

23 May 2025

JSC National Company KazMunayGas Financial results for the first quarter of 2025

Astana, 23 May 2025 – Joint-stock National Company KazMunayGas (“KMG” or Company), Kazakhstan's national oil and gas company, published its interim condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) 34 "Interim Financial Statements" for the three months ended on 31 March 2025, with an independent auditor's report on the results of the review of interim financial information.

Key financial indicators for the first quarter of 2025¹ compared to the first quarter of 2024:

- Revenue amounted to 2,241 bln tenge (USD 4,394 mln) compared to 2,227 bln tenge (USD 4,948 mln);
- EBITDA amounted to 582 bln tenge (USD 1,142 mln) compared to 549 bln tenge (USD 1,219 mln);
- The Company's net profit including share in income of joint ventures and associates amounted to 193 bln tenge (USD 377 mln) compared to 300 bln tenge (USD 667 mln);
- Net profit adjusted for share in profit of joint ventures and associates² amounted to 164 bln tenge (USD 321 mln) compared to 201 bln tenge (USD 446 mln);
- Free cash flow amounted to 283 bln tenge (USD 555 mln) compared to 144 bln tenge (USD 320 mln);
- Gross debt as of 31 March 2025 amounted to 3,932 bln tenge (USD 7,795 mln) compared to 3,967 bln tenge (USD 7,555 mln) as of 31 December 2024;
- The Company's net debt as of 31 March 2025 was at 933 bln tenge (USD 1,850 mln) compared to 1,163 bln tenge (USD 2,214 mln) as of 31 December 2024.

Indicators	UoM	1Q 2025	1Q 2024	%
Dated Brent ³ , average	\$/bbl	75.73	83.16	-8.9%
Dated Urals ³ , average	\$/bbl	65.78	71.06	-7.4%
KEBCO ³ , average	\$/bbl	76.67	82.17	-6.7%
Exchange rate, average	USD/KZT	510.05	450.18	13.3%
Revenue	bln tenge	2,241	2,227	0.6%
Share in profit of JVs and associates, net	bln tenge	185	154	20.1%

¹ The amounts were converted to US dollars for user convenience at average exchange rates for respective periods (average USD/KZT for the first quarter of 2025 and 2024 were at 510.05 and 450.18 respectively; period-end USD/KZT as of 31 March 2025 and 31 December 2024 were at 504.44 and 525.11 respectively).

² 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.

³ Source: S&P Global Platts.

Indicators	UoM	1Q 2025	1Q 2024	%
Dividends received from JVs and associates, net	bln tenge	156	55	185.3%
Net profit	bln tenge	193	300	-35.9%
Net profit adjusted for the share in profit of JVs and associates	bln tenge	164	201	-18.6%
EBITDA ⁴	bln tenge	582	549	6.2%
Adjusted EBITDA ⁵	bln tenge	553	449	23.2%
CAPEX (accrual basis)	bln tenge	129	112	14.5%
CAPEX (cash basis)	bln tenge	144	126	14.1%
Free cash flow ⁶	bln tenge	283	144	96.4%
Gross debt ⁷	bln tenge	3,932	3,967 ⁸	-0.9%
Net debt ⁹	bln tenge	933	1,163	-19.7%

Key operating highlights for the first quarter of 2025¹⁰ compared to the first quarter of 2024:

- Oil and gas condensate production increased by 5.8% and amounted to 6,416 thous. tonnes;
- Oil transportation volumes decreased by 2.9% and amounted to 20,920 thous. tonnes;
- Hydrocarbons refining volumes at the Kazakh and Romanian refineries increased by 11.1% and amounted to 5,137 thous. tonnes.

	1Q 2025 (net to KMG)	1Q 2024 (net to KMG)	%
Oil production, thous. tonnes	6,416	6,064	+5.8%
Gas production, mln m ³	2,841	2,522	+12.7%
Oil transportation, thous. tonnes	20,920	21,541	-2.9%
Oil refining, thous. tonnes	5,137	4,626	+11.1%

Financial Highlights for the first quarter of 2025

Revenue

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

⁸ Gross debt and Net debt as of 31 December 2024

⁹ 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.

¹⁰ Operating results are represented in accordance with KMG's ownership interest in joint ventures and associates and 100% of results for consolidated subsidiaries. More detailed information is available in the press release on production results for the first quarter of 2025 at the link: <https://www.kmg.kz/en/investors/reporting>

The Company's revenue for the first quarter of 2025 amounted to 2,241 bln tenge (USD 4,394 mln), representing a 0.6% increase compared to the first quarter of 2024. Revenue remained steady due to several factors, including higher hydrocarbons refining volumes at Pavlodar refinery LLP and KMG International, as well as increased revenue at KazMunayGas-Aero LLP and KMG Systems & Services LLP. This offset the negative impact of lower oil prices and lower oil transportation volumes.

