



ҚазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

NATIONAL COMPANY
KAZMUNAYGAS

1Q21 OPERATIONAL AND FINANCIAL RESULTS

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Macroeconomic environment

Dated Brent in 1Q21, US\$ pb¹



- ❑ Oil prices up by 22% YoY.
- ❑ Lower crude oil output due to worldwide curtailments under OPEC+ agreement.
- ❑ Lower gas transit and export volumes
- ❑ Gradual recovery of demand for oil products

Kazakhstan's macroeconomic indicators²

Indicators	1Q20	1Q21
GDP growth, %	2.7	-1.6
Inflation, % (March, YoY)	6.4	7.0
Base rate, % (at end-March)	12.0	9.0

FX rate	1Q20	1Q21
USDKZT, average	391.72	419.94
USDKZT, end-of period	447.67	424.89

Moody's	S&P	Fitch
Baa1	BBB+	BBB+
Baa2	BBB	BBB (Stable)
Baa3 (Positive) Baa3 (Positive)	BBB- (Stable)	BBB- (Stable)
<i>Investment grade</i>		
Ba1	BB+	BB+
Ba2	BB (Negative)	BB
Ba3	BB-	BB-

- 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.

Highlights

	1Q 2020	1Q 2021
Oil and gas condensate	489 kbopd (5.9 mt)	438 kbopd (5.3 mt)
Oil transportation	18.5 mt	18.3 mt
Gas transportation	28.3 mln m3	22.1 mln m3
Refining volumes	4.6 mt	4.6 mt
EBITDA	USD 702 mn	USD 1,176 mn
FCF	USD 66 mn	USD 83 mn
Cash CAPEX	USD 324 mn	USD 194 mn
Net debt	USD 6,162 mn	USD 6,123 mn

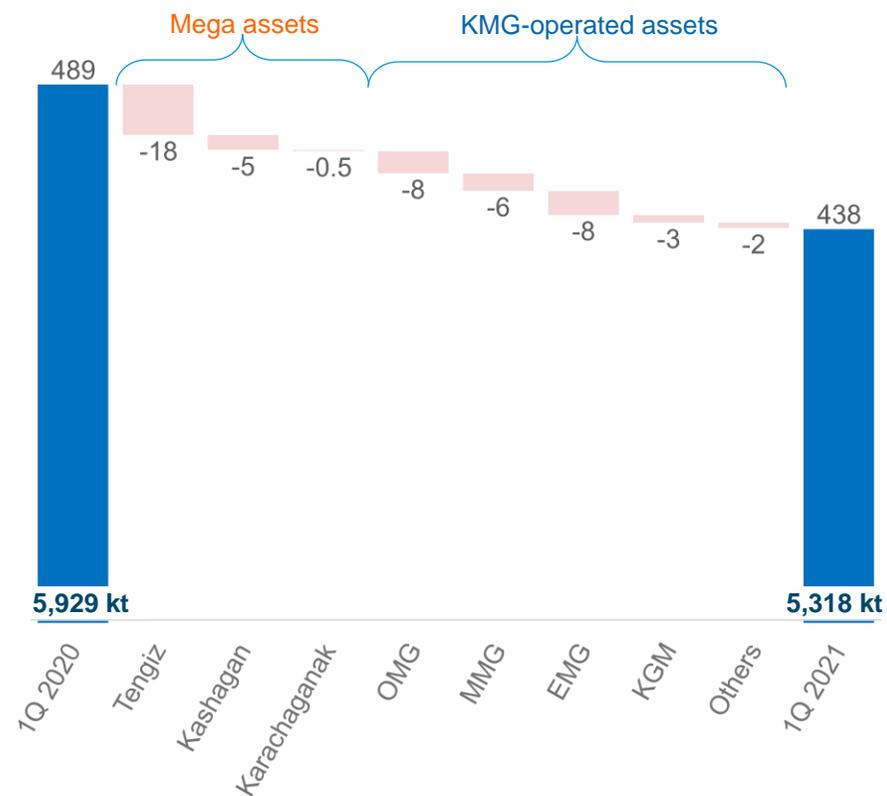
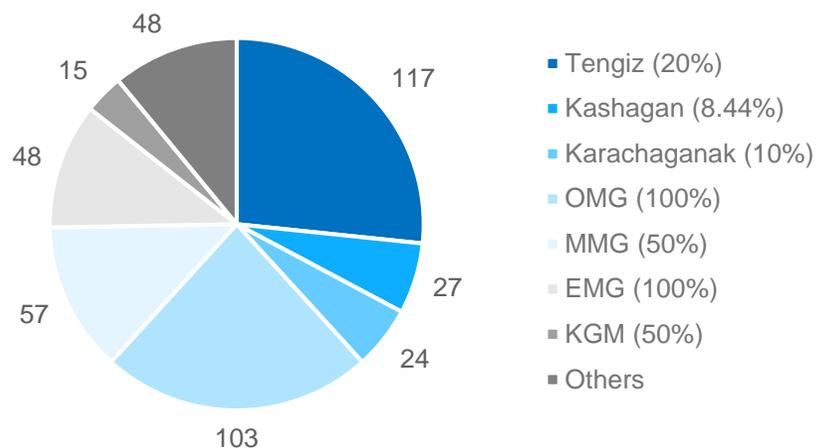
KMG Credit ratings

