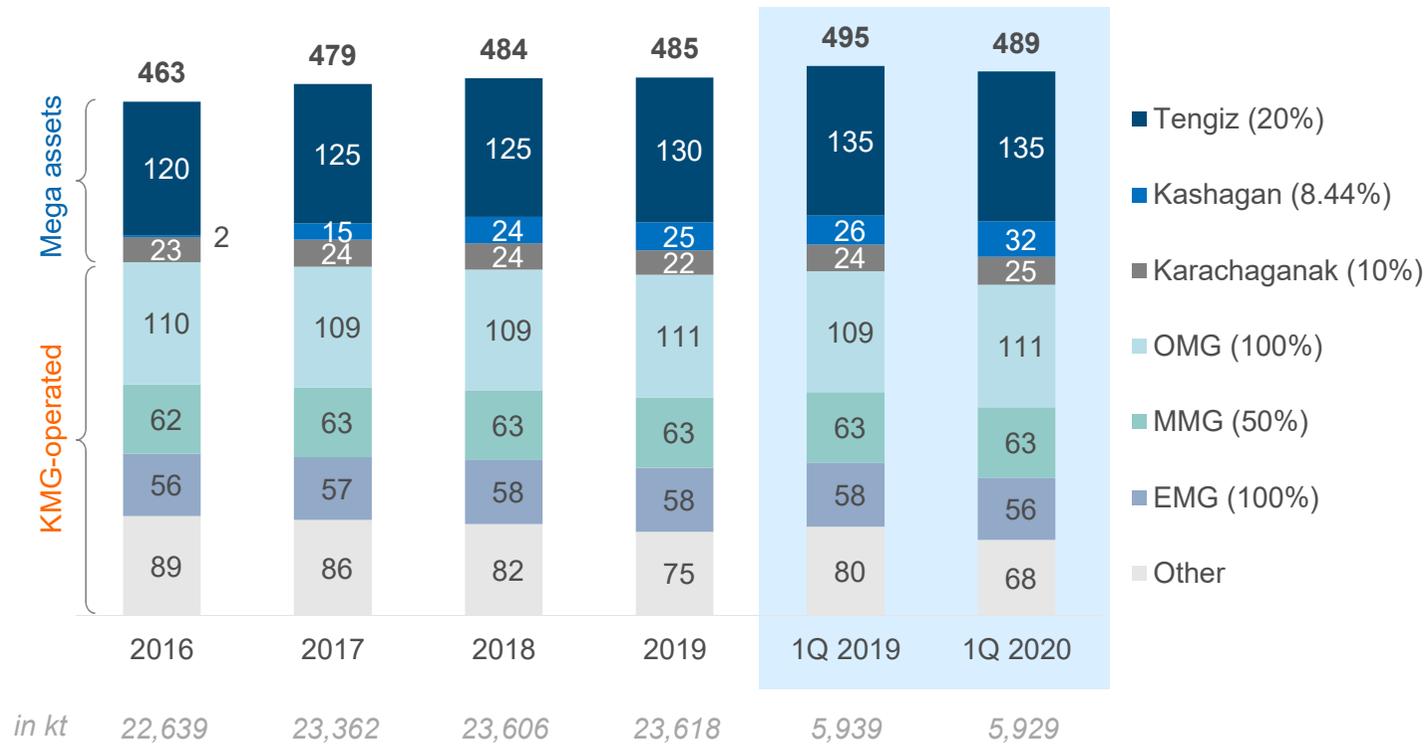
(2) Starting from 2019, the Company revised calculation approach of the **Free cash flow** (FCF), including proceeds from the loan previously provided to Caspian Pipeline Consortium. The Company calculates FCF as "CFO - TCO prepayments, net – Capex (cash basis) + Proceeds from the loan previously provided to Caspian Pipeline Consortium". FCF metrics for prior periods were recalculated respectively.

(3) Starting from 2019, the Company revised calculation approach of Net debt. In the reports for 2019, and for further periods, the Company calculates Net debt as "Non-current borrowings + Current borrowings – Cash & cash equivalents – Short-term bank deposits – Long-term bank deposits". Financial metrics for prior periods were recalculated respectively.



UPSTREAM: Stable oil and gas condensate production

Crude oil and gas condensate production (net to KMG), kbopd¹

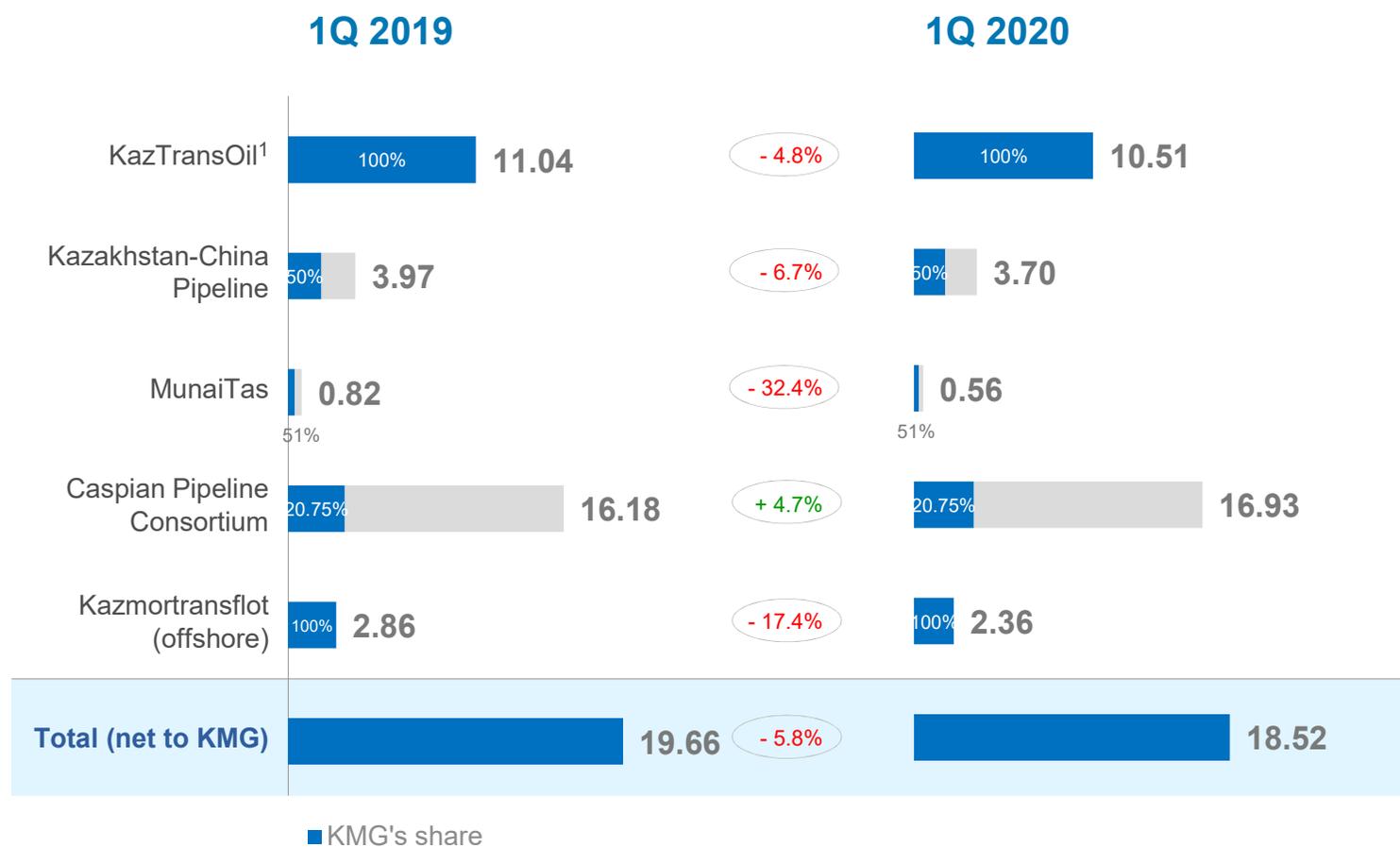


- KMG's share in oil production of mega fields amounted to **191 kbopd**, 4.6% up YoY
- Kashagan production up by **23.0%** due to higher gas injection given the transfer of two wells to the injection fund, as well as the improvement of the utilization ratio at the production facilities
- Karachaganak production up by **5.2%** due to stable gas acceptance by Orenburg Gas Processing Plant and the planned preventive maintenance of the facilities² in September-October 2019
- KMG's share in oil production of operating assets was down by **2.8%** and amounted to **298 kbopd** due to natural decline of oil production at KGM and PKI

(1) On the assumption of individual barrelisation coefficients for each asset.
 (2) Karachaganak Processing Complex (KPC) and gas-processing units (Unit 2 and Unit 3).

