



ҚазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

NATIONAL COMPANY
KAZMUNAYGAS

FY2021 OPERATIONAL AND FINANCIAL RESULTS



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17 March 2022

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Forward-looking statements

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Macroeconomic environment

Dated Brent in 2021, US\$ pb¹



- In 2021, average **Dated Brent up** by 69.5% YoY
- **Lower crude oil output** due to worldwide curtailments under OPEC+ agreement

Kazakhstan's macroeconomic indicators²

Indicators	2021	2020
GDP growth, %	4	3.4
Inflation, % (YoY)	8.4	8.9
Base rate, %	9.75	9.75

FX rate	2021	2020
USDKZT, average	426.06	413.46
USDKZT, end-of period ³	431.80	420.91

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) USDKZT end-of-period exchange rates are as of 31 December 202q and 31 December 2020

Highlights

	2020	2021
Oil and gas condensate	445 kbopd (21.8 mt)	444 kbopd (21.7 mt)
Oil transportation	73.2 mt	74.6 mt
Gas transportation ¹	86.6 bln m ³	81.9 bln m ³
Refining volumes	18.1 mt	18.8 mt
EBITDA ²	USD 1,960 mn	USD 3,776 mn
Adj. EBITDA ²	USD 1,607 mn	USD 2,947 mn
FCF ³	USD 121 mn	USD 1,570 mn
Cash CAPEX ⁴	USD 959 mn	USD 962 mn
Net debt	USD 6,162 mn	USD 5,104 mn

KMG Credit ratings

- On 12 August 2021, **Moody's** upgraded KMG's credit rating to Baa2 from Baa3 and changed the outlook to stable from positive following a sovereign rating action on the government of Kazakhstan.
- On 30 April 2021, the international rating agency **S&P** Global Ratings affirmed KMG's credit rating at "BB" with a "negative" outlook.
- On 20 September 2021, **Fitch** Ratings affirmed KMG's ratings, reflecting its solid business profile, expectations of gradual deleveraging and improvement in dividends inflows from JVs and associates.

(1) 2021 volumes are until 8 November 2021 due to KTG spin-off.

(2) Does not include KTG financial results. For more information, please, refer to Note 5 (discontinued operations) in the Consolidated Financial Statements.

(3) Includes cash inflows and outflows from discontinued operations (KTG).

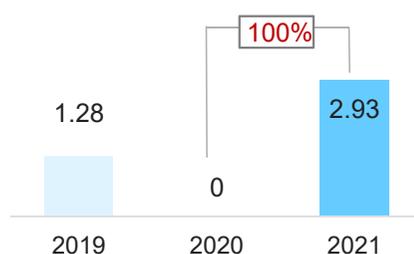
(4) Includes cash capex of KTG (until 8 Nov. 2021).

ESG and sustainable development

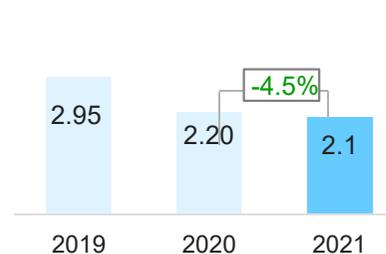
Lost time incident rate
(per 1 mln man hours)



Fatal accident rate
(per 100 mln man hours)



APG flaring intensity ⁽¹⁾
(t per kt of HC production)



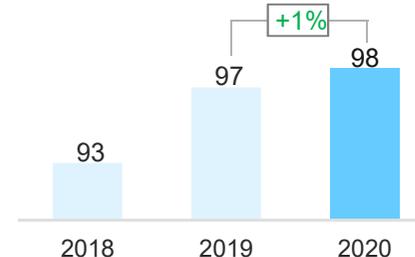
SOx emissions rate
(t per kt of HC production) ⁽¹⁾



NOx emissions
(t per kt of HC production) ⁽¹⁾



APG utilization rate
(%)



ESG rating

- **ESG risk rating** level improved to **28.4 points** from 34.7 points for 2020
- **Sustainalytics** gives KMG a rating of **72 points**, which reflects the company's rather high sustainability indicators (ranks 16th in the world out of 251 industry players)

Initiatives and memberships



THE WORLD BANK
IBRD · IDA | WORLD BANK GROUP

The World Bank Initiative "Complete Cessation of Regular Flaring of APG by 2030"



UN 17 Sustainable Development Goals Initiative



CDP Climate Program



Global Methane Initiative



International Association of Oil and Gas producers



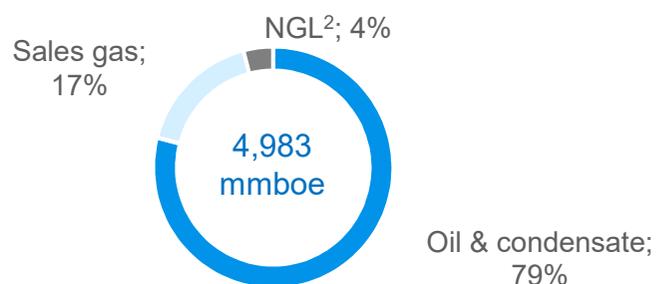
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Reserves under PRMS

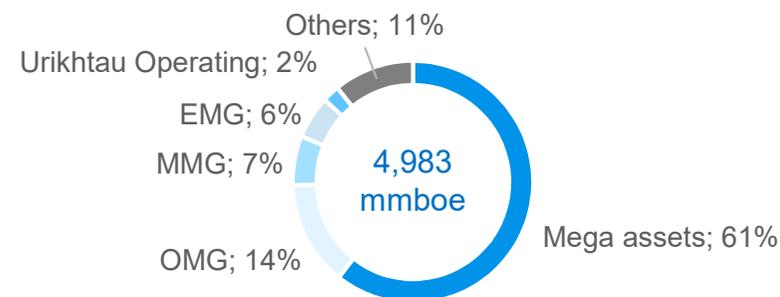
Net reserves¹ under PRMS as of 31 December 2021