- On 30 April 2021, the international rating agency **S&P** Global Ratings affirmed KMG's credit rating at "BB" with a "negative" outlook.
- On 27 March 2020, **Fitch** Ratings affirmed KMG's ratings, reflecting its significant scale of hydrocarbon production, the diversification of revenue streams, decreased leverage in 2017-2019 due to repayments and solid operational results.
- On 14 December 2020, **Moody's** completed a periodic review of ratings. The rating agency highlighted KMG's large oil reserves, a track record of sustainable production without OPEC+ restrictions, and expectations that leverage indicators will remain commensurate with its BCA on a sustainable basis.

Upstream

Crude oil and gas condensate production (net to KMG), kbopd¹

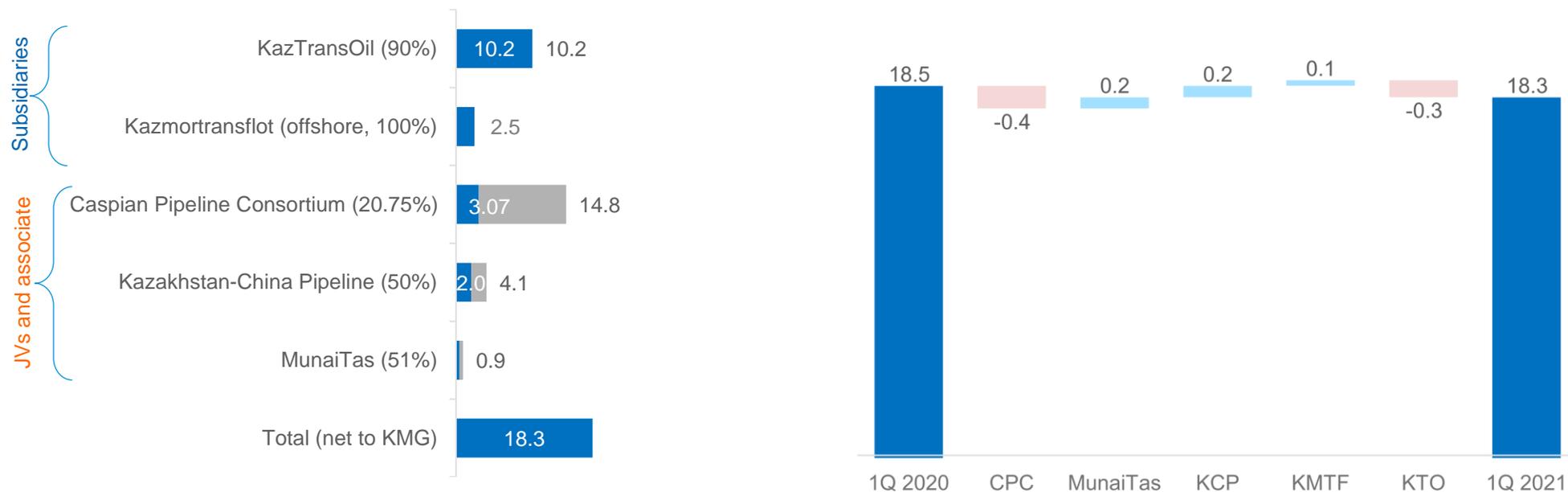
1Q 2021 – 438 kbopd, breakdown by asset



(1) Applied respective barrelisation coefficients.