MIDSTREAM OIL: Slight decline in oil transportation

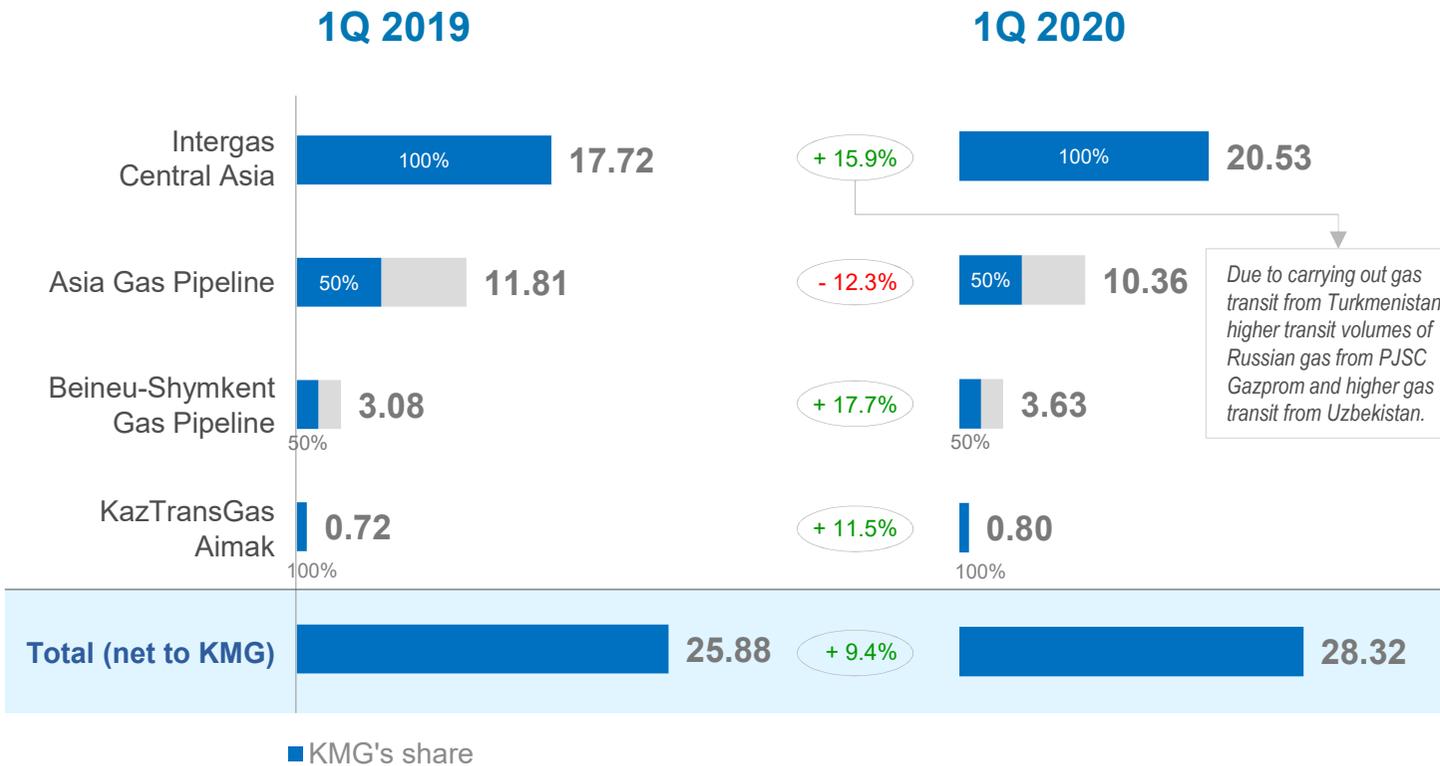
Breakdown of crude oil transportation by companies on gross basis, mt



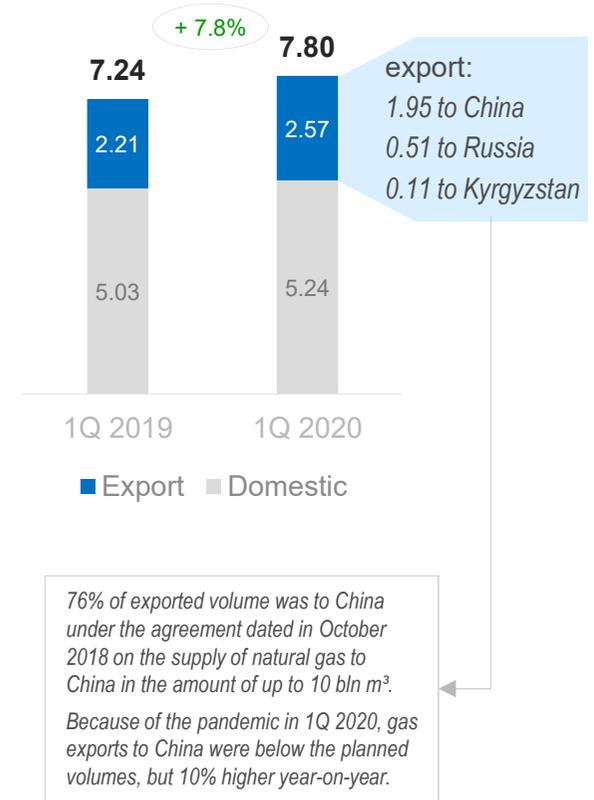
- The decrease at KTO, KCP, MT is due to the limited oil supply from CNPC Aktobemunaigas JSC and the decrease in oil supply from oil companies operating the Kumkol group of fields
- The decrease at KMTF is majorly attributable to lower dispatch volumes in the Mediterranean Sea and lower shipments in Aktau – Makhachkala direction

MIDSTREAM GAS: Increasing gas transportation

Breakdown of gas transportation by companies on gross basis, bln m³

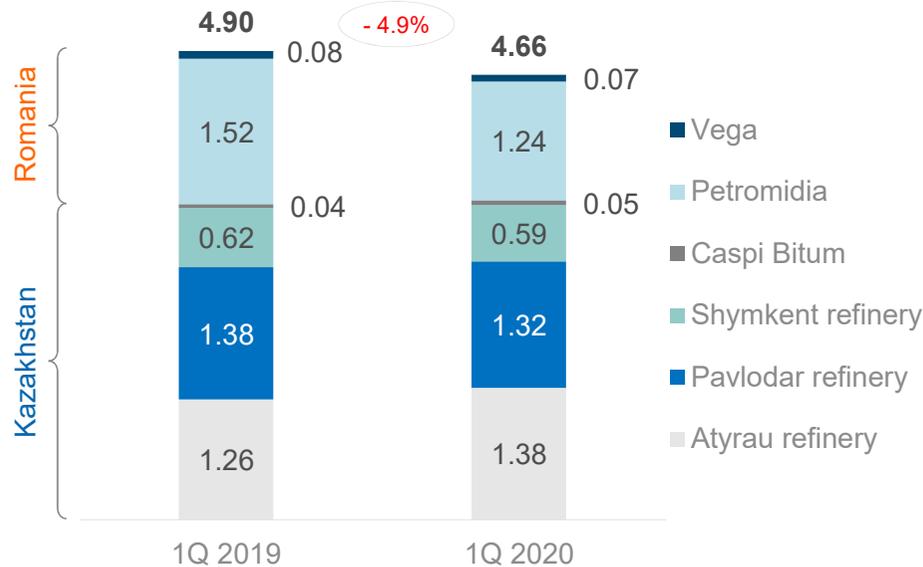


Sales volumes of KTG's¹ gas for sale, bln m³



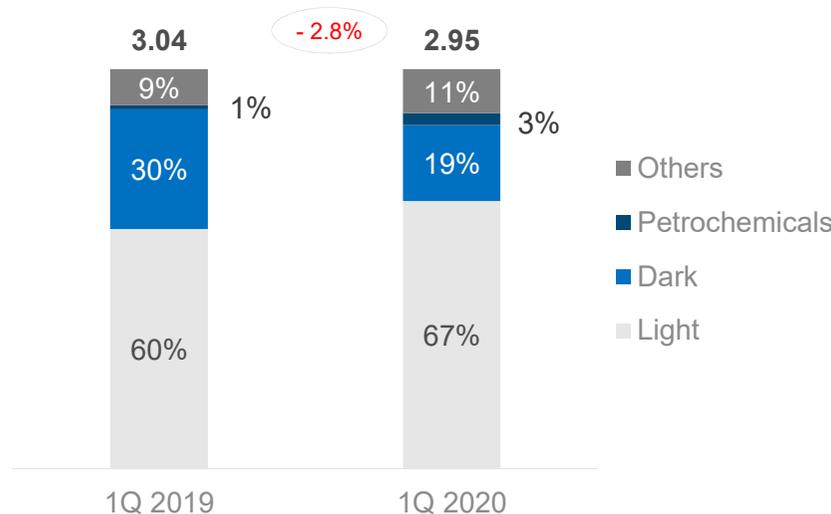
DOWNSTREAM: Decrease in Romanian refining volumes was partially offset by an increase at Kazakh refineries

