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## PRESS RELEASE

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With respect to member states of the European Union, this announcement is directed only at, and the securities referred to herein will be offered only to, qualified investors within the meaning of Article 2(e) of the Prospectus Regulation, (such persons being referred to as the **Qualified Investors**) and/or in other circumstances falling within Article 1 section 4 of the Prospectus Regulation. Any such Qualified Investor will also be deemed to have represented and agreed that any such securities acquired by it in the offering have not been acquired on behalf of persons other than such Qualified Investors.

Neither this announcement nor any of its provisions form the basis for offers or obligations of any kind in any jurisdiction, and they should not be relied upon in connection with offers or obligations in any jurisdiction. Investors should not subscribe to or purchase any securities referred to in this announcement, other than based on the information contained in the prospectus, in its final form, (hereinafter - the **Prospectus**) prepared by Joint Stock Company “National Company KazMunayGas (hereinafter – **KMG**) regarding the potential admission of ordinary shares to the official list of AIX securities and their admission to official trading on the main market of AIX with the “KMG” trading symbol. On 7 November 2022, the AIX approved the Prospectus. The Prospectus was prepared in English, and KMG arranged for its

translation into Kazakh and Russian. The translation of the Prospectus into Kazakh and Russian and/or other languages was not verified or approved by the AIX. If in doubt, you should rely on the version of the Prospectus in English. The Prospectus in English, Kazakh and Russian will be made available for inspection on the KMG website at the link: <http://www.kmg.kz> and the website of JSC Sovereign Wealth Fund “Samruk-Kazyna” (hereinafter – **Samruk-Kazyna**) at the link: <http://www.sk.kz>.

**November 7, 2022**

JSC “Sovereign Wealth Fund “Samruk-Kazyna”

JSC “National “Company KazMunayGas”

Joint Stock Company “Sovereign Wealth Fund “Samruk-Kazyna” (hereinafter – the **Fund**) today confirmed its intention to carry out an initial public offering, during which the Fund will sell up to 30,505,974 ordinary shares (hereinafter – **Shares**) of Joint Stock Company “National Company “KazMunayGas” (hereinafter – **KMG**), the national oil and gas company out of 551,698,745 Shares owned by the Fund (hereinafter - the **IPO** or **Offer**).

KMG confirms its intention to apply for the admission of Shares into the official list of securities of the Astana International Stock Exchange (hereinafter – the **AIX**) – the stock exchange of the Astana International Financial Center (hereinafter – the **AIFC**) and the admission to trading on AIX.

**Mr. Almassadam Satkaliyev, Chief Executive Officer of Samruk-Kazyna JSC:**

*“As part of the Offer, Fund, which owns 90.42% of the issued and outstanding Shares, intends to offer up to 30,505,974 Shares for sale, which represents approximately up to 5% of the total number of Shares. The rest of the Shares are currently owned by the National Bank of Kazakhstan.*

*Thus, as a result of the IPO, the Fund will continue owning at least 85% of the Shares.*

*The price per Share under the Offer is KZT 8,406, assuming capitalisation of about KZT 5.1 trillion.*

*Acceptance of investor applications will begin on November 9, 2022, and will be closed for institutional investors on November 30, 2022, and for retail investors – on December 2, 2022.”*

**Mr. Magzum Mirzagaliyev, Chief Executive Officer of JSC NC KazMunayGas:**

*KMG is the leading oil and gas company and the largest of the national companies in Kazakhstan, manages assets across the entire production cycle – from exploration and production of hydrocarbons to transportation, processing and rendering services, and participates in the development and implementation of state policy in the oil and gas industry. The Company has more than 25% share in the production of oil and gas condensate in the country, 56% in transportation and 82% in oil refining. Our consolidated assets exceeded KZT 15 trillion. This year marks the 20th anniversary of the establishment of KMG. Yet even today, the Company meets the highest standards of corporate governance and transparency, is widely known in the international and Kazakhstani securities markets through the issuance of its Eurobonds, has international credit ratings from all three leading international rating agencies, two of which are investment grade.*