Oil midstream

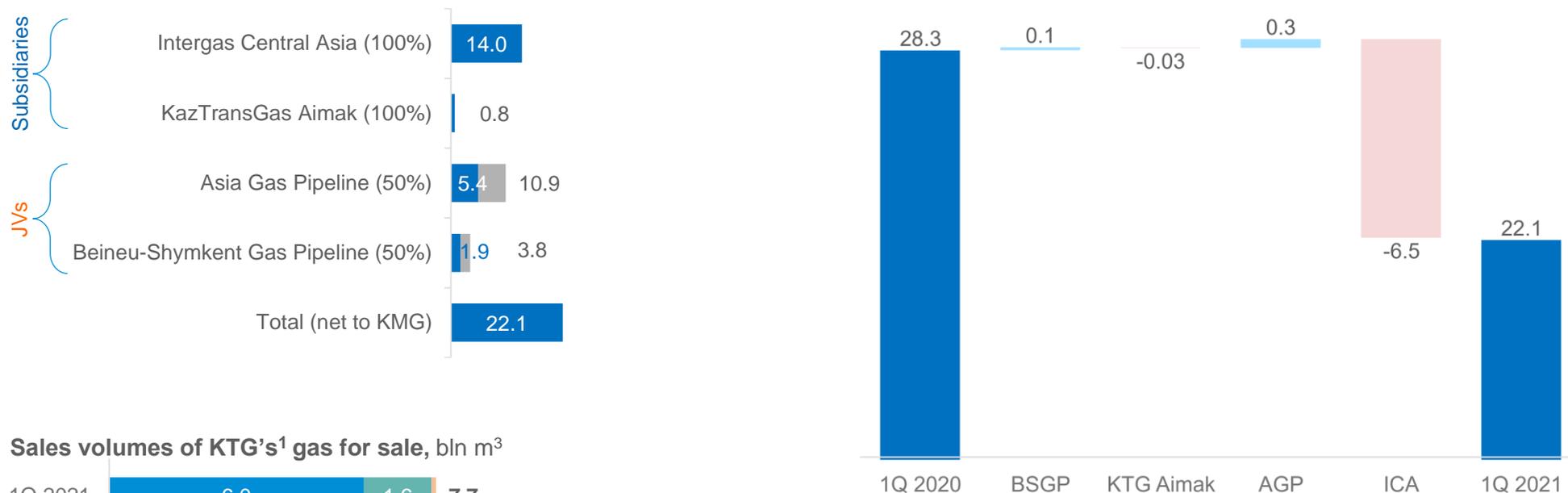
1Q 2021 breakdown of crude oil transportation by companies on gross basis, mt



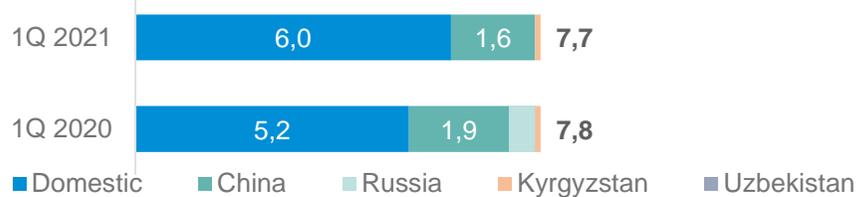
(1) Since KTO is fully operated by KMG, transportation volumes are being reported for 100%.