Hydrocarbon reserves	mmboe		mmtoe	
	2020	2021	2020	2021
1P (Proved)	3,550	3,694	459	477
2P (Proved plus Probable)	4,894	4,983	635	645
3P (Proved plus Probable plus Possible)	5,832	5,869	757	761

2P reserves breakdown by hydrocarbon type (2021YE, net to KMG)



2P reserves breakdown by asset (2021YE, net to KMG)



24 years

2P reserve life based on 2021 oil & condensate production

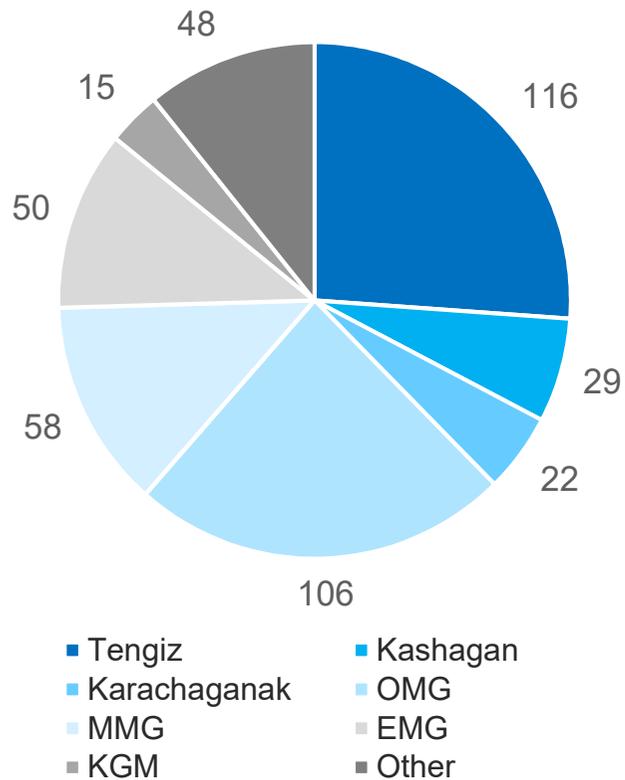
(1) Net Reserves are defined as that portion of the gross reserves attributable to the interest held by KMG after deducting all interest held by others, as well as interests that are not held by KMG, but which KMG controls. MMboe= million barrels of oil equivalent; bcf = billion cubic feet; 6,000 cf = 1 boe.

(2) Natural Gas Liquids.

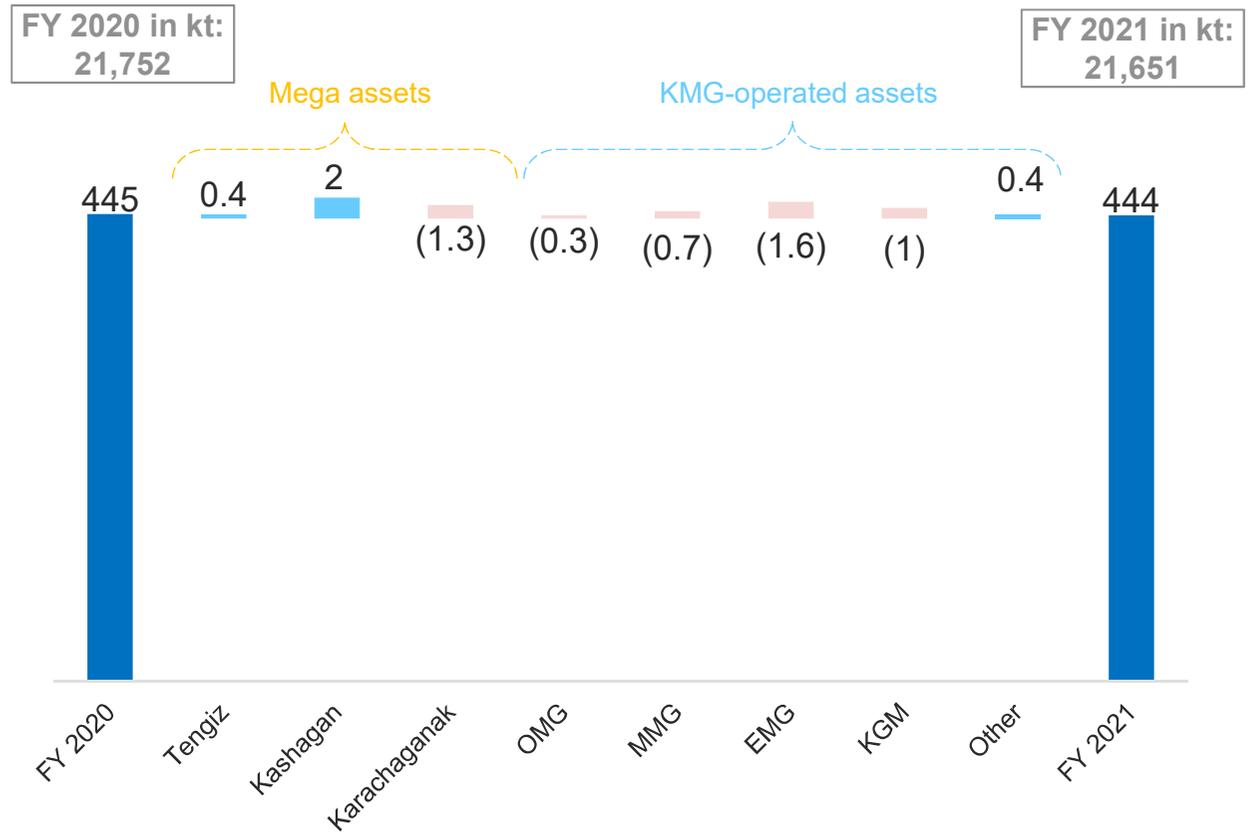
Source: DeGolyer and MacNaughton

Upstream

FY 2021 production: 444 kbopd¹
(breakdown by assets)

