

## JSC National Company KazMunayGas Financial results for 2024

**Astana, 20 March 2025** – Joint-stock National Company KazMunayGas (“KMG” or Company), Kazakhstan's national oil and gas company, published its consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for 2024 with an independent auditor's report.

### Key financial indicators for 2024<sup>1</sup> compared to 2023:

- Revenue amounted to 8,330 bln tenge (USD 17,750 mln) compared to 8,320 bln tenge (USD 18,236 mln);
- EBITDA amounted to 2,001 bln tenge (USD 4,264 mln) compared to 2,007 bln tenge (4,398 mln);
- The Company's net profit including share in income of joint ventures and associates amounted to 1 094 bln tenge (USD 2,332 mln) compared to 927 bln tenge (USD 2,031 mln);
- Net profit adjusted for share in profit of joint ventures and associates<sup>2</sup> amounted to 1,264 bln tenge (USD 2,694 mln) compared to 1,012 bln tenge (USD 2,219 mln);
- Free cash flow amounted to 1,199 bln tenge (USD 2,555 mln) compared to 984 bln tenge (USD 2,157 mln);
- Gross debt as of 31 December 2024 amounted to 3,967 bln tenge (USD 7,555 mln) compared to 3,757 bln tenge (USD 8,265 mln) as of 31 December 2023;
- The Company's net debt as of 31 December 2024 was at 1,163 bln tenge (USD 2,214 mln) compared to 1,645 bln tenge (USD 3,620 mln) as of 31 December 2023.

Indicators	UoM	2024	2023 <sup>3</sup>	%
Dated Brent <sup>4</sup> , average	\$/bbl	80.76	82.64	-2.3%
Dated Urals <sup>4</sup> , average	\$/bbl	70.76	64.69	9.4%
KEBCO <sup>4</sup> , average	\$/bbl	80.73	81.74	-1.2%
Exchange rate, average	KZT/USD	469.31	456.21	2.9%
Revenue	bln tenge	8,330	8,320	0.1%

<sup>1</sup> The amounts were converted to US dollars for user convenience at average exchange rates for respective periods (average USDKZT for 2024 and 2023 were at 469.31 and 456.21 respectively; end-of-period USDKZT as of 31 December 2024 and 31 December 2023 were at 525.11 and 454.56 respectively).

<sup>2</sup> Net profit adjusted for share in profit of joint ventures and associates = Net profit plus dividends received from joint ventures and associates, minus share in profit of joint ventures and associates.

<sup>3</sup> KMG has completed the fair value assessment of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition, finalizing the initial accounting for the business combination. The fair value of Dunga Operating GmbH's net identifiable assets and liabilities amounted to 156 bln tenge at the acquisition date, a decrease of 10 bln tenge over the provisional value. As a result, depreciation of property, plant, and equipment and corporate income tax from the acquisition date to 31 December 2023, were reduced by 2 bln tenge and 566 mln tenge, respectively. Comparative information for 2023 has been restated to reflect these adjustments.

<sup>4</sup> Source: S&P Global Platts.

Indicators	UoM	2024	2023 <sup>3</sup>	%
Share in profit of JVs and associates, net	bln tenge	531	534	-0.6%
Dividends received from JVs and associates, net	bln tenge	701	620	13.1%
Net profit	bln tenge	1 094	927	18.1%
Net profit adjusted for the share in profit of JVs and associates	bln tenge	1,264	1,012	24.9%
EBITDA <sup>5</sup>	bln tenge	2,001	2,007	-0.3%
Adjusted EBITDA <sup>6</sup>	bln tenge	2,171	2,092	3.8%
CAPEX (accrual basis)	bln tenge	716	804	-10.9%
CAPEX (cash basis)	bln tenge	645	683	-5.7%
Free cash flow <sup>7</sup>	bln tenge	1,199	984	21.8%
Gross debt <sup>8</sup>	bln tenge	3,967	3,757	5.6%
Net debt <sup>9</sup>	bln tenge	1,163	1,645	-29.3%

### Operating results for 2024<sup>10</sup> compared to 2023:

- Proven and probable hydrocarbon reserves (2P) of KMG decreased by 2.4%, amounting to 716 mln tonnes of oil equivalent (toe);
- Oil and gas condensate production increased by 1.3%, reaching 23,837 thous. tonnes;
- Oil transportation volume rose by 3.9%, totaling 83,478 thous. tonnes;
- Hydrocarbons refining volumes at Kazakh and Romanian refineries amounted to 19,158 thous. tonnes, compared to 19,593 thous. tonnes in the previous period.