Gas midstream

1Q 2021 breakdown of gas transportation by companies on gross basis, bln m³



Sales volumes of KTG's¹ gas for sale, bln m³

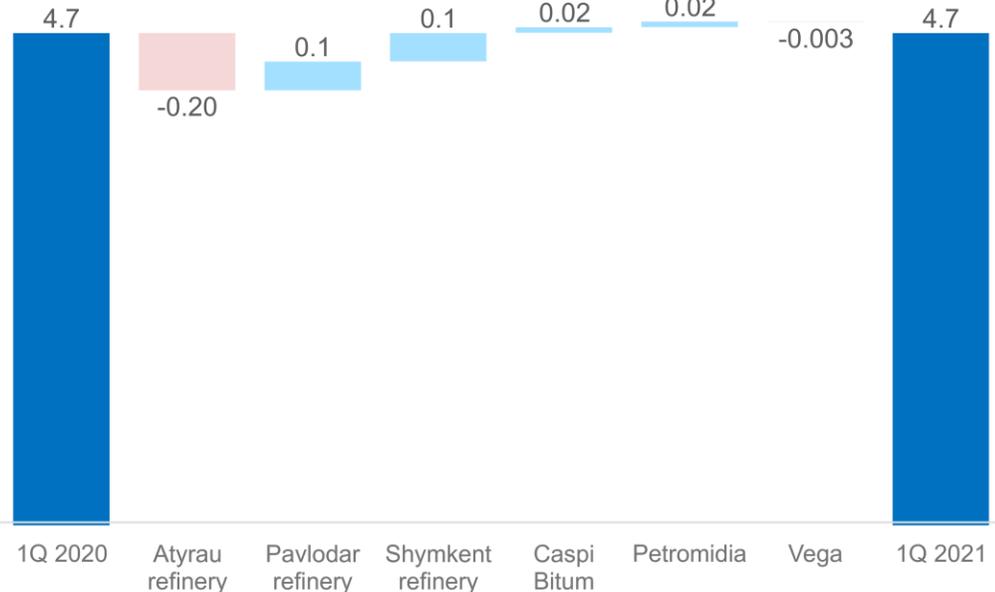
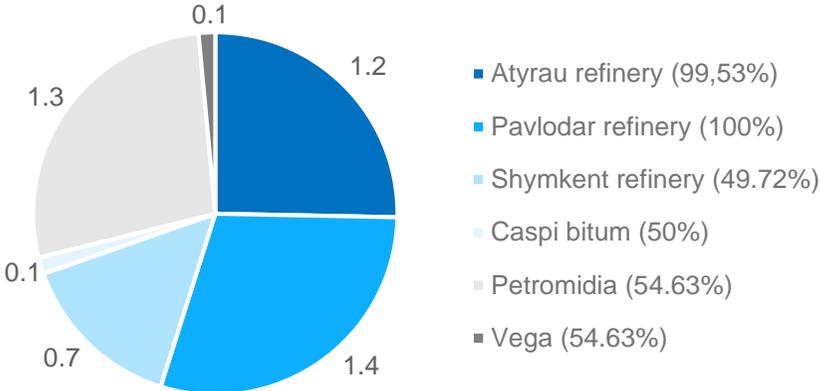


(1) KTG is a national operator of gas and gas supply that buys gas for sale from subsoil users/suppliers and resells it to domestic market and for export. The volumes are mostly related to third party volumes rather than KMG's share of natural and associated gas produced at oil and gas fields.