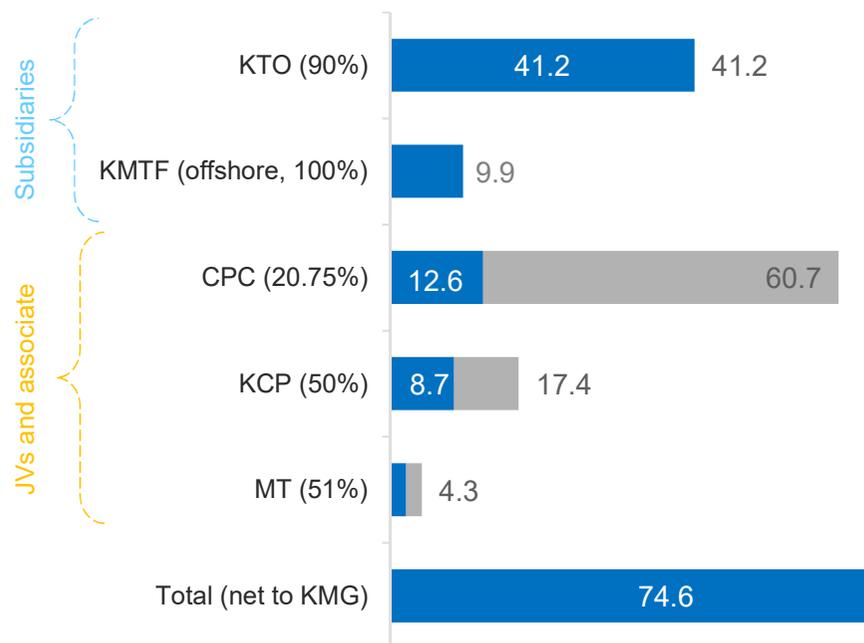


YoY changes in Upstream, kbopd

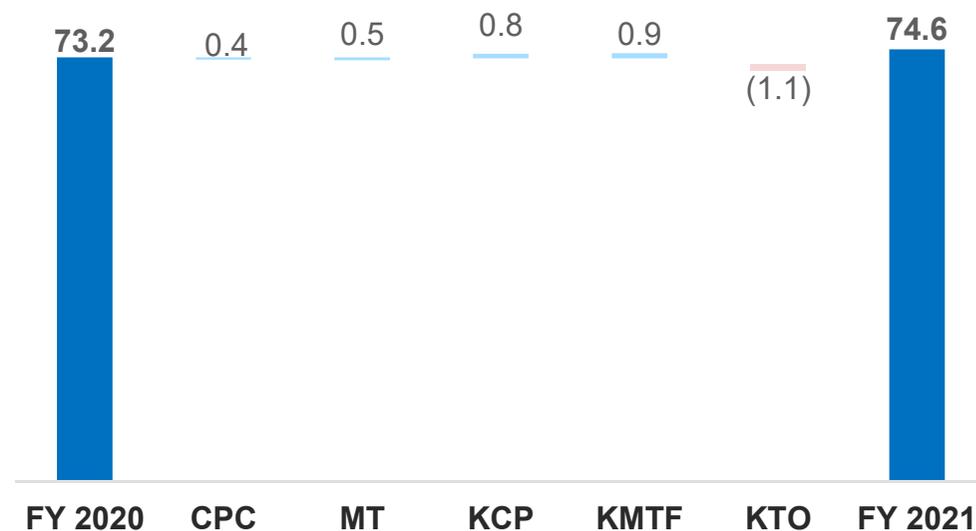


Oil midstream

FY2021 breakdown of oil transportation by companies on gross basis, mt

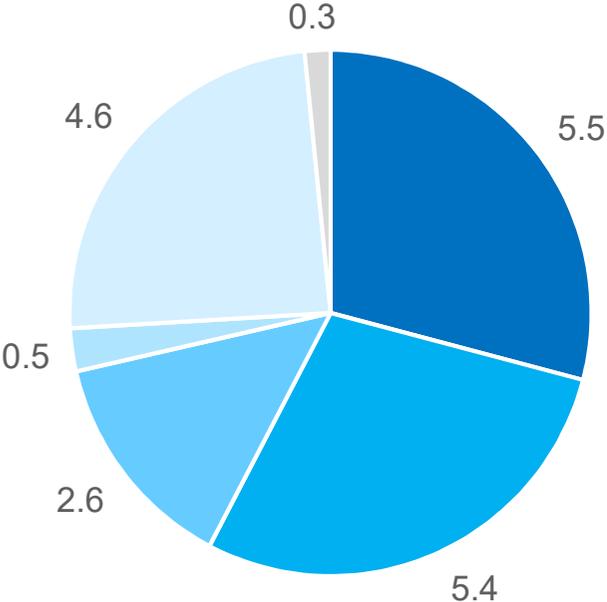


YoY changes in Oil midstream, mt



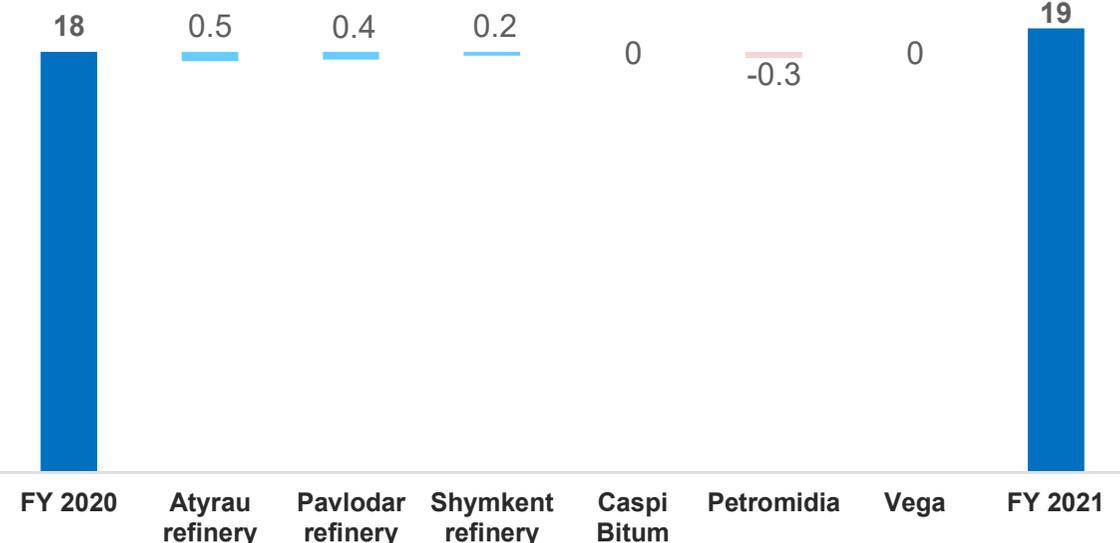
Downstream

FY 2021 refining volume (net to KMG):
18.8 mt (breakdown by assets)