	2024 (net to KMG)	2023 (net to KMG)	%
Oil production, thous. tonnes	23,837	23,532	+1.3%
Gas production, mln m <sup>3</sup>	9,554	9,459	+1.0%
Oil transportation, thous. tonnes	83,478	80,359	+3.9%
Oil refining, thous. tonnes	19,158	19,593	-2.2%

<sup>5</sup> EBITDA = Revenue plus Share in profit of JVs and associates, net, minus Cost of purchased oil, gas petroleum products and refining costs minus Production expenses minus General and administrative expenses minus Transportation and Selling expenses minus Taxes other than income tax.

<sup>6</sup> Adjusted EBITDA = Revenue plus Dividends from JVs and associates, minus Cost of purchased oil, gas petroleum products and refining costs minus Production expenses minus General and administrative expenses minus Transportation and selling expenses minus Taxes other than income tax.

<sup>7</sup> Free Cash Flow = Net cash flow from operating activities minus Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets. Dividends received from JVs and associates are included in cash flow from operating activities.

<sup>8</sup> Total debt at the end of the reporting period = bonds plus loans (short-term and long-term). Guarantees issued are not included in the calculation.

<sup>9</sup> Net debt at the end of the reporting period = bonds plus loans minus cash and cash equivalents minus bank deposits (short-term and long-term). Guarantees issued are not included in the calculation.

<sup>10</sup> Production results are reported based on KMG's equity interest in joint ventures and associates, while fully consolidated subsidiaries are presented at 100%. For further details, please refer to the 2024 production results press release available at the following link: <https://www.kmg.kz/en/investors/reporting>

## Financial Highlights for 2024

### *Revenue*

In 2024, revenue amounted to 8,330 bln tenge (USD 17,750 mln), reflecting a 0.1% increase compared to 2023. Stable revenue dynamics are driven by several factors, including an increase in crude oil production and transportation volumes. This offset the impact of lower crude oil sales from Kashagan due to maintenance work on raw gas injection compressors and the replacement of the slug catcher, as well as the decline in sales of refined products at KMG International due to the major overhaul at the Petromidia refinery.

### *Share in profit of joint ventures and associates*

The share in profit of joint ventures and associates decreased by 0.6% and amounted to 531 bln tenge (USD 1,132 mln) mainly due to a decline in profit of Tengizchevroil LLP. The share in profit of Tengizchevroil LLP declined by 37 bln tenge (USD 80 mln) to 303 bln tenge (USD 647 mln) due to higher depreciation expenses following the commissioning of facilities under the Wellhead Pressure Management Project. Additionally, the share in profit of KazRosGas LLP declined by 40.7% to 19 bln tenge (USD 41 mln) due to lower gas sales prices, while the share of profit in Mangistaumunaigas JSC decreased by 6.6% to 36 bln tenge (USD 76 mln) due to lower export oil sales volumes.

### *EBITDA*

In 2024, EBITDA amounted to 2,001 bln tenge (USD 4,264 mln), implying a 0.3% decrease. The dynamics of this indicator were influenced by both positive factors, including the increase in the average USDKZT exchange rate from 456.21 to 469.31 and the consolidation of Dunga, as well as negative factors, such as higher costs for production-related services and an increase in payroll expenses.

### *Adjusted EBITDA*

The adjusted EBITDA, which reflects dividends received from joint ventures and associates instead of the share of profit of joint ventures and associates, amounted to 2,171 bln tenge (USD 4,626 mln), reflecting a 3.8% increase.

### *Net profit*

The Company's net profit rose by 18.1% compared to 2023, reaching 1,094 bln tenge (USD 2,332 mln). The profit growth was driven by foreign exchange gain, other finance income, and lower Impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses. The recognition of a change in the fair value of a financial instrument due to its modification<sup>11</sup> and the derecognition of loan<sup>12</sup> impacted other finance income.

### *Net profit adjusted for share in profit of JVs and associates*

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<sup>11</sup> In 2024, the coupon rate on bonds purchased by Samruk-Kazyna JSC in 2022 was increased from 3.00% to 9.30%, resulting in a significant modification. The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within finance income.

<sup>12</sup> In 2024, following a notification from the Ministry of Energy of the Republic of Kazakhstan regarding the termination of the subsoil use contract for the Zhenis project, the Company ceased recognition of the loan received from Lukoil Kazakhstan Upstream (carry financing) in the amount of 48 billion tenge.

The net profit, adjusted for the share in profit of joint ventures and associates, increased by 24.9%, from 1,012 bln tenge (USD 2,219 mln) to 1,264 bln tenge (USD 2,694 mln).