Downstream

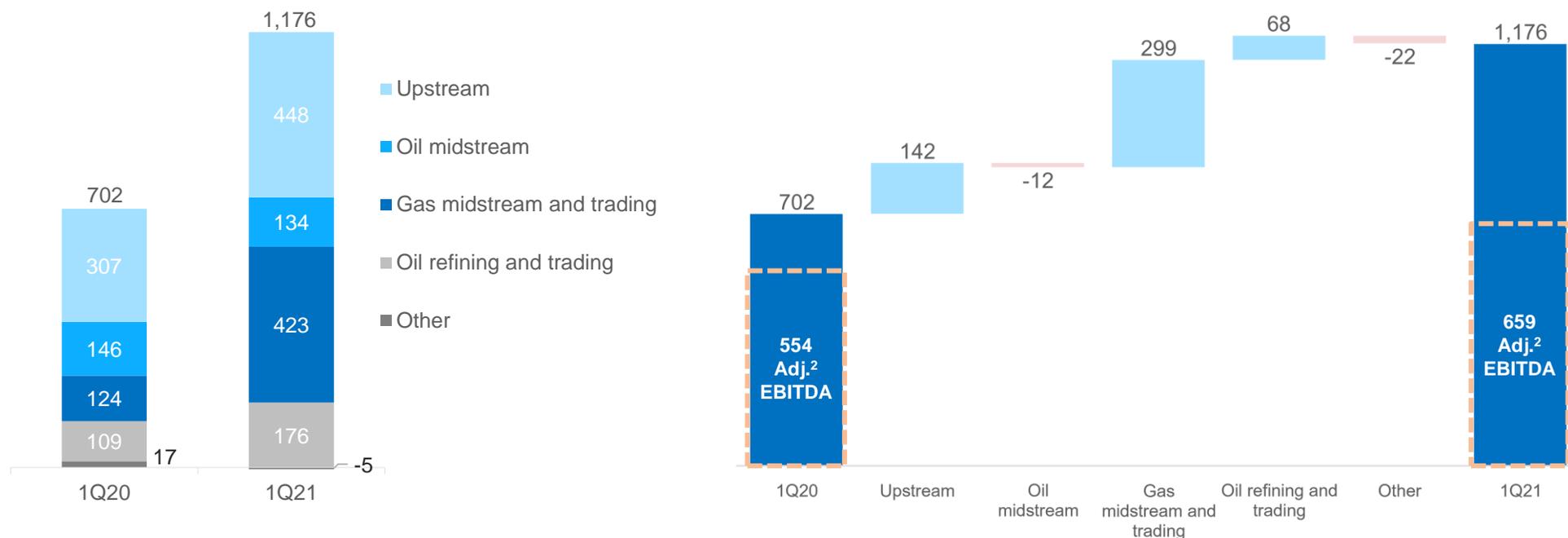
Refining volume (net to KMG), mt

1Q 2021 – 4.7 mt, breakdown by asset



Change in EBITDA by segments, 1Q21 vs. 1Q20

EBITDA¹ by segments, US\$ mn (1Q21 vs. 1Q20)



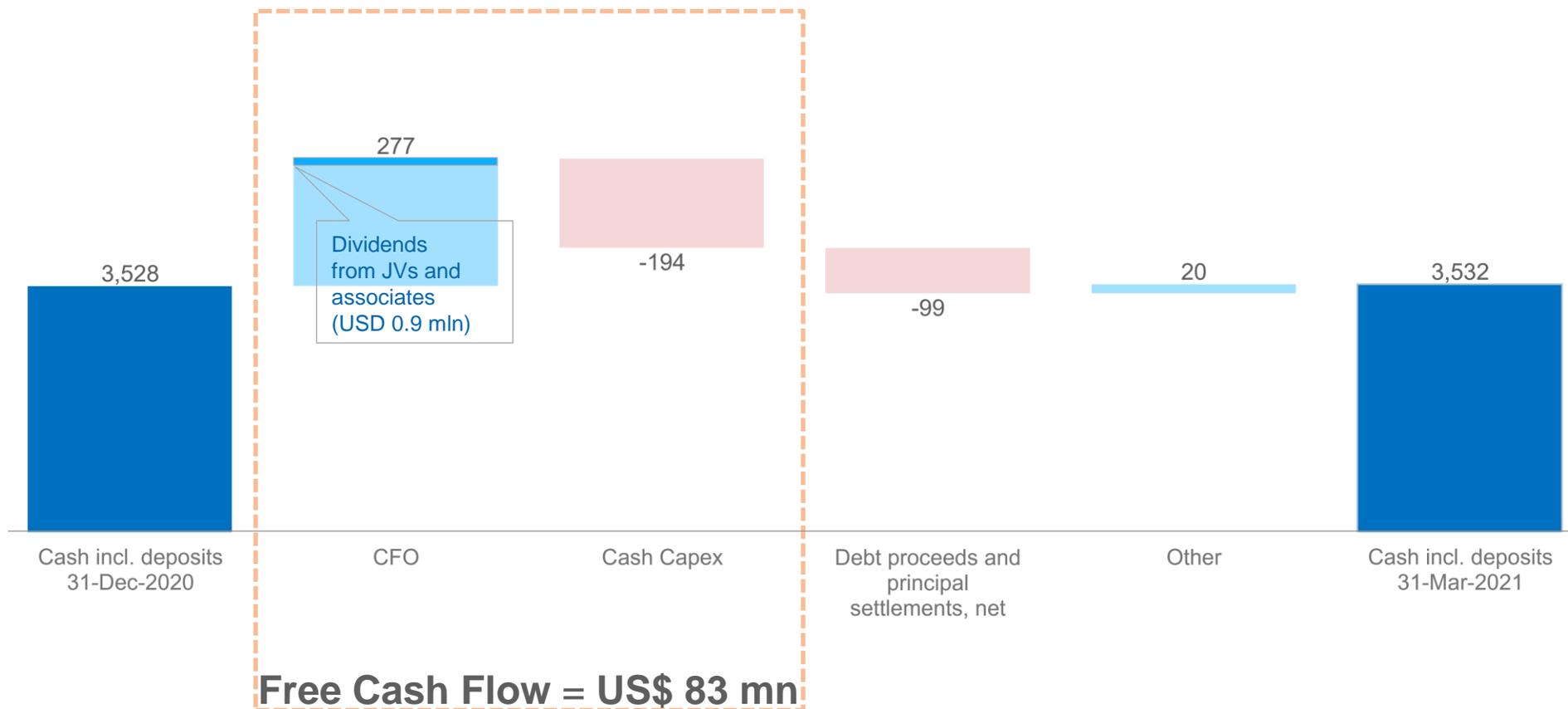
(1) EBITDA = revenue plus share in profit of JVs and associates, net, minus cost of purchased oil, gas petroleum products and other materials minus production expenses minus G&A expenses minus transportation and selling expenses minus taxes other than income tax.