- Atyrau refinery
- Pavlodar refinery
- Shymkent refinery
- Caspi bitum
- Petromidia
- Vega

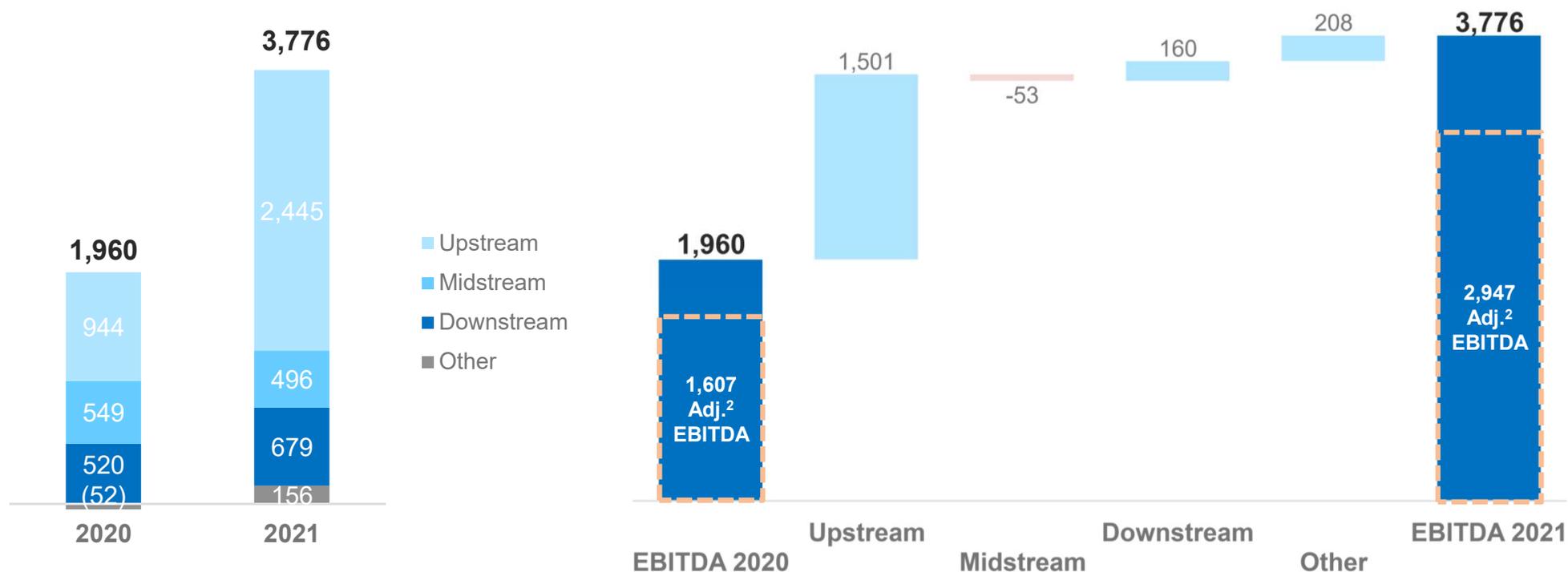
YoY changes in Downstream, mt



(1) Converted using corresponding barrelisation rates.

Change in EBITDA by segments, 2021 vs. 2020

EBITDA¹ by segments, US\$ mn (2021 vs. 2020)



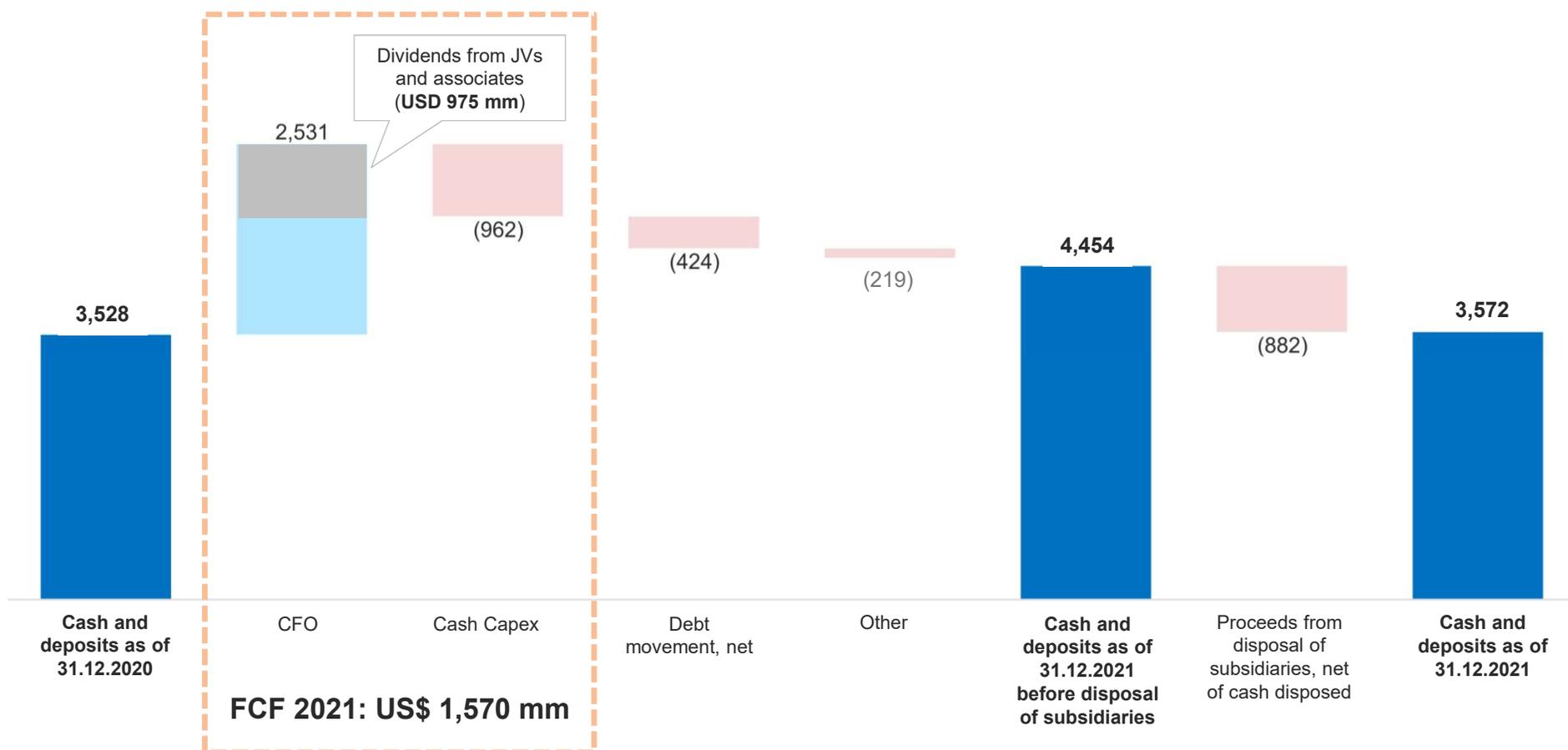
(1) EBITDA = revenue plus share in profit of JVs and associates, net, minus cost of purchased oil, gas petroleum products and other materials minus production expenses minus G&A expenses minus transportation and selling expenses minus taxes other than income tax.