*The decision of the Government and the Fund to sell a portion of the KMG Shares on the free market will permit potential investors purchasing shares of the company, will contribute to the development of the securities market and stock exchanges in Kazakhstan. At the same time, let me note that the state will retain control over the company through the Fund.*

*On our behalf, we will make every effort to make KMG attractive to our investors and take its worthy place in their investment portfolios.”*

Confirmation of key aspects of the planned Offer

- The planned KMG IPO is carried out as part of the implementation of the Comprehensive Privatization Plan for 2021-2025, approved by the Government of the Republic of Kazakhstan.
- The Fund intends to offer Shares to Kazakhstani and international retail and institutional investors on Kazakhstani platforms of the AIX and the Kazakhstan Stock Exchange (hereinafter - **KASE**) in accordance with the rules and regulations of the AIX and the KASE.
- Currently, the Fund owns 90.42% of all issued and outstanding ordinary Shares. As part of the Offer, the Fund intends to offer up to 30,505,974 Shares for sale, which represents up to 5% of the total number of issued and placed Shares (in the amount of 610,119,493 pcs). Following the Offer, the Fund will own at least 85% of the total Shares.
- KMG does not plan to sell (place) Shares as part of the Offer and will not receive any proceeds from the Fund's sale of Shares as a result of the IPO.
- The price per Share for the purposes of the Offer is KZT 8,406, assuming a capitalization of KZT 5.1 trillion.
- Admission of Shares to the official list of the AIX with the "KMG" trading symbol is expected on December 7, 2022, and the admission to trading on the AIX is expected on December 8, 2022.
- KMG ordinary shares are already included in the official list of the KASE with "KMGZ" trading symbol.
- Current shareholders of KMG, the Fund and the National Bank of Kazakhstan, will not be allowed during a 180-day lock-up period to sell or otherwise alienate Shares with certain generally accepted exceptions in each case.
- Acceptance of investor applications will begin on November 9, 2022, at 12:00 (Astana time) and will end for institutional investors on November 30, 2022, at 06:00 pm (Astana time), and for retail investors – on December 2, 2022, at 03:00 pm (Astana time).
- The roadshow with participation of the representatives of KMG and the Fund is planned to start on November 9, 2022, or in the time nearest to this date.
- BCC Invest JSC, Freedom Broker JSC, Halyk Finance JSC and SkyBridge Invest JSC are joint coordinators and bookrunners of the Offer.
- For purposes of the Offer, KMG prepared a Prospectus in English, which was approved by the AIX on November 7, 2022. KMG arranged for the translation of the Prospectus into Kazakh and Russian. The translation of the Prospectus into Kazakh and Russian and/or other languages was not verified or approved by the AIX. If in doubt, you should rely on the version of the Prospectus in English. The Prospectus in English, Kazakh and Russian will be made available for review inspection on the KMG website at the link: <http://www.kmg.kz> and the website of JSC Sovereign Wealth Fund "Samruk-Kazyna" at the link: <http://www.sk.kz>.

### **Brief overview of the Company**

- KMG is a national leader in the oil industry with full integration at all stages of the value chain and provides a unique opportunity to invest in Kazakhstani oil and gas industry, which, according to the Fund and KMG, has fundamental prerequisites for long-term growth.
- The mission of KMG is the development of natural resources in an effective and rational manner to ensure energy security, development and prosperity of Kazakhstan with care for future generations.
- KMG strives to achieve continuous growth and strengthen its position as a leading vertically integrated oil and gas company that meets high safety standards and principles of sustainable development, focused on maximizing financial results.
- An important contribution to the company's future growth will be made through the implementation of megaprojects, including the completion of the Future Expansion Project and the Wellhead Pressure Management Project at the Tengiz field in 2023-2024, as well as further production expansion at the Kashagan and Karachaganak fields.