Refining volume (net to KMG), mt



- The growth was at Atyrau refinery to balance production of oil products in the country due to declining volumes at Pavlodar and Shymkent refineries
- A slight decrease at Pavlodar and Shymkent refineries was observed on the back of oil quality issues at CNPC AktobeMunaiGas in January and quarantine measures in Kazakhstan's major cities, leading to lower oil products consumption
- Decrease at Romanian refineries was as a result of a production shutdown at Petromidia refinery related to scheduled overhaul from March 13 to April 30, 2020

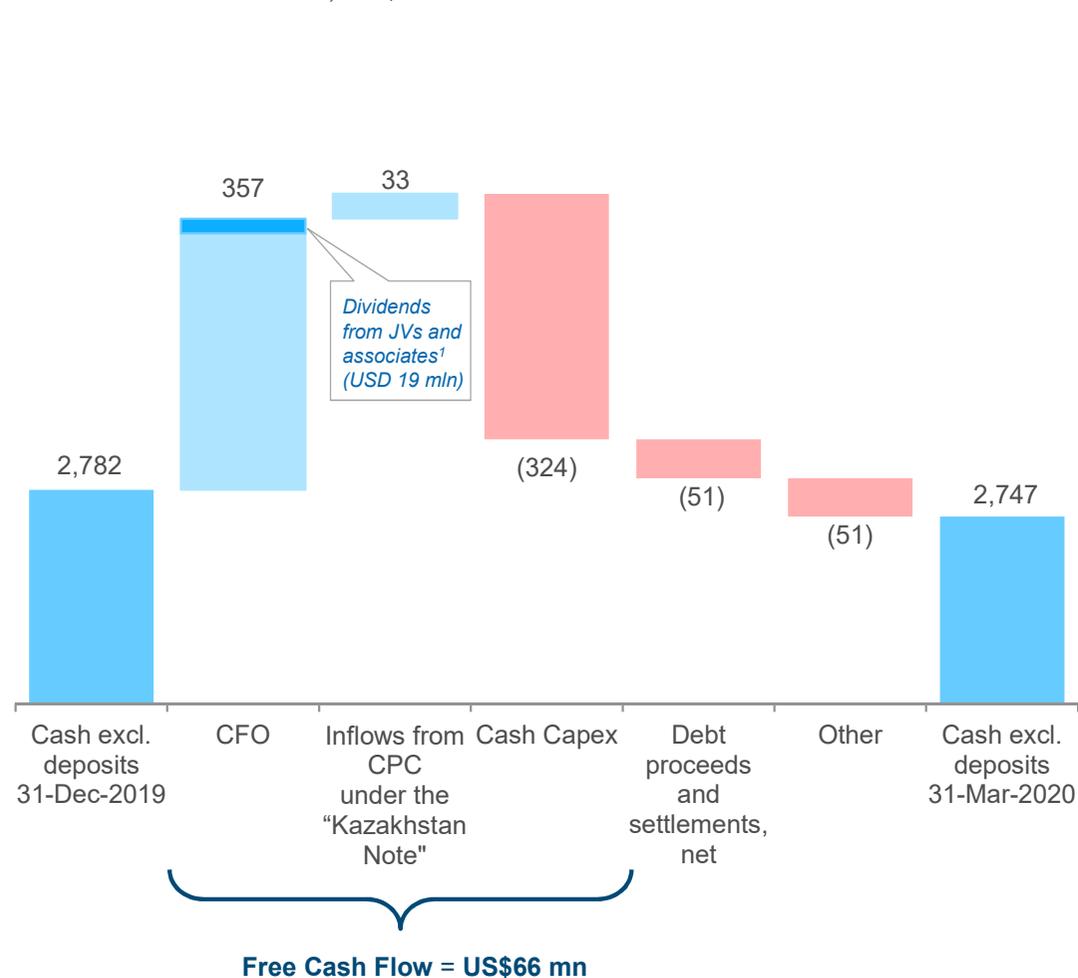
Oil products¹ production in refineries of Kazakhstan (net to KMG), mt



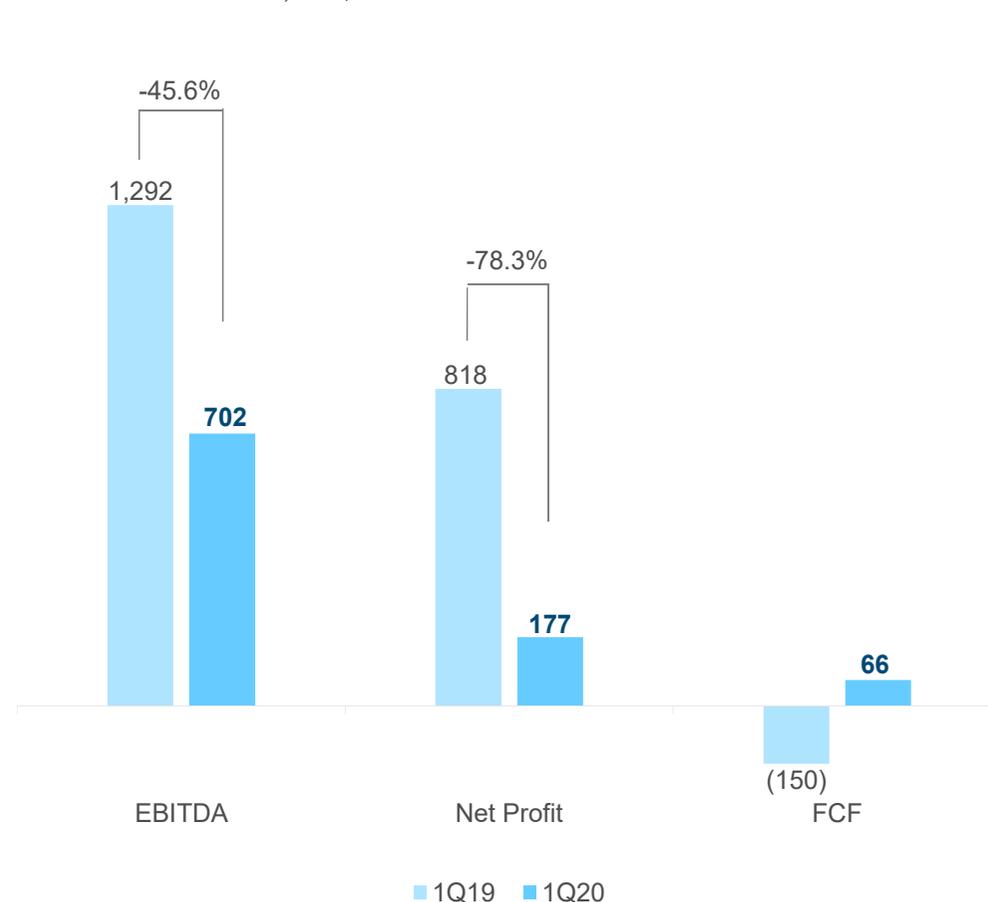
- Production of oil products at Kazakh refineries mainly due to refusal of the CNPC AktobeMunaiGas oil for quality issues in January and quarantine measures in Kazakhstan's major cities
- Light oil products yield was at **67%** in 1Q 2020 compared to **60%** in 1Q 2019