#### *Cost of purchased oil, gas, petroleum products and other materials*

The cost of purchased oil, gas, petroleum products and other materials decreased by 5.9% in the reporting period, reaching 4,347 bln tenge (USD 9,263 mln) primarily due to lower oil prices.

#### *Operating expenses*

Production expenses increased by 14.7%, reaching 1,399 bln tenge (USD 2,980 mln), primarily due to increased payroll for production personnel in the region of operation (Ozenmunaigas JSC, KazTransOil JSC, Embamunaigas JSC, and Pavlodar refinery). Additionally, the increase was driven by higher expenses for production-related services, variable costs related to internal logistics, and changes in finished goods and work-in-progress.

Transportation and selling expenses for the reporting period amounted to 268 bln tenge (USD 571 mln), representing a 9.1% increase compared to 2023. This growth was driven by higher loading, transportation, and storage costs at KMG International, and KazMunayGas-Aero LLP.

General and administrative expenses increased by 53.2% to 254 bln tenge (USD 542 mln). The increase was primarily driven by the accrual of remuneration to NC "QazaqGaz" JSC, a subsidiary of Samruk-Kazyna JSC, for trust management services of a 50% stake in KazRosGas LLP, amounting to 53.3 bln tenge (USD 114 mln). Additionally, the increase was impacted by sponsorship assistance provided to flood victims through the Foundation for development of social projects "Samruk-Kazyna Trust", totaling 10.0 bln tenge in April-May 2024.

Taxes other than income tax amounted to 593 bln tenge (USD 1,264 mln). In 2024, KMG International paid a turnover tax of EUR 28.5 mln (equivalent to 14 bln tenge or USD 31 mln) in accordance with Romania's Law No. 296/2023<sup>13</sup>.

#### *Impairment of Property, Plant, and Equipment and Intangible Assets*

In 2024, impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses amounted to 70 bln tenge (USD 149 mln). Impairment of long-term assets totaled 48 bln tenge (USD 102 mln), primarily related to the impairment of the seawater desalination plant and associated infrastructure in Zhanaozen. Impairment of exploration and evaluation assets amounted to 22 bln tenge (USD 46 mln), mainly driven by the Abai project, which accounted for 18 bln tenge (USD 38 mln).

#### *Capital expenditures*

Accrual-based capital expenditures totaled 716 bln tenge (USD 1,526 mln), reflecting a 10.9% decrease, primarily due to lower capital expenditures at KazTransOil JSC following the completion of the reconstruction and expansion of the Astrakhan-Mangyshlak main water pipeline.

Cash flow-based capital expenditures totaled 645 bln tenge (USD 1,374 mln), reflecting a 5.7% decrease. The reduction in capital expenditures on property, plant, and equipment, intangible assets,

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<sup>13</sup> The companies in the oil & gas sector with turnover of more than EUR 50 mln will have to pay an additional 0.5% turnover tax to the corporate income tax for 2024-2025.

and exploration and evaluation assets was mainly driven by lower expenditures on the acquisition of exploration and evaluation assets at the Corporate Centre level and reduced spending on property, plant, and equipment at KazTransOil JSC.

#### *Dividends Received from Joint Ventures and Associates*

Dividends received from joint ventures and associates amounted to 701 bln tenge (USD 1,494 mln), having increased by 13.1% compared to 2023. The increase in dividends was primarily driven by a dividend payment from MMG totaling 45 bln tenge (USD 95 mln) in 2024, as well as a significant increase in dividends from KazRosGaz LLP, which rose to 53 bln tenge (USD 114 mln) in 2024, compared to 553 mln tenge (USD 1 mln) in 2023. Additionally, dividend payments from PKI increased by 15 bln tenge (USD 32 mln), reaching 18 bln tenge (USD 38 mln).

#### *Free cash flow*

Free cash flow increased by 21.8% compared to 2023, reaching 1,199 bln tenge (USD 2,555 mln). This growth was driven by higher net cash flows from operating activities, including an increase in dividends received from joint ventures and associates, as well as lower capital expenditures.

#### *Debt management*

##### **Debt indicators**

<b>Indicators</b>	<b>UoM</b>	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>%</b>
Bonds	bln tenge	3,288	3,046	7.9%
Loans	bln tenge	679	711	-4.4%
<b>Gross debt</b>	<b>bln tenge</b>	<b>3,967</b>	<b>3,757</b>	<b>5.6%</b>

*Numbers may not add up due to a rounding.*

KMG's total debt is primarily denominated in U.S. dollars (75% as of 31 December 2024). During the reporting period, the Company reduced debt in U.S. dollar terms by 8.6% to USD 7,555 mln compared to 31 December 2023. In tenge terms, total debt amounted to 3,967 bln tenge, reflecting a 5.6% increase from 31 December 2023. This growth in tenge was driven by exchange rate fluctuations during the reporting period, as well as an increase in the coupon rate from 3% to 9.3% on bonds issued by KMG to Samruk-Kazyna JSC in 2022.