- As a national company, KMG has unique subsoil use rights in relation to strategic subsoil deposits and offshore projects on the territory of Kazakhstan and has significant prospects in the field of geological exploration.
- The potential volume of reserves growth according to the Development Strategy amounts to about 1.9 billion barrel of oil equivalent.
- Sustainalytics, the international rating agency, rated KMG's ESG risk management at 28.5 points, which underlines KMG's strong position in managing ESG risks in the international oil and gas market.
- KMG holds a leading position in the oil transportation sector, having participated in all significant oil transportation projects in Kazakhstan.
- The company's asset composition includes fully modernized four largest oil refineries in Kazakhstan and two refineries in Romania.

### **A brief overview of the last company's production and financial indicators**

- 90.42% of Shares are owned by the Fund, with the remaining 9.58% of Shares owned by the National Bank of the Republic of Kazakhstan. The Government of the Republic of Kazakhstan is the sole shareholder of the Fund.
- The total amount of consolidated assets for H1 2022 increased from KZT 13.7 trillion to KZT 15.2 trillion.
- In H1 2022, the revenue increased by 57.3% and amounted to KZT 4,203 billion (USD 9,339 million) compared to KZT 2,672 billion (USD 6,299 million) in H1 2021.
- EBITDA increased by 49.2% and amounted to KZT 1,119 billion (USD 2,486 million) compared to KZT 750 billion (USD 1,767 million) in H1 2021.
- The adjusted EBITDA indicator increased by 22.4% and for M6 2022 has amounted to KZT 598 billion compared to KZT 489 billion for the same period last year;
- Net income for the H1 2022 increased by 5.0% compared to the same period of the last year and amounted to KZT 677 billion (USD 1,504 million).
- Net income adjusted for the share in jointly controlled enterprises and associates amounted to KZT 156 billion (USD 348 million) compared to KZT 384 billion (USD 904 million) in H1 2021.
- Free cash flow amounted to KZT 188 billion (USD 417 million) compared to KZT 291 billion (USD 685 million) for H1 2021.
- As of June 30, 2022, the total debt amounted to KZT 3,935 billion (USD 8,366 million) compared to the indicator as of December 31, 2021, in the amount of KZT 3,746 billion (USD 8,676 million).
- As of June 30, 2022, net debt amounted to KZT 2,292 billion (USD 4,872 million) compared to the indicator as of December 31, 2021, at the level of KZT 2,204 billion (USD 5,104 million).
- The volume of oil and gas condensate production for H1 2022 amounted to 10,774 thousand tonnes, 0.3% increase compared to the same period last year.
- The volume of oil transportation increased by 0.6% compared to M6 2021, amounting to 37,157 thousand tonnes.
- The volume of hydrocarbon processing at Kazakhstani and Romanian refineries cumulatively increased by 0.2% and amounted to 9,721 thousand tonnes.

*(Note regarding the correlation between KZT and USD: the exchange rate used herein was not universal for all the figures, but different in each case as applicable for the respective date.)*

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A copy of this announcement will be posted on the Internet at: <http://www.kmg.kz>

### **About JSC National Company KazMunayGas (hereinafter – KMG)**

KMG is the leading vertically integrated oil and gas company in Kazakhstan. KMG manages assets across the entire production cycle – from exploration and production of hydrocarbons to transportation, processing and rendering specialized services, and participates in the development and implementation of state policy in the oil and gas industry. The company was founded in 2002. The main assets of KMG include: **Exploration & Production:** Ozenmunaigas (OMG) – 100%, Embamunaigas (EMG) – 100%, Kazakhturkmunai (KTM) – 100%, KazMunaiTeniz – 100%, Urikhtau (UO) – 100%, Mangistaumunaigas (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, Kazakhoil Aktobe (KOA) – 50%, PetroKazakhstan Inc (PKI) – 33%, Tengizchevroil (Tengiz) – 20%, Karachaganak - 10%, Kashagan - 16.88%. **Transportation:** KazTransOil – 90%, Kazakhstan-China Pipeline (KCP) – 50%, MunaiTas – 51%, Batumi Oil Terminal – 100%, Caspian Pipeline Consortium (CPC) – 20.75%, Kazmortransflot – 100%. **Processing and other:** Pavlodar Oil Chemistry Refinery – 100%, Atyrau Refinery – 99.53%, PKOP – 49.72%, KMG International – 100%, Petromidia - 54.63%, Vega – 54.63%, KazRosGaz – 50%, Kazakhstan Petrochemicals Industries Inc. - 49.5%.