(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.

FCF is positive in 1Q21

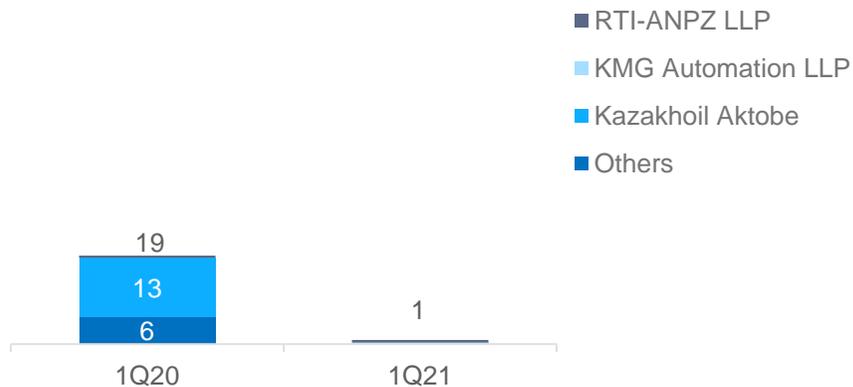
Cash sources and uses, US\$ mn



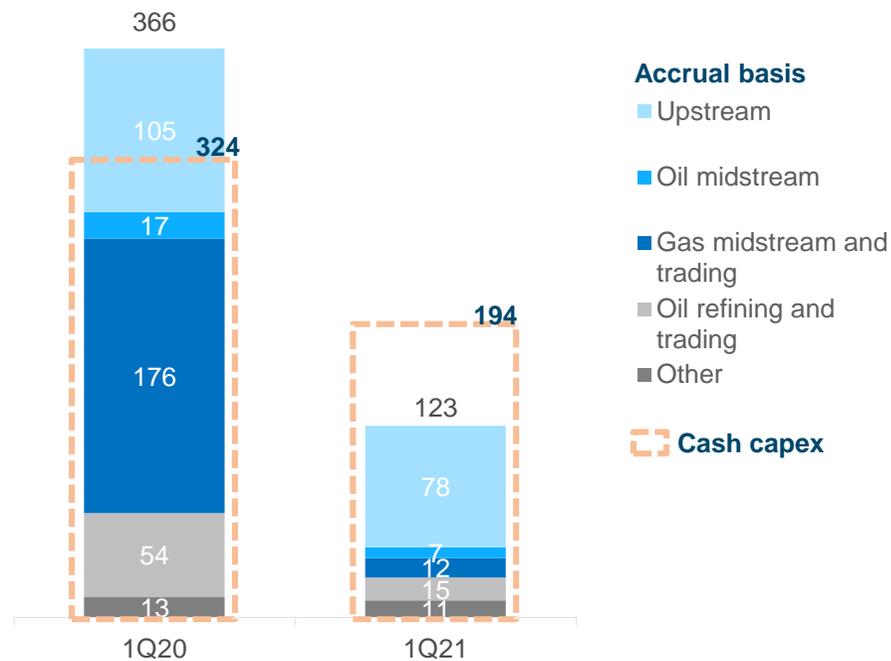
Note: Numbers may not sum due to rounding.