On 12 September 2024, the Company made a partial early redemption of its 2027-maturity bonds in the amount of USD 750 mln (equivalent to 358 bln tenge).

Loans decreased by 4.4% to 679 bln tenge (USD 1,294 mln) as of 31 December 2024, reflecting the partial repayment of loans by Atyrau Refinery, Pavlodar Refinery, and KMG International. KMG International partially repaid a syndicated loan for the amount of USD 72 mln (equivalent to 34 bln tenge). KMG International repaid a loan from ING Bank NV for the amount of USD 29 mln (equivalent to 14 bln tenge). Atyrau Refinery and Pavlodar Refinery partially repaid a loan from the Development Bank of Kazakhstan for the amount of 47 bln tenge. Atyrau Refinery and KazTransOil JSC partially repaid a loan from Halyk Bank of Kazakhstan JSC for the amount of 21 bln tenge.

In 2024, KMG International, under existing credit lines, obtained a loan from Bank of Tokyo-Mitsubishi UFJ, Ltd. totaling USD 36 mln (equivalent to 17 bln tenge) for working capital funding. In 2024,

KazGPZ LLP received the first tranche from Halyk Bank of Kazakhstan JSC totaling KZT 48 bln as part of a credit line agreement signed in 2022 for the construction of a Gas Processing Plant.

In 2024, following a notification from the Ministry of Energy of the Republic of Kazakhstan regarding the termination of the subsoil use contract for the Zhenis project, the Company ceased recognition of the loan received from Lukoil Kazakhstan Upstream (carry financing) in the amount of 48 bln tenge.

#### *Net debt*

As of 31 December 2024, net debt amounted to 1,163 bln tenge (USD 2,214 mln), representing a 29.3% decrease in tenge terms and a 38.8% decrease in U.S. dollar terms compared to 31 December 2023.

#### *Cash and cash equivalents*

#### **Consolidated cash and cash equivalents including deposits**

<b>Name of the indicator</b>	<b>UoM</b>	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>%</b>
Cash and cash equivalents	bln tenge	1,216	1,051	15.8%
Long-term deposits	bln tenge	74	64	16.3%
Short-term deposits	bln tenge	1,514	997	51.8%
<b>Cash and cash equivalents including deposits</b>	<b>bln tenge</b>	<b>2,805</b>	<b>2,112</b>	<b>32.8%</b>

*Numbers may not add up due to a rounding.*

As of 31 December 2024, consolidated cash and cash equivalents, including cash held in deposits, increased by 32.8% compared to 31 December 2023, reaching 2,805 bln tenge. In U.S. dollar terms, the amount was at USD 5,341 mln, having increased by 15.0% compared to 31 December 2023.

#### *Key corporate events in 2024:*

- On 18 January 2024, in Rome, Italy, KMG and Eni S.p.A. signed the Joint Confirmation Agreement on initiation of the Zhanaozen hybrid power plant construction project. The project provides for construction of wind power plant (77 MW) and solar power plant (50 MW) in collaboration with Eni's subsidiary Plenitude, as well as 120 MW gas power plant in Zhanaozen.
- On 21 February 2024, KMG and Tatneft signed a purchase and sale agreement for 50% shares of Karaton Operating Ltd, a shareholder's agreement and a financing agreement for the Karaton Subsalt project.
- On 11 March 2024, KMG and SOCAR signed the Agreement on phased increase in the volumes of Kazakh oil transit across the territory of the Azerbaijan Republic and the Memorandum of Strategic Cooperation in Sale and Purchase of the Kazakh Oil.
- On 29 March 2024, legal procedures related to Sinopec's entry into the project for the construction of a polyethylene plant with a capacity of 1.25 mln tonnes in the Atyrau region was completed, thus, the share of participants in the project: KMG – 40% (consolidated), SIBUR – 30%, Sinopec – 30%.
- On 28 May 2024, following the results of the annual General Meeting of Shareholders of JSC NC KazMunayGas, Askhat Galimovich Khasenov was appointed Chairman of the KMG Management Board. As of November 2024, the Management Board of KMG consists of 10 people (Khasenov A.G. – Chairman of the Management Board, Iskaziyeu K.O., Abdulgafarov D.Ye., Zakirov B.K., Lavrenov V.S., Magauov A.M., Aryssova, D.A., Brekeshev S.A., Abaiyildanov B.K. and Balykbayev R.A.)