(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.

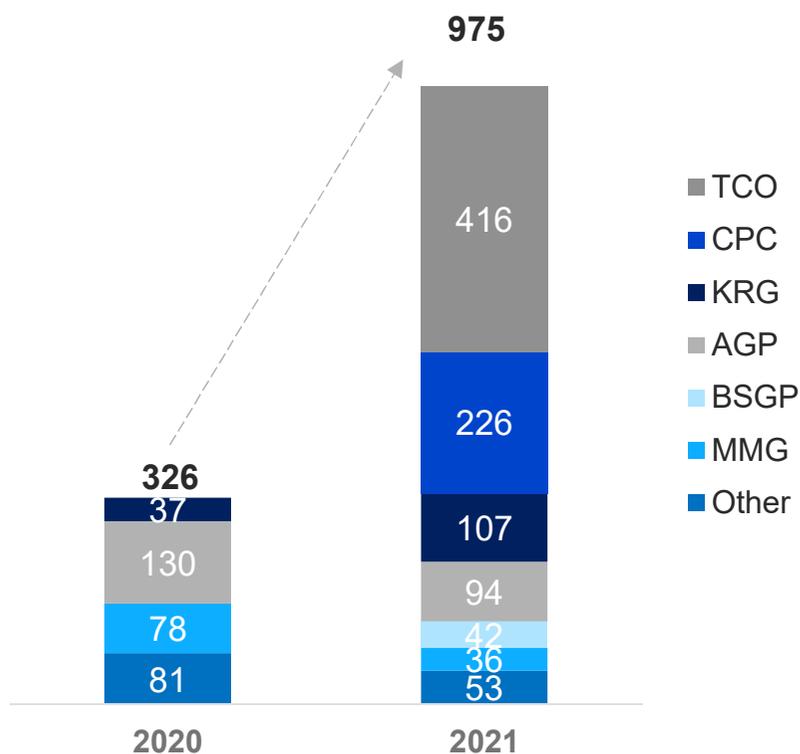
Cash sources and uses & FCF

Cash sources and uses, US\$ mn

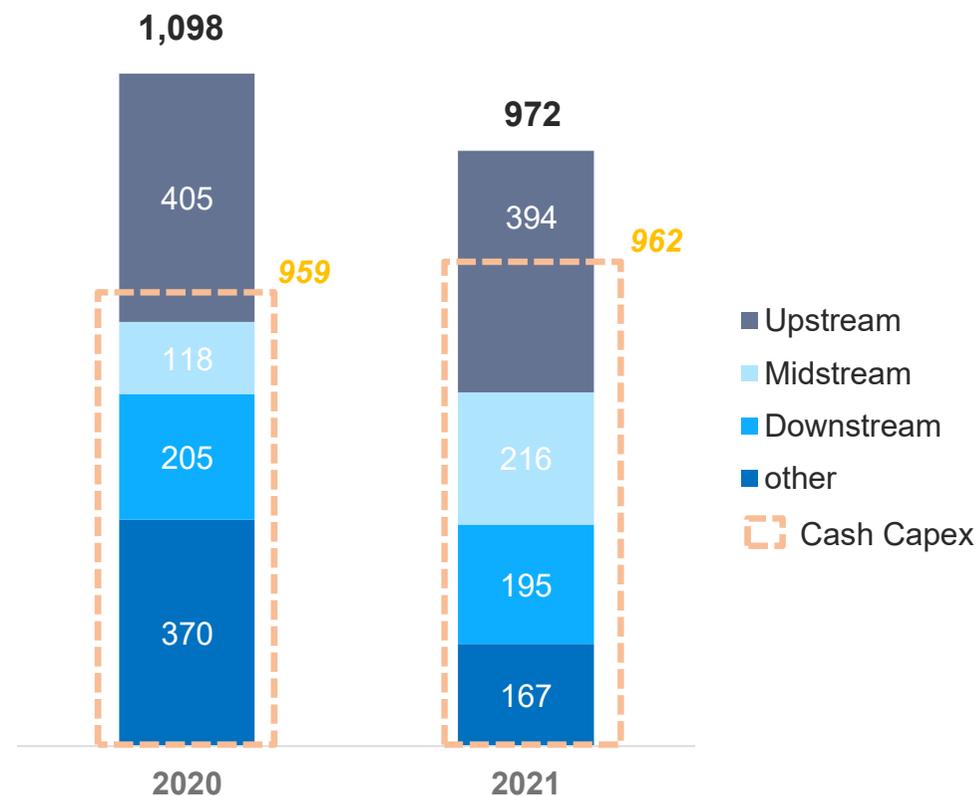


Dividends and capex

Dividends from JVs and associates¹, US\$ mn



CAPEX (accrual basis)², US\$ mn



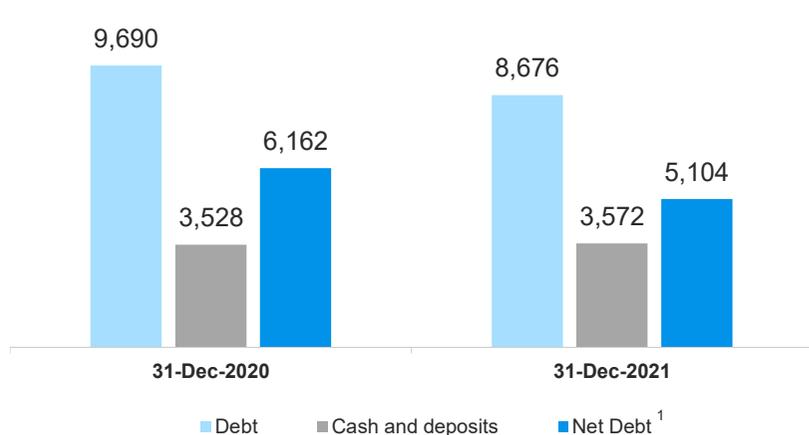
(1) Includes dividends receipts attributable to KTG until 8 Nov. 2021.

(2) Capex on accrual basis does not include capex of KTG.