More detailed information is available on the website: <http://www.kmg.kz>

### **IMPORTANT NOTICE**

The information contained in this announcement is for background purposes only and does not purport to be full or complete, nor does it constitute or form part (in whole or in part) of any invitation or inducement to engage in investment activity, nor does it constitute an offer or invitation to buy any securities, in any jurisdiction including the United States, or a recommendation in respect of buying, holding or selling any securities. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The contents of this announcement are not to be construed as legal, financial or tax advice.

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This announcement is not an offer for sale of any securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”). KMG has not registered and does not intend to register any portion of any potential offering of Shares in the United States or to conduct a public offering of any securities in the United States.

The Shares referred to in this document may only be offered or and sold in the Republic of Kazakhstan, including in or from the AIFC, in compliance with the applicable laws of the Republic of Kazakhstan and the AIFC rules and regulations. This Prospectus does not constitute an offer, or an invitation to make offers, to sell, purchase, exchange or otherwise transfer securities in Kazakhstan to or for the benefit of any Kazakhstan person or entity, except for those persons or entities that are capable to do so under the legislation of the Republic of Kazakhstan and any other laws applicable to such capacity of such persons or entities.

This announcement is not and shall not be construed as an advertisement (i.e. information intended for an unlimited group of persons which is distributed and placed in any form and aimed to create or maintain interest in KMG and its merchandise, trademarks, works, services and/or its securities and promote their sales) in, and for the purpose of the laws of Kazakhstan, unless such advertisement is in full compliance with Kazakhstan laws.

None of JSC “Halyk Finance”, JSC “Freedom Finance”, JSC “SkyBridge Invest” and JSC “BCC Invest”, (together, the “**Bookrunners**”) nor any of their respective affiliates, their respective directors, officers or employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for the contents of, or makes any representations or warranties, express or implied, as to the accuracy, fairness or completeness of the information presented or contained in this announcement (or whether any information has been omitted from this announcement) or any other information relating to KMG, its subsidiaries and their associated companies (the “**Group**”), whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, each of the Bookrunners and their respective affiliates, their respective directors, officers or employees, and any other person acting on their behalf expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Certain statements in this announcement are not historical facts and are “forward-looking” within the meaning of Section 27A of the U.S. Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, plans or goals relating to development projects, financial position and future operations and development, our business strategy and the trends we anticipate in the industries and the political and legal environment in which we operate and other information that is not historical information. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks and uncertainties, be cautioned not to place undue reliance on such forward-looking statements. The Bookrunners do not intend and do not assume any obligation to update any forward-looking statement contained herein.

In addition, this announcement contains information concerning the Group’s industry and its market and business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the industry, and the Group’s market and business segments, will develop. These assumptions are based on information currently available to KMG. If any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While KMG does not know what effect any such differences may have on the Group’s business, if there are such differences, they could have a material adverse effect on the Group’s future results of operations and financial condition.

The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks set out in the Prospectus. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Prospectus referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer

to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Fund may decide not to go ahead with the IPO and there is therefore no guarantee the Offering will be made or that all or any portion of the investor applications will be satisfied. Financial decisions should not be based on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or a portion of the amount invested.

Persons considering making investments should consult a professional person specialising in advising on such investments. Neither this announcement, nor the Prospectus referred to herein, constitutes a recommendation concerning a possible Offer. The value of Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offer for them and their purposes.

## **Public Relations Department of Samruk-Kazyna JSC**

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