- On 20 June 2024, the international rating agency Fitch affirmed KMG's long-term credit rating at "BBB" with a "Stable" outlook.
- On 26 June 2024, KMG completed the payment of dividends to shareholders for 2023. The total amount of dividends was at 300 bln tenge. The dividends per common share amounted to 491.71 tenge.
- On 16 July 2024, a ceremony was held to mark the start of construction of a future 247 MW hybrid power plant in Zhanaozen. The hybrid project involves the combined generation of electricity from renewable energy sources (wind and solar). The capacity of the solar power plant will be 50 MW, wind power - 77 MW, and gas power - 120 MW.
- On 11 September 2024, early construction work began in the Atyrau region on a polyethylene production plant with a capacity of 1.25 million tons per year and an investment volume of about USD 7.4 bln.
- On 11 September 2024, the international rating agency Moody's Ratings upgraded KMG's credit rating from "Baa2" to "Baa1", the outlook was changed to "Stable". KMG's rating is equal to the sovereign rating of the Republic of Kazakhstan.
- On 12 September 2024, KMG made a partial early repayment of Notes in the amount of USD 750 mln. Savings in coupon payments based on the results of partial early redemption will amount to USD 92.7 mln. Early repayment was made based on the results of voting by bondholders on the public offering of KMG.
- On 14 October 2024, Atyrau Refinery and the European Bank for Reconstruction and Development signed a loan agreement in the amount of 26.6 bln tenge for a period of 3.5 years under the guarantee of KMG. The loan funds were used to refinance the tenge loan from Halyk Bank of Kazakhstan JSC.
- On 22 October 2024, KMG and China National Offshore Oil Corporation (CNOOC) signed the main terms of cooperation on the new "Zhylyoi" subsoil project.
- On 12 November 2024, on the sidelines of the 29th Conference of the Parties to the UN Framework Convention on Climate Change (COP-29), KMG and the State Oil Company of the Republic of Azerbaijan (SOCAR) signed a strategic agreement on decarbonization.
- On 23 November 2024, KMG and Tatneft PJSC commenced drilling the first exploratory well, with a depth of 5,500 meters, at the Karaton Subsalt site in the Atyrau region.
- On 11 December 2024, KMG PetroChem LLP (a subsidiary of KMG) and Tengizchevroil LLP signed an updated dry gas purchase and sale agreement, providing enhanced guarantees for raw material supply.
- On 8 January 2025, Embamunaigas JSC commenced drilling the first exploratory well at the Taisoigan site in the Atyrau region.
- On 24 January 2025, Tengizchevroil LLP completed a key milestone in the Future Growth Project — the start of crude oil production at the new Third Generation Plant (3GP) at the Tengiz field.

Indicators and calculation results are indicated with rounding. However, when comparing periods, exact values were used without rounding. Any possible adjustments related to rounding, in the Company's opinion, should not have a material effect on financial results.

For further information, please visit  
<https://www.kmg.kz/en/investors/reporting>

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**About JSC National Company KazMunayGas:**

JSC National Company KazMunayGas is Kazakhstan's leading vertically integrated oil and gas company, operating assets across the entire production cycle from the exploration and production of hydrocarbons to transportation, refining and specialised services. Established in 2002, the Company represents the government's interests in the national oil and gas industry.

KMG's main assets are as follows:

**Upstream:** Ozenmunaigas (OMG) – 100%, Embamunaigas (EMG) – 100%, KazakhTurkmunai (KTM) – 100%, KazMunayTeniz – 100%, Urikhtau (UO) – 100%, Dunga – 60%, Ural Oil and Gas (UOG) – 50%, Mangistaumunaigaz (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, KazakhOil Aktobe (KOA) – 50%, PetroKazakhstan Inc (PKI) – 33%, Tengizchevroil (Tengiz) – 20%, Karachaganak – 10%, Kashagan – 16.88%.

**Midstream:** KazTransOil – 90%, Kazakhstan China Pipeline (KCP) – 50%, Munai Tas – 51%, Batumi Oil Terminal – 100%, Caspian Pipeline Consortium (CPC) – 20.75%, Kazmortransflot – 100%.

**Downstream:** Pavlodar refinery – 100%, Atyrau refinery – 99,53%, Shymkent refinery – 49,72%, Caspi Bitum – 50%, KMG International – 100%, Petromidia – 54,63%, Vega – 54,63%, KazRosGas – 50%, Kazakhstan Petrochemical Industries Inc – 49.5%, Silleno – 40%.