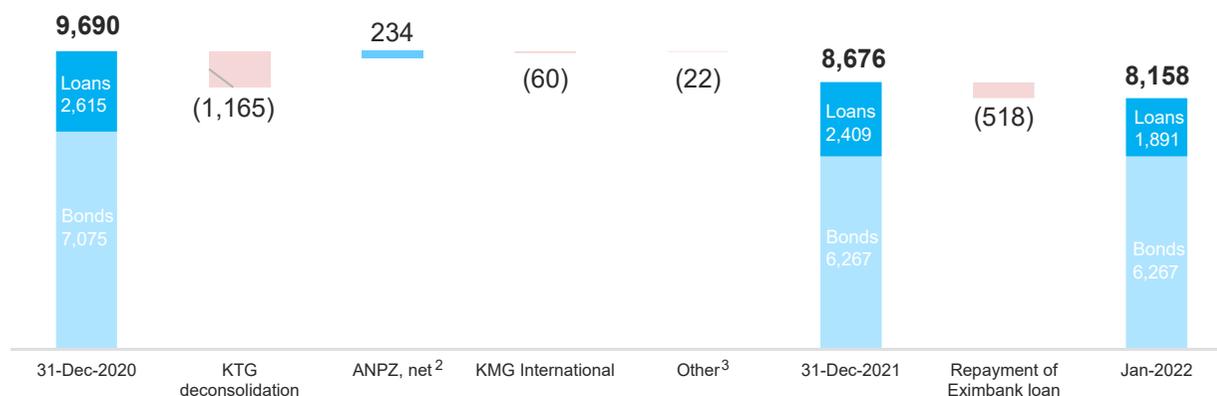
Note: Numbers may not sum due to rounding.

Debt profile

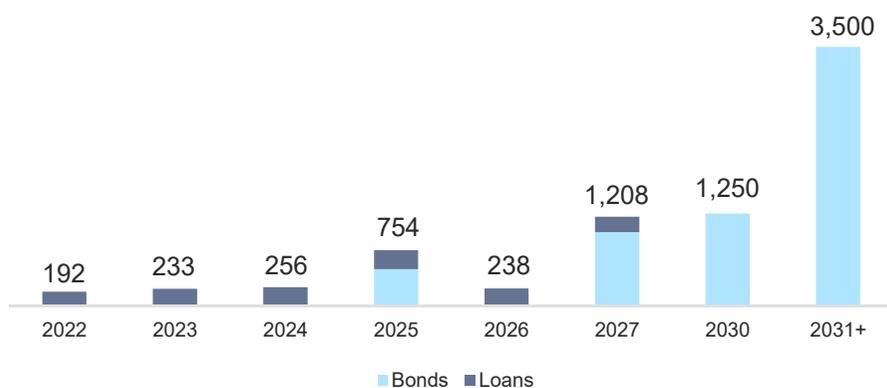
Debt and leverage, US\$ mn



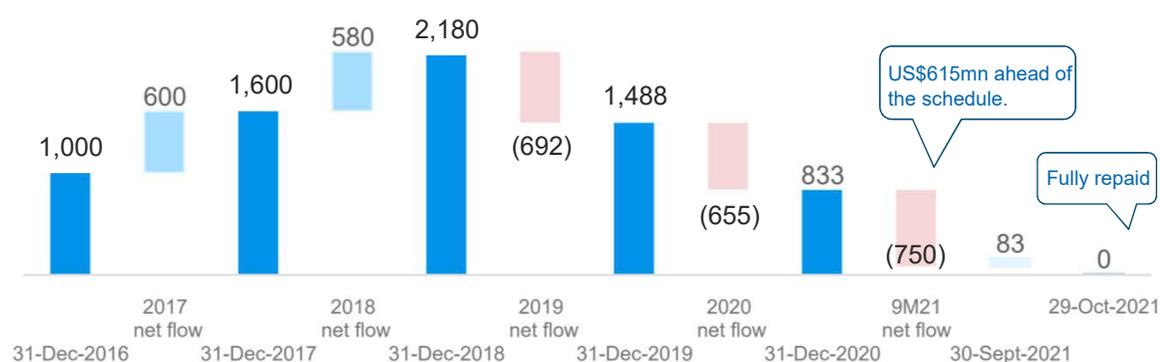
Debt movement, US\$ mn



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



Kashagan crude oil prepayments movement⁵, US\$ mn



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

(2) Includes loan proceeds from VTB for repayment of Eximbank loan in January 2022.