Initial observed implications from lower oil prices and weaker oil demand

Cash sources and uses, US\$ mn



Financial indicators, US\$ mn



EBITDA segmented, 1Q 2020

In USD mln	UPSTREAM	MIDSTREAM		DOWNSTREAM			NC KMG		OTHER	TOTAL
	E&P	Oil transportation	Gas transportation and marketing	Refining	KMG Int.	Trading	Trading	Corporate	OFS, other assets, and eliminations ²	
Operating EBITDA	111	102	171	146	(11)	(1)	23	(17)	12	535
Share in profit of JVs and associates ¹	196	44	(47)	(26)	(0)	0	0	0	(0)	167
Tengiz (20%)	163									
MMG (50%)	16									
KGM (50%)	15									
Kashagan (8.44%)	(0)									
KOA (50%)	(0)									
PKI (33%)	7									
CPC (20.75%)		51								
KCP (50%)		(8)								
MT (51%)		0								
AGP (50%)			(11)							
BSGP (50%)			(20)							
KazRosGas (50%)			(16)							
Shymkent refinery (50%)				(29)						
Other	(5)	1	0	3	(0)	0			(0)	
EBITDA	307	146	124	120	(11)	(1)	23	(17)	12	702
<i>% of total</i>	<i>44%</i>	<i>21%</i>	<i>18%</i>	<i>17%</i>	<i>-2%</i>	<i>-0%</i>	<i>3%</i>	<i>-2%</i>	<i>1%</i>	<i>100%</i>

(1) Equity method of consolidation

(2) Eliminations = 24 mn of Operating EBITDA

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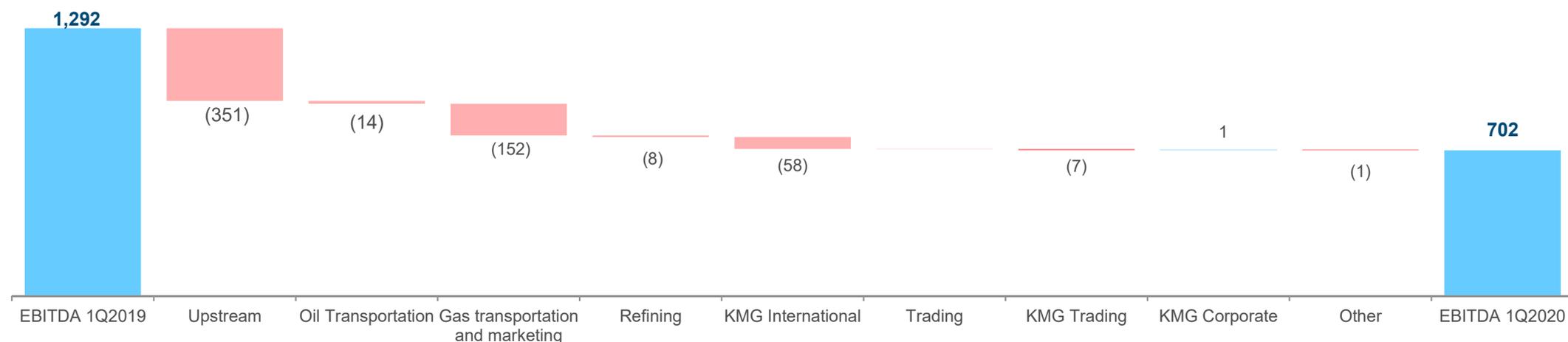
Fully consolidated entities: Upstream: OMG, EMG, Karachaganak, KTM; Midstream/Oil transportation: KTO, KMTF; Midstream/Gas: KazTransGas; Downstream/Refining: Atyrau refinery, Pavlodar refinery; Downstream/Trading: KMG Cooperative, KMG TH, KMG Onimderi, KMG Retail, KMG Aero



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Change in EBITDA by segments, Q1 2020 vs Q1 2019

EBITDA by segments, US\$ mn (Q1 2020 vs. Q1 2019)

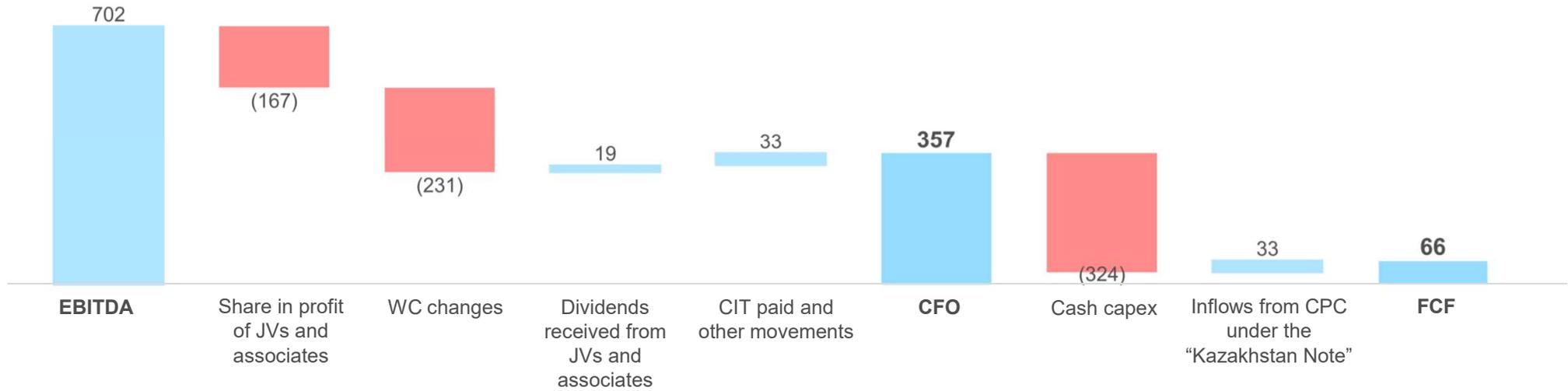


Key factors affecting segmented EBITDA

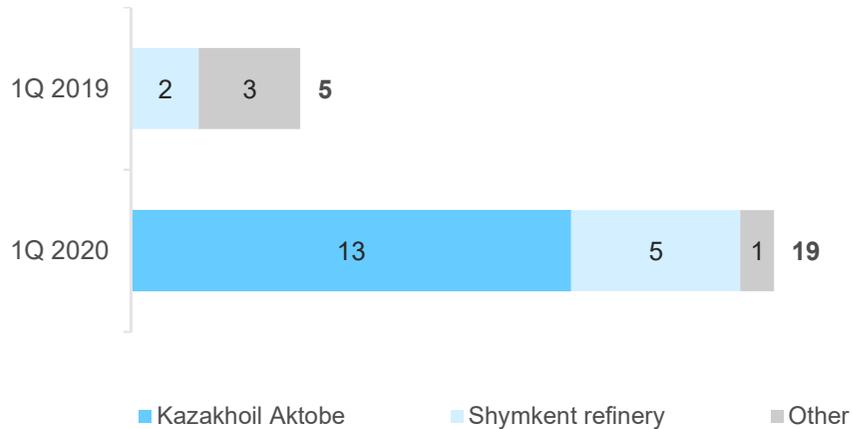
- **Upstream** operation decreased by US\$ 351 mn mainly due to sharp drop in Brent price caused by COVID-19 being offset by tenge depreciation against US Dollar;
- **Oil Transportation** segment slightly decreased by US\$ 14 mn mainly due to fall in oil volume received by KTO from Aktobe region fields, which was caused by high organochlorine compounds issue;
- EBITDA from "**Gas transportation and marketing**" segment decreased by US\$ 152 mn mainly as a result of forex losses on USD denominated loans and trade payables in Asian Gas Pipeline (AGP) by US\$ 93 mn, Beineu Shymkent Gas Pipeline (BSGP) by US\$ 81 mn and KazRosGaz (KRG) by US\$ 21 mn;
- **Refining segment** reflected insignificant decrease due to tenge depreciation against US Dollar in Shymkent Refinery;
- EBITDA of **KMG I** decreased by US\$ 58 mn mainly due to sharp drop in crude oil and oil products prices;
- **Trading, Corporate and Other segments** were relatively stable over the comparable periods.