Share in profit of joint ventures and associates

The share in profit of joint ventures and associates increased by 20.1% to 185 bln tenge (USD 363 mln). The increase reflects improved financial performance of companies, including: Tengizchevroil LLP – due to higher revenue following the start of production at the Third Generation Plant under the Future Growth Project (January 2025); Shymkent refinery LLP – as a result of increased hydrocarbons refining volumes, the absence of maintenance shutdowns, and USDKZT dynamics during the reporting period; Caspian Pipeline Consortium – due to higher oil transportation volumes driven by increased crude volumes transported from Tengiz field and USDKZT dynamics; and KC Energy Group LLP¹¹ – underpinned by higher sales volumes and higher prices for refined products.

EBITDA

EBITDA for the first quarter of 2025 amounted to 582 bln tenge (USD 1,142 mln), representing a 6.2% increase year-on-year. The growth was driven by increased share in profit of joint ventures and associates, as well as lower cost of purchased oil, gas, petroleum products and other materials.

Adjusted EBITDA

Adjusted EBITDA, which reflects dividends received from joint ventures and associates instead of the share in the profit of joint ventures and associates, amounted to 553 bln tenge (USD 1,085 mln), up by 23.2% year-on-year.

Net profit

The Company's net profit decreased by 35.9% year-on-year and amounted to 193 bln tenge (USD 377 mln). The decline in net profit was primarily due to a reduction in other finance income, higher depreciation expenses, as well as foreign exchange losses, and impairment of property, plant and equipment and exploration expenses.

Net profit adjusted for share in profit of JVs and associates

Net profit adjusted for the share in joint ventures and associates decreased by 18.6%, from 201 bln tenge (USD 446 mln) in the first quarter of 2024 to 164 bln tenge (USD 321 mln) in the first quarter of 2025.

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

The cost of purchased oil, gas, petroleum products and other materials decreased by 3.9%, amounting to 1,216 bln tenge (USD 2,384 mln). This was mainly due to a reduction in the cost of purchased oil for resale, amid lower oil prices.

¹¹ KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN LLP will be gradually transferred to KC Energy Group LLP.

Operating expenses

Production expenses increased by 10.3% to 362 bln tenge (USD 710 mln), primarily due to higher expenses on energy, as well as increased expenses on production-related works and services at oilfield services company KMG Systems & Services LLP, and change in finished goods and work-in-process at KMG International.

Transportation and selling expenses amounted to 71 bln tenge (USD 140 mln) during the reporting period, representing a 7.3% increase compared to the same period in 2024. The growth was mainly driven by higher loading, transportation, and storage costs of KMG Kashagan B.V.

General and administrative expenses increased by 16.5% to 45 bln tenge (USD 89 mln), primarily due to the accrual of impairment of VAT receivable at Ozenmunaigas JSC and VAT that could not be offset at the KMG Corporate Center.

Taxes other than income tax amounted to 149 bln tenge (USD 293 mln), up by 11.9%, primarily due to higher expenses related to the rent tax on crude oil export, excise tax, and export customs duty year-on-year, as well as the recognition of turnover tax in the first quarter of 2025.

Impairment of Property, Plant, and Equipment and Intangible Assets

In the first quarter of 2025, the impairment of property, plant and equipment and exploration expenses amounted to 23 bln tenge (USD 44 mln). The majority of the impairment relates to the recognition of impairment of expenses incurred for the construction of a seawater desalination plant and related infrastructure¹² in the city of Zhanaozen, totaling 22 bln tenge (USD 43 mln).

Capital expenditures

Accrual-based capital expenditures amounted to 129 bln tenge (USD 252 mln), representing a 14.5% increase year-on-year. The growth was mainly due to the carryover of expenses from the previous period under the construction of a seawater desalination plant and related infrastructure project implemented by Ak Su KMG LLP (a subsidiary of Ozenmunaigas JSC); at Pavlodar refinery LLP – due to the reconstruction of the diesel hydrotreating unit with integration of a dewaxing block; and at Embamunaigas JSC – due to construction and development works, well re-equipping, installation of tubing and casing, as well as expenditures for design and survey works.

Capital expenditures on a cash basis amounted to 144 bln tenge (USD 283 mln), implying a 14.1% increase. The growth of the purchase of property, plant and equipment, intangible assets and exploration and evaluation assets was mainly driven by higher capital expenditures at Ozenmunaigas JSC and Pavlodar refinery LLP.