(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.

(5) Prepayments are at Kashagan B.V. level (50% owned by KMG). Kashagan B.V. is consolidated to KMG's financials using equity method.

Note: Numbers may not sum due to rounding.

Impact of sanctions against Russia

Risks mitigation measures

Cash & Deposits

- KMG successfully withdrew funds from Russian banks at the end of February 2022. Currently, the KMG group, with the exception of KMG International (KMG I), has almost no cash balances in Russian banks.

Payments

- KMG has minimal number of contractors and subcontractors that use Russian banks or their subsidiaries in Kazakhstan for payments or financing. KMG is not aware of any issues that contractors or subcontractors may face recently due to that. KMG doesn't have any payment issues due to swap to service use of non-sanctioned banks.

Oil transportation

- KMG transports its 55% of crude oil export through the territory of Russia (CPC pipeline and Transneft pipeline). These pipelines continue to operate in normal mode and there are no impact or changes so far. Currently, KMG evaluates other potential options for export transportation.
- * U.S. Department of the Treasury assured that imports that are not of Russian Federation origin, even if such items transit through or depart from the Russian Federation are not subject to sanctions.

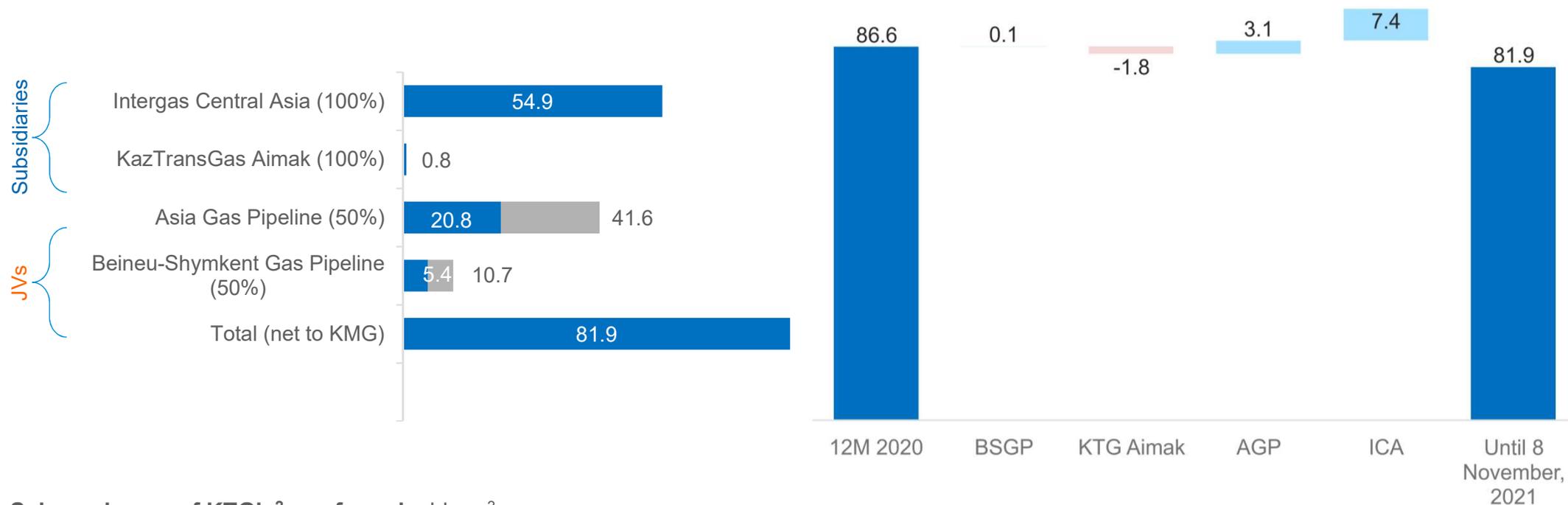
Debt

- KMG expects to have sufficient net cash flows to cover such increased costs, including the increase in payroll as a result of recent strikes in Kazakhstan in January and February 2022. KMG has only VTB loan in the amount of RUR 38 bn. As of now, there are no issues with servicing of debt.

Appendix

Gas midstream¹

FY2021 breakdown of gas transportation by companies on gross basis, bln m³



Sales volumes of KTG's² gas for sale, bln m³

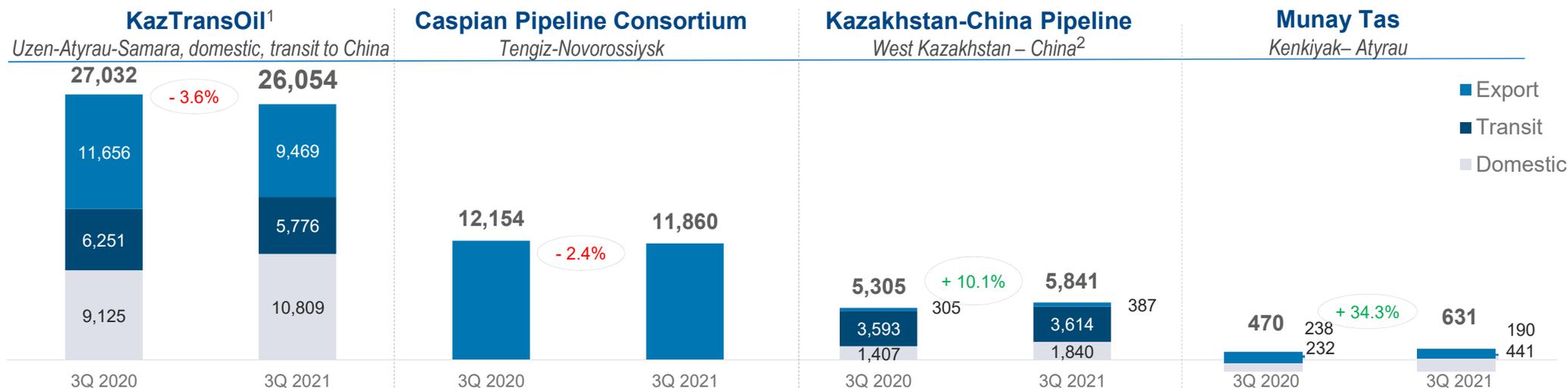


(1) Volumes for 2021 on gas transportation taking into account volumes for the period from January 1 to November 8, in connection with the transfer of 100% shares of KazTransGas JSC (NC QazagGaz JSC) in favor of Samruk-Kazyna JSC in November 9, 2021.

