

ECONOMIC PERFORMANCE



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**INVESTING
IN THE FUTURE**



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

SUPPORTING THE KAZAKHSTAN'S ECONOMY

GRI 201-1

NC KazMunayGas JSC ensures the reliable functioning of the oil and gas sector, supports the regions in which it operates, and implements sustainable development projects. The Company

creates long-term economic value for stakeholders through investment activities, stable financial results, tax payments, job creation, social projects, and support for domestic producers.

DEVELOPMENT OF THE OIL AND GAS SECTOR

KMG ensures the stable development of the country's oil and gas sector, contributing to the growth of energy resource production

and refining. In 2024, the Company achieved the following:

23.8 million tonnes

Oil and condensate production
(+1.3% compared to 2023)

9.55 billion m³

Natural and associated gas production
(+1%)

83.5 million tonnes

Oil transportation
(+4%)

557 thousand tonnes

Bitumen production

One of KMG's strategic areas is the development of petrochemicals, aiming to produce high value-added products. In 2024, polypropylene production

at KPI amounted to 249 thousand tonnes, a 37% increase.

FISCAL CONTRIBUTION

KMG is one of the largest taxpayers in the country. In 2024, the Company paid **KZT 1.08 trillion in taxes**, supporting government programs and national economic development.

Information on tax policy and tax payments is available on the Company's website.

INVESTMENT ACTIVITY

KMG continues to actively invest in key segments of the oil and gas industry, infrastructure, and sustainable development projects. As of the end of 2024, the value of KMG's investment portfolio is estimated at KZT 51.3 trillion, with KMG's share amounting to KZT 19,390 billion. These projects have a multiplier effect on Kazakhstan's economic development.

The Company also generates returns for its shareholders, a significant portion of which includes the state and citizens of Kazakhstan. Since its IPO, the share price of KMG has increased by 60%.

See more in the section "Investment Activity".

JOB CREATION AND SOCIAL SUPPORT

KMG remains one of the largest employers in the country. The Company employs approximately 50,000 staff, and this number reaches 80,000 when including contractor personnel. Beyond job creation, KMG implements employee social support programs that contribute to professional development and overall well-

being. Particular attention is given to developing young professionals by providing training and career growth opportunities.

See more in the section "Human Capital Management".

CONTRIBUTION TO REGIONAL DEVELOPMENT

KMG actively supports the regions where it operates by investing in socially significant facilities and infrastructure. In 2024, KZT 3.7 billion was allocated for regional development and infrastructure support. As part of these efforts, the Company funds the construction of critical

regional economic infrastructure, educational and sports institutions, and takes part in local community development.

See more in the section "Our Communities".

SUPPORT FOR DOMESTIC PRODUCERS

KMG promotes the development of Kazakhstani businesses through long-term offtake contracts, ensuring stable demand for local products and supporting import substitution. In 2024, the Company's subsidiaries and dependent entities

signed 137 offtake contracts totaling KZT 58.7 billion.

See more in the section "Supplier Engagement".

DEVELOPMENT OF SUSTAINABLE PROJECTS

KMG is actively implementing projects in the field of renewable energy sources (RES), supporting Kazakhstan's transition to a low-carbon economy. Key initiatives include the construction of a 1 GW wind power plant with an energy storage system in the Zhambyl region and a hybrid power plant in the Mangystau region, which will combine electricity generation from renewable

sources (wind, solar) and a gas-fired power plant (hereinafter referred to as GPP) with a capacity of 247 MW. These projects will increase the share of clean energy in the country's energy balance.

See more in the section "Climate Change and Low-Carbon Development".

KMG is not only the country's leading oil and gas company, but also a key economic player, contributing to Kazakhstan's stable and sustained long-term development. Through investments, revenues and tax payments, job creation, and support for social initiatives, the Company contributes to economic growth, improved public welfare, and regional development. At the same time, economic objectives are aligned with environmental and social impacts, ensuring the sustainable development of both the industry and the Kazakhstani economy as a whole.

INVESTMENT PROJECTS

GRI 203-1, GRI 203-2

CORPORATE PROJECT MANAGEMENT

In 2024, KMG continued to enhance its Corporate Project Management System (CPMS):

- Project management documentation was updated;
- The second edition of the CPMS desktop guide was published;
- The second Project Management Conference was held, with the participation of 150 specialists;

- Nine project management courses were conducted for 500 employees of KMG and its subsidiaries; 63 employees received IPMA certification.

In 2025, the Company plans to further develop its expert system and form a pool of project managers.

INVESTMENT PORTFOLIO OVERVIEW

KMG's investment portfolio includes projects in exploration, transportation, oil refining, petrochemicals, and sustainable development. As of the beginning of 2025, the portfolio's value is estimated at KZT 51,270 billion (KMG's share – KZT 19,390 billion).

In 2024, final investment decisions were made for key projects totaling KZT 4,972.3 billion (KMG's share – KZT 3,558.8 billion), including:

- Phase 2 of the Gas Chemical Complex in Atyrau (polyethylene production and construction of a gas separation complex);
- Modernization of JV CASPI BITUM LLP (increasing refining capacity to 1.5 million tonnes per year).

IMPLEMENTATION OF INVESTMENT PROJECTS IN 2024



Exploration and Production

- Geological exploration work has been conducted on the North Ozen, Zharkyn, Berezovsky, Mugodzhary, and Bolashak fields;
- Drilling of exploration wells PZ-1 (depth 5,500 m) has begun on the Turgai, Karaton Podsolevoy, Karazhar, and Taysoygan fields;
- Drilling of the first well at the "Abai" field has been completed;
- Five wells connected at Rozhkovskoye field with a raw gas output of 1.4 million m³/day;
- Well EU-6 commissioned at the Urikhtau field with a production increase of 90.3 tonnes/day;
- Project design initiated for Kalamkas-Sea, Khazar, and Auezov fields.



Major Projects – Tengiz, Kashagan, Karachaganak

- Tengiz: Future Growth Project nearing completion (99.95% readiness), commissioning expected in Q2 2025;
- Kashagan: Development of Phases 2A and 2B underway to increase output to 710 thousand bbl/day;
- Karachaganak: 5th compressor project completed; construction of the 6th compressor at 67.5% readiness.





Oil Refining

- Commissioning work nearly complete on the liquefied gas treatment unit at Pavlodar Refinery;
- Modernization started at Atyrau Refinery to process up to 1 million tonnes of Tengiz oil;
- Capacity expansion underway at JV CASPI BITUM LLP;
- Transition to three-year inter-repair cycles launched at Atyrau Refinery, Pavlodar Refinery, and Petrokazakhstan Oil Products.



Petrochemicals

- The warranty tests of the PP unit have been completed, and a demonstration run of the polypropylene production plant took place. The range of grades has been expanded (10 grades), and production amounted to approximately 249 thousand tonnes;
- Design of the polyethylene production facility completed; EPC contract signed with Tecnicas Reunidas and Sinopec Engineering, early construction work initiated;
- Pre-feasibility study completed for the project "Production of terephthalic acid and polyethylene terephthalate (PET)";
- Framework agreement signed between KMG and CNPC on construction of a gas chemical complex for ammonia and carbamide production.



Sustainable Development Projects

- Main construction completed at the Kenderli desalination plant project; launch planned for 2025;
- A hybrid power plant (gas + renewables) under construction in the Mangystau region;
- With the participation of the European Bank for Reconstruction and Development, KMG-Aero, and Air Astana, a feasibility study was conducted for a sustainable aviation fuel (SAF) production plant.
- The implementation of these projects supports business diversification, carbon footprint reduction, and Kazakhstan's energy security.