Dividends Received from Joint Ventures and Associates

Dividends received from joint ventures and associates amounted to 156 bln tenge (USD 307 mln), compared to 55 bln tenge (USD 122 mln) in the same period of 2024. The increase was primarily

¹² As part of the Comprehensive Plan for the Social and Economic Development of Mangistau region for 2021-2025, in order to provide drinking water to the population of the city of Zhanaozen, in 2023 Ak Su KMG LLP, a subsidiary of Ozenmunaigas JSC, began construction of a seawater desalination plant and supply infrastructure in Zhanaozen city. KMG estimates that the recoverable amount of this property is nil and, accordingly, as at 31 March 2025, recognized an impairment charge for construction costs incurred for the three months ended 31 March 2025.

driven by higher dividends from Tengizchevroil LLP, having increased from 38 bln tenge (USD 85 mln) in the first quarter of 2024 to 128 bln tenge (USD 251 mln) in the first quarter of 2025; a 43.5% increase in dividends from Mangistaumunaigas JSC to 19 bln tenge (USD 38 mln); as well as dividends from Kazakhoil Aktobe LLP amounting to 5 bln tenge (USD 9 mln) and from Caspian Pipeline Consortium totaling 4 bln tenge (USD 7 mln).

Free cash flow

Free cash flow increased by 96.4% compared to the same period in 2024 and amounted to 283 bln tenge (USD 555 mln). The growth was primarily driven by an increase in net cash flows from operating activities, including higher dividends received from joint ventures and associates.

Debt management

Debt indicators

Indicators	UoM	31 March 2025	31 December 2024	%
Bonds	bln tenge	3,241	3,288	-1.4%
Loans	bln tenge	691	679	-1.7%
Gross debt	bln tenge	3,932	3,967	-0.9%

Numbers may not add up due to a rounding.

KMG's total debt is predominantly denominated in the US dollars (75% as of 31 March 2025). Total debt amounted to 3,932 bln tenge (USD 7,795 bln), representing a 0.9% decrease compared to 31 December 2024, mainly due to the appreciation of the tenge against the US dollar from 31 December 2024 to 31 March 2025.

Net debt

As of 31 March 2025, net debt amounted to 933 bln tenge (USD 1,850 mln), representing a decrease of 19.7% in tenge terms and 16.5% in the US dollar terms compared to 31 December 2024.

Cash and cash equivalents

Consolidated cash and cash equivalents including deposits

Name of the indicator	UoM	31 March 2025	31 December 2024	%
Cash and cash equivalents	bln tenge	1,789	1,216	47.1%
Long-term deposits	bln tenge	72	74	-3.2%
Short-term deposits	bln tenge	1,137	1,514	-24.9%
Cash and cash equivalents including deposits	bln tenge	2,999	2,805	6.9%

Numbers may not add up due to a rounding.

Consolidated cash and cash equivalents, including bank deposits, increased by 6.9% as of 31 March 2025, compared to 31 December 2024, and amounted to 2,999 bln tenge. In the US dollar terms, cash and cash equivalents rose by 11.3% to USD 5,945 mln over the same period.

Key corporate events in the first quarter 2025:

- On 4 January 2025, Tengizchevroil LLP achieved a major milestone in the implementation of the Future Growth Project with the commencement of crude oil production at the new Third Generation Plant at the Tengiz field.
- On 8 January 2025, Embamunaigas JSC began drilling the first exploration well at the Taisoigan block in the Atyrau Region.
- On 10 February 2025, KMG received a “B” rating from the international Carbon Disclosure Project (CDP) for 2023, an improvement from the previous “C” rating.
- On 7 March 2025, KMG signed a contract for the exploration and production of hydrocarbons with the Ministry of Energy of the Republic of Kazakhstan for the complex subsurface site “Bolashak” located in the Mangystau Region.
- On 11 March 2025, at JV Caspi Bitum LLP the final stage of the modernization project commenced, which includes the installation of the T-1102 vacuum column and increasing the plant’s crude oil processing capacity to 1.5 mln tonnes per year.
- On 17 March 2025, the Company and PJSC SIBUR Holding signed a sale and purchase agreement for a 60% equity stake in Polymer Production LLC.

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%, Ural Oil and Gas (UOG) – 50%, Mangistaumunaigaz (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, KazakhOil Aktobe (KOA) – 50%, PetroKazakhstan Inc (PKI) – 33%, Dunga – 60%, 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%.