(2) KTG is a national operator of gas and gas supply that buys gas for sale from subsoil users/suppliers and resells it to domestic market and for export. The volumes are mostly related to third party volumes rather than KMG's share of natural and associated gas produced at oil and gas fields.

Midstream: Oil transportation turnover

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



Oil transportation tariffs for 9M 2021

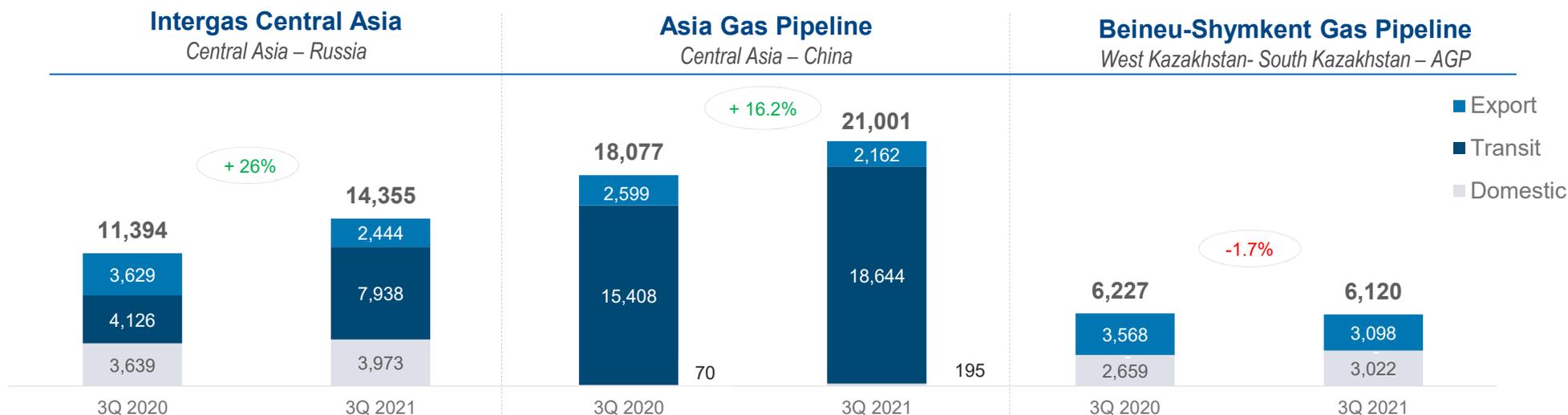
Company	Direction	UoM	Weighted Average tariffs	% change 9M 2020 vs 9M 2021
KazTransOil	Export	tn per 1,000 km	7,359 KZT	+ 2.9%
	Domestic	tn per 1,000 km	4,356 KZT	+ 5.99%
	Transit	per tonne	4.23 USD	no change
Caspian Pipeline Consortium	Export	per tonne	36.00 USD	no change
Kazakhstan-China Pipeline	Export	tn per 1,000 km	6,799 KZT	no change
	Domestic	tn per 1,000 km	4,324 KZT	- 39.6%
	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	+ 8.3%

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

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

Midstream: Gas transportation turnover

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



Gas transportation tariffs for 9M 2021

Company	Direction	UoM	Weighted Average tariffs	% change 9M 2020 vs 9M 2021
Intergas Central Asia	Export	1,000 m ³ per 100 km	4.36 USD	+ 1.40%
	Domestic	1,000 m ³	4,551 KZT	+ 101.19%
	Transit	1,000 m ³ per 100 km	2.02 USD	- 0.59%
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	no change
	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	-0.56%
	Domestic	1,000 m ³ per 100 km	1,200 KZT	-0.56%

Downstream: Refining details

Refining volumes in 12M 2021 (net to KMG¹), mt

	Kazakhstan			Romania		
	5.5	5.4	2.6	0.5	4.6	0.3
	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	59% ³	70%	79%	–	86%	–
Refining depth	77%	88%	86%	–	96%	–
Utilization rate	100%	90%	86%	93%	76%	64%
Weighted average tariffs, KZT/tonne	42,434	23,033	35,191	18,471	–	–

(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, 2021

<i>In US\$ mm</i>	UPSTREAM	MIDSTREAM ¹	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	977	248	638	168	(58)	1,972
Share in profit of JVs and associates	1,468	249	42	0	46	
Tengiz (20%)	1,037					
CPC (20.75%)		213				
Kashagan (8.44%)	208					
MMG (50%)	188					
KazRosGas (50%)	49					
KCP (50%)		32				
KOA (50%)	31					
Valsera (50%)			28			
PKI (33%)	19					
KGM (50%)	14					
Other	(26)				19	
EBITDA	2,445	496	679	168	(12)	3,776
<i>% of total</i>	<i>65%</i>	<i>13%</i>	<i>18%</i>	<i>4%</i>	<i>0%</i>	<i>100%</i>

EBITDA segmented, 2020

<i>In US\$ mm</i>	UPSTREAM	MIDSTREAM ¹	DOWNSTREAM	NC KMG	OTHER	TOTAL
Operating EBITDA	502	322	523	(61)	(6)	1,281
Share in profit of JVs and associates	442	226	(3)	0	15	
Tengiz (20%)	420					
CPC (20.75%)		197				
Kashagan (8.44%)	(17)					
MMG (50%)	41					
KazRosGas (50%)	2					
KCP (50%)		25				
KOA (50%)	31					
Valsera (50%)			(15)			
PKI (33%)	(21)					
KGM (50%)	38					
Other	(52)	4	12		15	
EBITDA	944	549	520	(61)	8	1,960
<i>% of total</i>	<i>25%</i>	<i>15%</i>	<i>14%</i>	<i>-2%</i>	<i>0%</i>	<i>52%</i>