EBITDA to FCF bridge

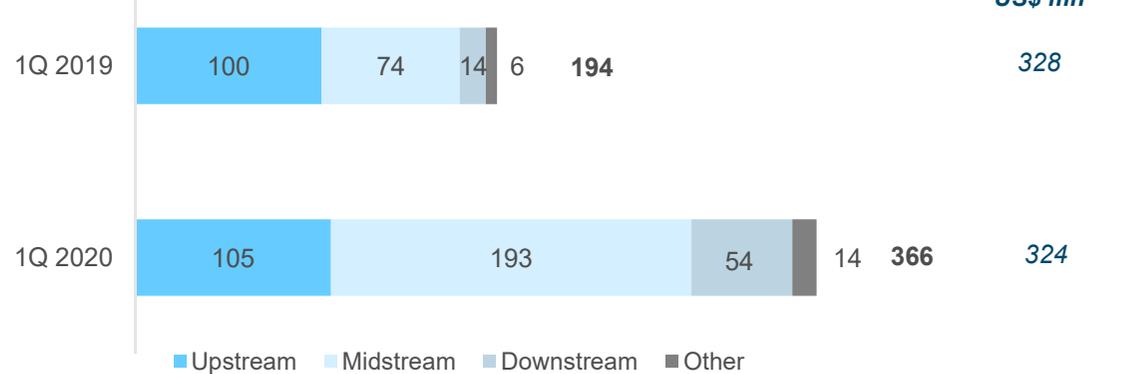
EBITDA to normalized FCF bridge 1Q2020, US\$ mn



Dividends from JVs and associates, US\$ mn

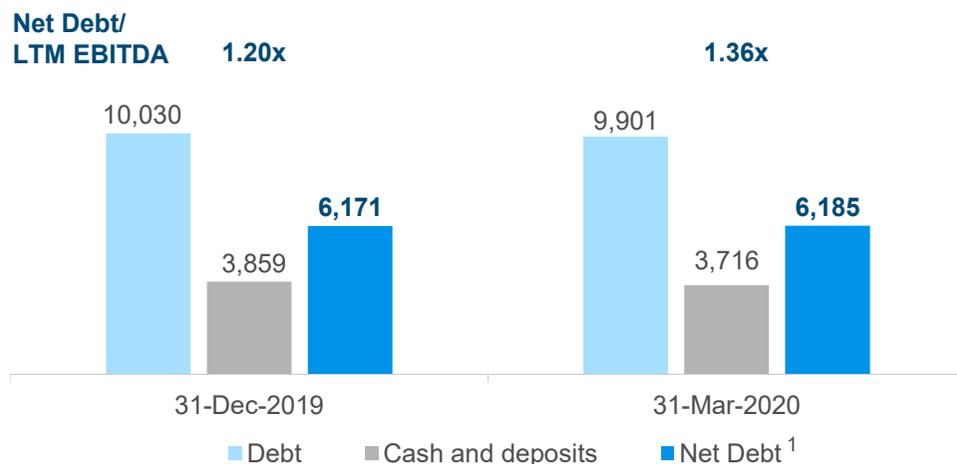


CAPEX on accrual basis, US\$ mn

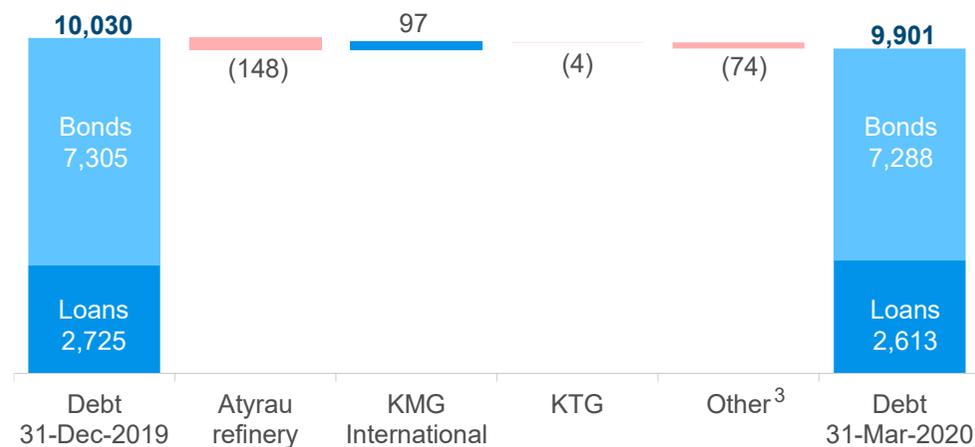


Debt profile

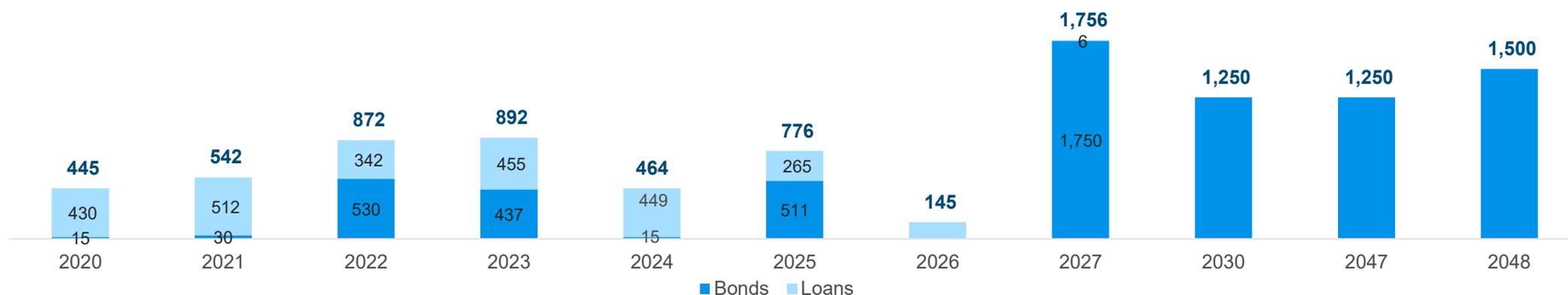
Debt and leverage, US\$ mn



Debt movement², US\$ mn



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



(1) Net Debt figures as of 31 March 2020 do not include guaranteed obligations on a syndicated loan of Beineu-Shymkent Gas Pipeline (BSGP) in the amount of USD 648 mn, guaranteed obligation on a loan of JSC "AstanaGas KMG" in the amount of USD 4.2 mn, lease liabilities in the amount of USD 116 mn; and Net Debt figures as of 31 December 2019 do not include guaranteed obligations on a syndicated loan of BSGP in the amount of USD 684 mn, guaranteed obligation on a loan of JSC "AstanaGas KMG" in the amount of USD 4.9 mn and lease liabilities in the amount of USD 123 mn.

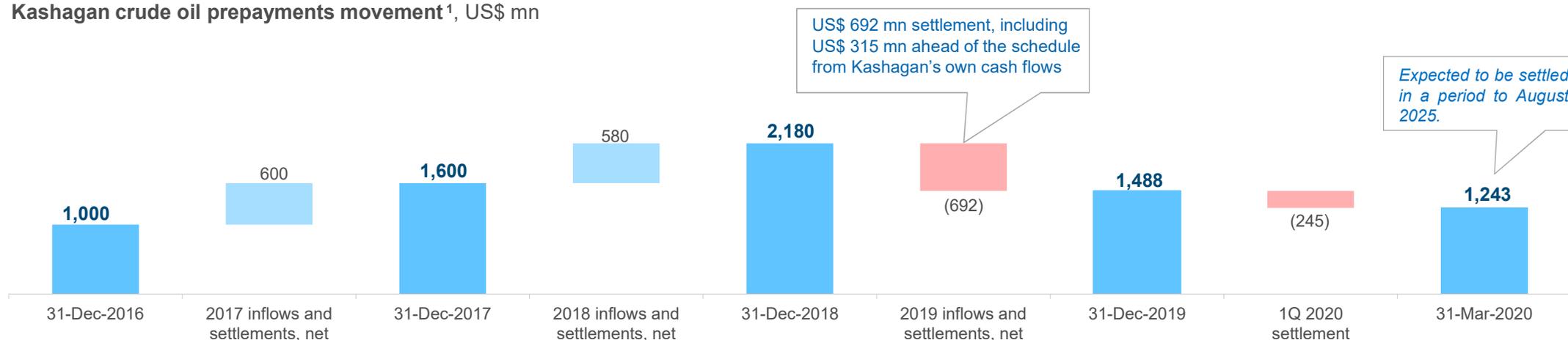
(2) Debt movements represented for Atyrau refinery, KMG International and KTG are principal amounts.

(3) Other includes change in FX rate, discounts etc.

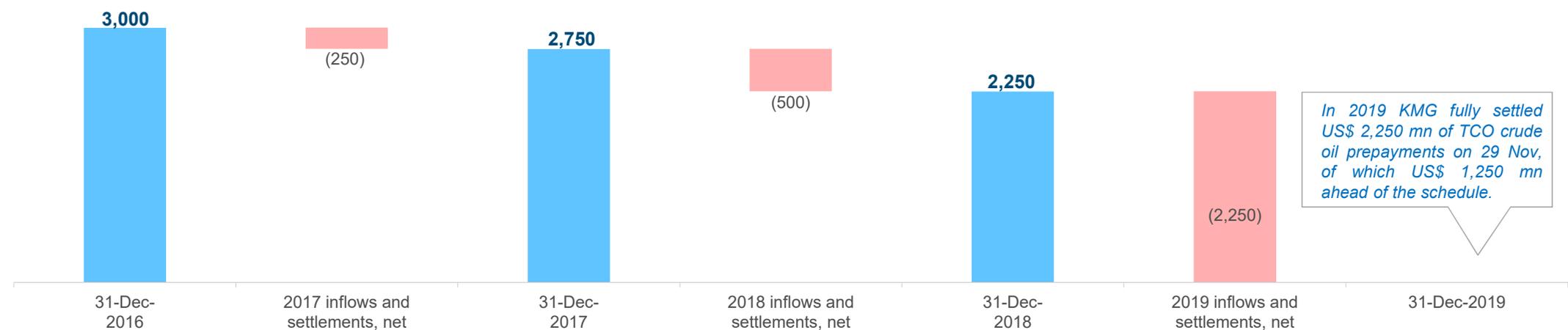
(4) Loans includes credit lines, government loans, overdrafts, trade financing. Debt maturity profile does not reflect guarantees and carry financing. As of 31 March 2020.

Prepayments overview

Kashagan crude oil prepayments movement¹, US\$ mn



TCO crude oil prepayments movement², US\$ mn



(1) Prepayments are at Kashagan B.V. level (50% owed by KMG). Kashagan B.V. is not consolidated to KMG's financial reporting.

(2) TCO Advanced Oil Sale transaction: In 2016 KMG entered into a long-term TCO crude oil and liquefied petroleum gas (LPG) supply agreement, which included the prepayment. The total minimum delivery volume approximates 38.4 million tons of crude oil and 1.25 million ton of LPG in the period from the date of the contract to June and August 2021.

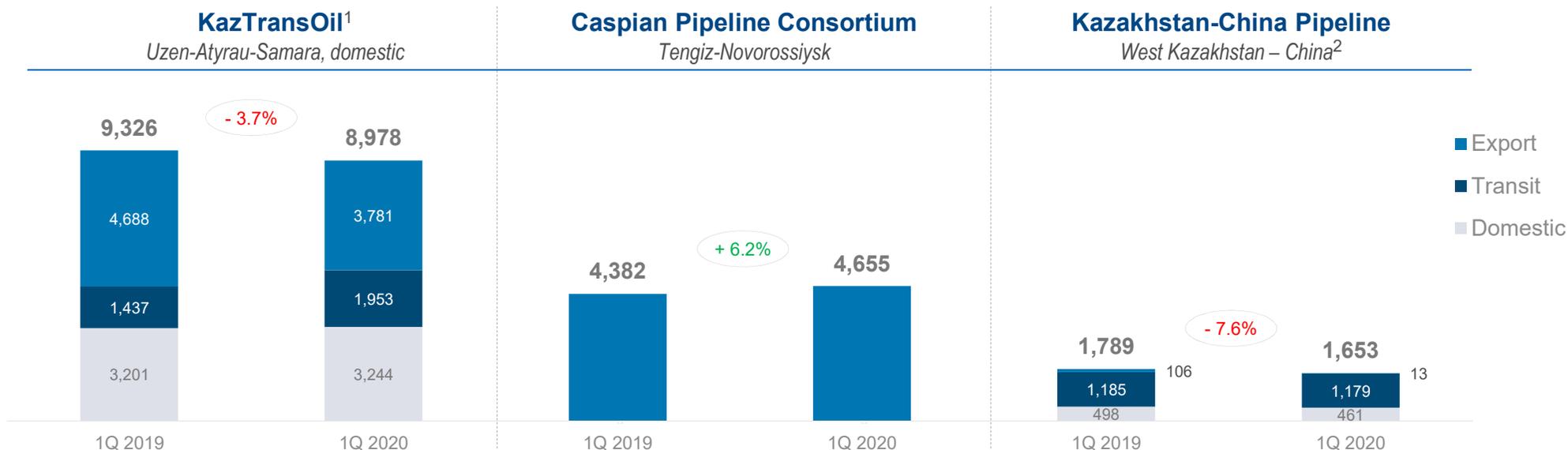




Appendix

Midstream: Crude oil pipeline transportation

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

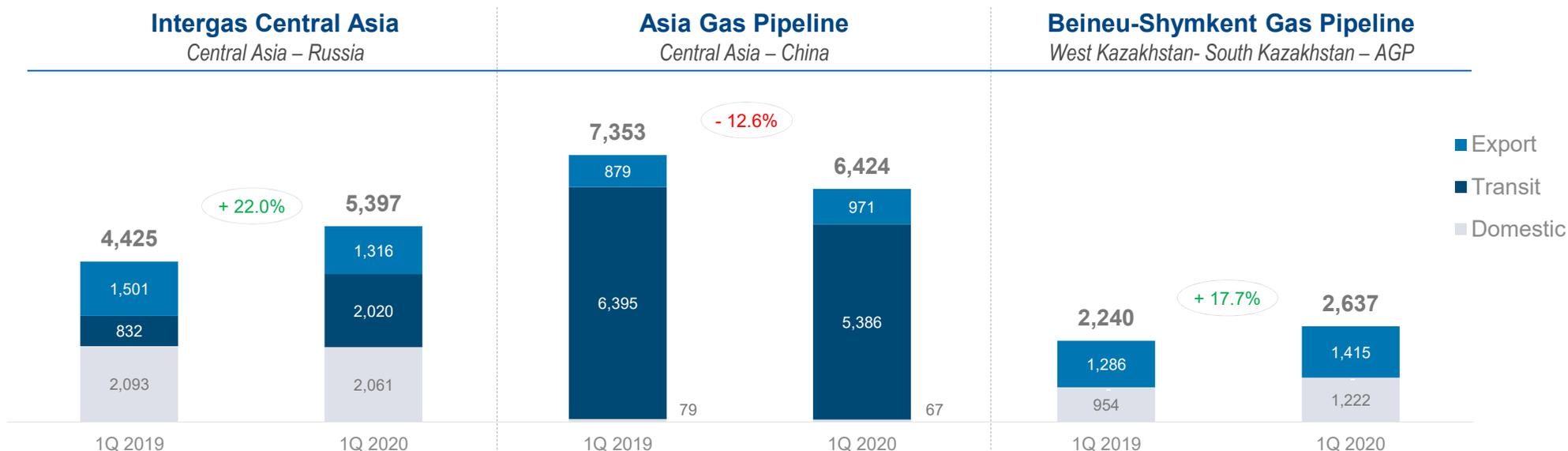


Oil transportation tariffs in 1Q 2020

Company	Direction	UoM	Average tariffs	% change 1Q 2019 vs 1Q 2020
KazTransOil	Export	tn per 1,000 km	6,726 KZT	+ 5.1%
	Domestic	tn per 1,000 km	4,110 KZT	- 13.0%
	Transit	per tonne	4.23 USD	no change
Caspian Pipeline Consortium	Export	per tonne	38.00 USD	+ 5.6%
Kazakhstan-China Pipeline	Export	tn per 1,000 km	6,799 KZT	no change
	Domestic	tn per 1,000 km	7,158 KZT	no change
	Transit	per tonne	10.77 USD	no change

Midstream: Gas transportation

Gas transportation turnover by directions (net to KMG), (mln m³*km)



Gas transportation tariffs in 1Q 2020

Company	Direction	UoM	Average tariffs	% change 2018 vs 2019
Intergas Central Asia	Export	1,000 m ³ per 100 km	4.14 USD	+ 6.7%
	Domestic	1,000 m ³	2,212 KZT	- 0.03%
	Transit	1,000 m ³ per 100 km	2.06 USD	+ 1.6%
Asia Gas Pipeline	Export	1,000 m ³ per 100 km	3.58 USD	no change
	Domestic	1,000 m ³ per 100 km	556 KZT	change in method ¹
	Transit	1,000 m ³ per 100 km	3.58 USD	no change
Beineu-Shymkent Gas Pipeline	Export	1,000 m ³ per 100 km	1,200 KZT	change in method ¹
	Domestic	1,000 m ³ per 100 km	1,200 KZT	change in method ¹

(1) In 1Q 2020 was changed from “1,000 m³” to “1,000 m³ per 100 km”

Downstream: Refining details

Refining volumes in 1Q 2020 (net to KMG), mt

	Kazakhstan			Romania		
	Atyrau	Pavlodar	Shymkent (50%)	Caspi Bitum (50%)	Petromidia (54.63%)	Vega (54.63%)
	1.4	1.3	0.6	0.1	1.2	0.1
Refining capacity, mt/yr	5.5	6.0	6.0	1.0	6.0 ¹	0.5
Nelson Index	13.9	10.5	8.2	–	10.5	–
Light products yield	59%	70%	85%	–	81%	–
Refining depth	81%	84%	92%	–	95%	–
Utilisation rate	85%	90%	89%	98%	97%	97%
Weighted average tariffs, KZT/tonne	41,313	20,094	28,059	20,832	–	–

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

EBITDA segmented, 1Q 2020

In KZT bn	UPSTREAM	MIDSTREAM		DOWNSTREAM			NC KMG		OTHER	TOTAL
	E&P	Oil transportation	Gas transportation and marketing	Refining	KMG Int.	Trading	Trading	Corporate	OFS, other assets, and eliminations**	
Operating EBITDA	43	40	67	57	(4)	(0)	9	(7)	5	210
Share in profit of JVs and associates *	77	17	(19)	(10)	(0)	0	0	0	(0)	65
Tengiz (20%)	64									
MMG (50%)	6									
KGM (50%)	6									
Kashagan (8.44%)	(0)									
KOA (50%)	(0)									
PKI (33%)	3									
CPC (20.75%)		20								
KCP (50%)		(3)								
MT (51%)		0								
AGP (50%)			(4)							
BSGP (50%)			(8)							
KazRosGas (50%)			(7)							
Shymkent refinery (50%)				(11)						
Other	(2)	0	0	1	(0)	0			(0)	
EBITDA	120	57	48	47	(4)	(0)	9	(7)	5	275
<i>% of total</i>	<i>44%</i>	<i>21%</i>	<i>18%</i>	<i>17%</i>	<i>-2%</i>	<i>-0%</i>	<i>3%</i>	<i>-2%</i>	<i>1%</i>	<i>100%</i>

* Equity method of consolidation

** Eliminations = 9 bn of Operating EBITDA

Fully consolidated entities: Upstream: OMG, EMG, Karachaganak, KTM; Midstream/Oil transportation: KTO, KMTF; Midstream/Gas: KazTransGas; Downstream/Refining: Atyrau refinery, Pavlodar refinery; Downstream/Trading: KMG Cooperative, KMG TH, KMG Onimderi, KMG Retail, KMG Aero

EBITDA segmented, 1Q 2019

In KZT bn	UPSTREAM	MIDSTREAM		DOWNSTREAM			NC KMG		OTHER	TOTAL
	E&P	Oil transportation	Gas transportation and marketing	Refining	KMG Int.	Trading	Trading	Corporate	OFS, other assets, and eliminations**	
Operating EBITDA	102	42	48	51	18	(0)	11	(7)	4	269
Share in profit of JVs and associates *	147	18	56	(3)	0	0	0	0	1	219
Tengiz (20%)	106									
MMG (50%)	23									
Kashagan (8.44%)	5									
KGM (50%)	7									
PKI (33%)	2									
KOA (50%)	2									
CPC (20.75%)		18								
MT (51%)		0								
AGP (50%)			31							
BSGP (50%)			23							
KazRosGas (50%)			2							
Shymkent refinery (50%)				(3)						
Other	2	0	0	0	0	0			1	
EBITDA	249	60	104	48	18	(0)	11	(7)	5	488
<i>% of total</i>	<i>51%</i>	<i>12%</i>	<i>21%</i>	<i>10%</i>	<i>4%</i>	<i>-0%</i>	<i>2%</i>	<i>-1%</i>	<i>1%</i>	<i>100%</i>

* Equity method of consolidation

** Eliminations = 3 bn of Operating EBITDA

Fully consolidated entities: Upstream: OMG, EMG, Karachaganak, KTM; Midstream/Oil transportation: KTO, KMTF; Midstream/Gas: KazTransGas; Downstream/Refining: Atyrau refinery, Pavlodar refinery; Downstream/Trading: KMG Cooperative, KMG TH, KMG Onimderi, KMG Retail, KMG Aero

EBITDA segmented, 1Q 2019

In USD mln	UPSTREAM	MIDSTREAM		DOWNSTREAM			NC KMG		OTHER	TOTAL
	E&P	Oil transportation	Gas transportation and marketing	Refining	KMG Int.	Trading	Trading	Corporate	OFS, other assets, and eliminations ²	
Operating EBITDA	270	112	128	134	47	0	30	(19)	10	712
Share in profit of JVs and associates ¹	388	48	147	(7)	0	0	0	0	3	579
Tengiz (20%)	280									
MMG (50%)	62									
Kashagan (8.44%)	14									
KGM (50%)	18									
PKI (33%)	5									
KOA (50%)	4									
CPC (20.75%)		47								
MT (51%)		0								
BSGP (50%)			62							
KazRosGas (50%)			4							
AGP (50%)			82							
KCP (50%)		1								
Shymkent refinery (50%)				(8)						
Other	5	0	0	1	0	0			3	
EBITDA	658	160	275	128	47	0	30	(19)	13	1,292
<i>% of total</i>	<i>51%</i>	<i>12%</i>	<i>21%</i>	<i>10%</i>	<i>4%</i>	<i>0%</i>	<i>2%</i>	<i>-1%</i>	<i>1%</i>	<i>100%</i>

(1) Equity method of consolidation

(2) Eliminations = 8 mn of Operating EBITDA



Consolidated statement of comprehensive income

In KZT bn

For the three months ended, March 31

	2020 (unaudited)	2019 (unaudited) (reclassified)	Change	Change,%
Revenue and other income				
Revenue	1,376	1,765	(389)	-22.0%
Share in profit of joint ventures and associates, net	65	219	(154)	-70.2%
Finance income	37	30	7	25.0%
Gain on sale of subsidiaries	–	17	(17)	-100.0%
Other operating income	9	4	5	113.5%
Total revenue and other income	1,487	2,035	(548)	-26.9%
Costs and expenses				
Cost of purchased oil, gas, petroleum products and refining costs	(741)	(1,067)	325	-30.5%
Production expenses	(174)	(163)	(11)	7.1%
Taxes other than income tax	(94)	(119)	24	-20.5%
DDA	(92)	(83)	(8)	10.1%
Transportation and selling expenses	(119)	(116)	(3)	2.7%
General and administrative expenses	(38)	(32)	(6)	17.4%
Impairment of PPE, IA	(61)	(0)	(61)	100.0%
Impairment of investments in joint venture and associate	(38)	–	(38)	100.0%
Finance costs	(67)	(85)	18	-21.5%
Other expenses	(7)	(5)	(3)	55.0%
Net foreign exchange gain/(loss)	33	3	30	871.9%
Total costs and expenses	(1,399)	(1,667)	268	-16.1%

Consolidated statement of comprehensive income (continued)

In KZT bn

For the three months ended, March 31

	2020 (unaudited)	2019 (unaudited) (reclassified)	Change	Change, %
Profit before income tax	88	369	(281)	-76.1%
Income tax expenses	(19)	(60)	41	-68.9%
Profit for the period from continuing operations	70	309	(240)	-77.5%
Discontinued operations				
Profit/(loss) after income tax for the year from discontinued operations	–	0	(0)	-100.0%
Net profit for the period	70	309	(240)	-77.5%
Net profit/(loss) for the year attributable to:				
Equity holders of the Parent Company	86	309	223	-72.1%
Non-controlling interest	(17)	0	(17)	-100.0%
	70	309	(240)	-77.5%

Consolidated statement of financial position

In KZT bn

	March 31, 2020 (unaudited)	December 31, 2019 (audited)	Change	Change, %
Assets				
Non-current assets				
Property, plant and equipment	4,717	4,484	233	5.2%
Right-of-use assets	43	38	5	12.0%
Exploration and evaluation assets	166	180	(14)	-7.8%
Investment property	9	10	(0)	-0.5%
Intangible assets	179	171	8	4.8%
Long-term bank deposits	58	53	6	11.1%
Investments in joint ventures and associates	6,469	5,590	879	15.7%
Deferred income tax asset	96	74	23	30.7%
VAT receivable	152	134	18	13.8%
Advances for non-current assets	48	73	(25)	-34.2%
Loans and receivables due from related parties	686	616	70	11.4%
Other non-current non-financial assets	15	17	(2)	-13.4%
Other non-current financial assets	3	2	1	0.7%
	12,642	11,442	1,200	10.5%
Current assets				
Inventories	253	281	(28)	-10.1%
VAT receivable	59	74	(15)	-20.7%
Income tax prepaid	69	55	14	26.2%
Trade accounts receivable	425	398	27	6.8%

Consolidated statement of financial position (continued)

In KZT bn

	March 31, 2020 (unaudited)	December 31, 2019 (audited)	Change	Change, %
Short-term bank deposits	376	360	16	4.5%
Loans and receivables due from related parties	131	139	(8)	-5.9%
Other current non-financial assets	120	199	(79)	-39.7%
Other current financial assets	66	64	3	3.9%
Cash and cash equivalents	1,230	1,064	165	15.5%
Assets classified as held for sale	8	8	0	0.6%
Total assets	15,377	14,082	1,295	9.2%
Equity and liabilities				
Equity				
Share capital	917	917	–	0.0%
Additional paid-in capital	20	41	(21)	-50.5%
Other equity	0	0	–	0.0%
Currency translation reserve	2,373	1,732	642	37.1%
Retained earnings	5,565	5,469	95	1.7%
Attributable to equity holders of the Parent Company	8,875	8,158	716	8.8%
Non-controlling interest	21	38	(17)	-43.9%
Total equity	8,896	8,197	700	8.5%

Consolidated statement of financial position (continued)

In KZT bn

	March 31, 2020 (unaudited)	December 31, 2019 (audited)	Change	Change, %
Liabilities				
Non-current liabilities				
Borrowings	4,094	3,584	510	14.2%
Provisions	299	274	26	9.4%
Deferred income tax liabilities	590	509	81	15.8%
Lease liabilities	39	36	3	9.6%
Other non-current financial liabilities	27	26	1	3.3%
Other non-current non-financial liabilities	20	18	2	12.8%
	5,069	4,447	623	14.0%
Current liabilities				
Borrowings	339	253	85	33.6%
Provisions	111	104	8	7.4%
Income tax payable	14	13	1	8.9%
Trade accounts payable	645	668	(23)	-3.5%
Other taxes payable	77	87	(10)	-11.7%
Lease liabilities	13	11	2	15.0%
Other current financial liabilities	93	93	0	0.1%
Other current non-financial liabilities	120	210	(90)	-42.9%
	1,411	1,438	(28)	-1.9%
Total liabilities	6,480	5,885	595	10.1%
Total equity and liabilities	15,377	14,082	1,295	9.2%
Book value per ordinary share	14.287	13.154		

Consolidated statement of cash flows (indirect)

In KZT bn

For the three months ended March, 31

	2020 (unaudited)	2019 (unaudited) (reclassified)	Change	Change, %
Cash flows from operating activities				
Profit before income tax from continuing operations	88	369	(281)	-76.1%
Profit before income tax from discontinued operations	-	0	(0)	-100.0%
Profit before income tax	88	369	(281)	-76.1%
Adjustments:				
DDA	92	83	8	10.1%
Impairment of PPE, IA, exploration and evaluation assets	61	0	61	100.0%
Impairment of investments in joint venture and associate	38	-	38	100.0%
Allowance for /(Reversal of) obsolete inventories	5	(3)	8	-301.4%
Net foreign exchange differences	(1)	(5)	4	-76.5%
Loss on disposal of PPE, IA and investment property, net	2	0	1	488.7%
Realized (gains)/ losses from derivatives on petroleum products	(12)	(11)	(0)	3.9%
Adjustment for repayment of advances received for the supply of oil	-	(164)	164	-100.0%
Finance costs	67	85	(18)	-21.5%
Finance income	(37)	(30)	(7)	25.0%
Gains on sale of subsidiaries	-	(17)	17	100.0%
Share in profit of joint ventures and associates, net	(65)	(219)	154	-70.2%
Movements in provisions	17	(10)	27	-266.4%
Other adjustments	4	3	1	24.5%
Operating profit before working capital changes	259	82	177	216.9%

Consolidated statement of cash flows (indirect, continued)

In KZT bn

For the three months ended March, 31

	2020 (unaudited)	2019 (unaudited) (reclassified)	Change	Change, %
Change in VAT receivable	(2)	(8)	6	-76.6%
Change in inventory	59	69	(10)	-14.3%
Change in trade accounts receivable and other current assets	91	(181)	272	-150.0%
Change in trade and other payables and contract liabilities	(218)	(8)	(210)	2519.0%
Change in other taxes payable	(20)	5	(26)	-479.6%
Cash generated from operations	168	(41)	209	-508.1%
Dividends received from joint ventures and associates	8	2	6	342.8%
Income taxes paid	(29)	(50)	21	-41.3%
Interest received	26	30	(3)	-11.0%
Interest paid	(33)	(39)	6	-15.5%
Net cash flow from/(used in) operating activities	140	(99)	239	-241.6%
Cash flows from investing activities				
Withdrawal/(placement) of bank deposits, net	39	(428)	467	-109.0%
Purchase of PPE, IA, investment property and exploration and evaluation assets	(127)	(124)	(3)	2.4%
Proceeds from sale of PPE, IA, investment property and exploration and evaluation assets	6	0	6	100.0%
Proceeds from disposal of subsidiaries	9	57	(48)	-84.7%
Loans given to related parties	(14)	(14)	0	-0.3%
Refund/(acquisition) of debt securities	(1)	0	(1)	-100.0%
Proceeds from Note receivable from a shareholder of a joint venture	5	0	5	100.0%
Net cash flows used in investing activities	(84)	(510)	426	-83.5%

Consolidated statement of cash flows (indirect, continued)

In KZT bn

For the three months ended March, 31

	2020 (unaudited)	2019 (unaudited) (reclassified)	Change	Change, %
Cash flows from financing activities				
Proceeds from borrowings	100	248	(148)	-59.5%
Repayment of borrowings	(121)	(305)	185	-60.5%
Dividends paid to non-controlling interests	-	(0)	0	-100%
Share buyback by subsidiary	(0)	(1)	1	-85.6%
Distribution to Samruk-Kazyna	-	(18)	18	-100.0%
Payment of principal lease liabilities	(5)	(5)	0	-2.1%
Net cash flows used in financing activities	(25)	(81)	56	-69.4%
Effects of exchange rate changes	134	(19)	153	-808.1%
Change in allowance for expected credit losses	0	0	0	0.0%
Net change in cash and cash equivalents	165	(708)	874	-123.3%
Cash and cash equivalents, at the beginning of the year	1,064	1,546	(481)	-31.1%
Cash and cash equivalents, at the end of the year	1,230	837	392	46.8%

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

In KZT bn

For the three months ended March, 31

	2020	2019	Change	Change, %
Cash flows from operating activities				
Receipts from customers	1,466	1,619	(153)	-9.4%
Payments to suppliers	(904)	(1,218)	314	-25.8%
Other taxes and payments	(291)	(321)	30	-9.3%
Dividends received from joint ventures and associates	8	2	6	342.8%
Income taxes paid	(29)	(50)	21	-41.3%
Interest received	26	30	(3)	-11.0%
Interest paid	(33)	(39)	6	-15.5%
Payments to employees	(85)	(86)	1	-0.9%
Taxes received from Tax authorities	13	4	10	247.5%
Social payments and pension funds	(16)	(11)	(4)	37.7%
Other payments	(15)	(27)	12	-45.4%
Net cash flow from operating activities	140	(99)	239	-241.6%
Cash flows from investing activities				
Withdrawal/(placement) of bank deposits, net	39	(428)	467	-109.0%
Purchase of PPE, IA, investment property and exploration and evaluation assets	(127)	(124)	(3)	2.4%
Proceeds from sale of PPE, IA, investment property and exploration and evaluation assets	6	0	6	100.0%
Proceeds from disposal of subsidiaries	9	57	(48)	-84.7%
Loans given to related parties	(14)	(14)	0	-0.3%
Refund/(acquisition) of debt securities	(1)	0	(1)	-100.0%
Note receivable from a shareholder of a joint venture	5	-	5	100.0%
Net cash flows (used in)/ from investing activities	(84)	(510)	426	-83.5%

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

In KZT bn

For the three months ended March 31

	2020	2019	Change	Change, %
Cash flows from financing activities				
Proceeds from borrowings	100	248	(148)	-59.5%
Repayment of borrowings	(121)	(305)	185	-60.5%
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Change in allowance for expected credit losses	0	0	0	0.0%
Net change in cash and cash equivalents	165	(708)	874	-123.3%
Cash and cash equivalents, at the beginning of the year	1,064	1,546	(481)	-31.1%
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