Dividends and capex

Dividends from JVs and associates, US\$ mn



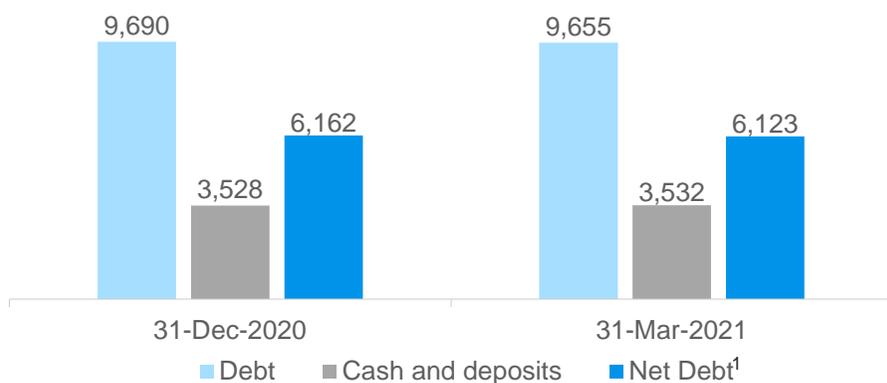
CAPEX, US\$ mn



Note: Numbers may not sum due to rounding.

Debt profile

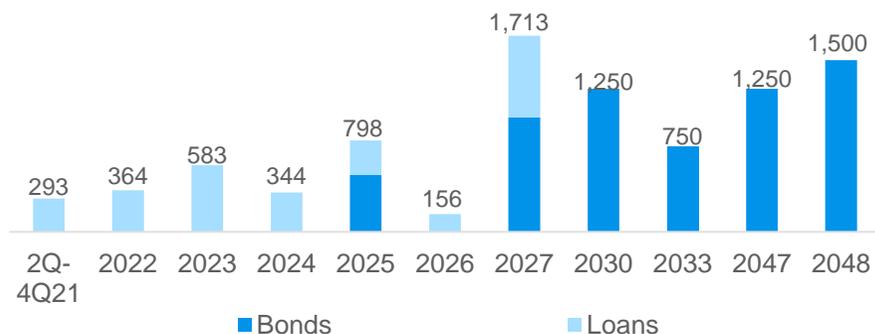
Debt and leverage, US\$ mn



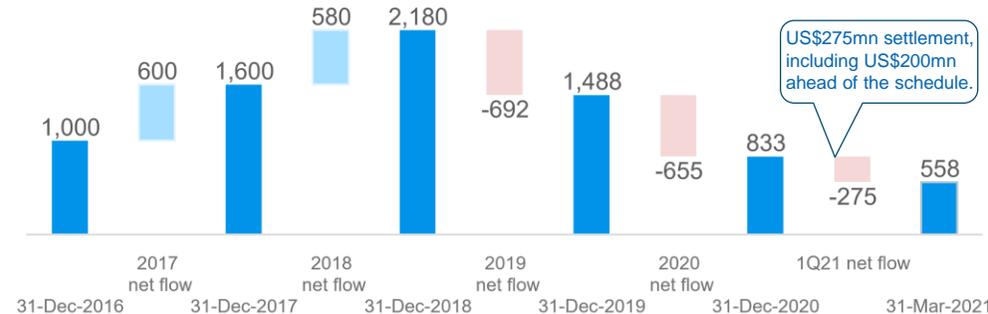
Debt movement, US\$ mn



Debt maturity profile (nominal)³, US\$ mn



Kashagan crude oil prepayments movement⁴, 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) Other includes currency translation, foreign exchange gain/loss, interest expense, interest capitalized, additions and repayments of other companies' debt.

(3) Excludes KMG International credit lines, overdrafts and trade financing.

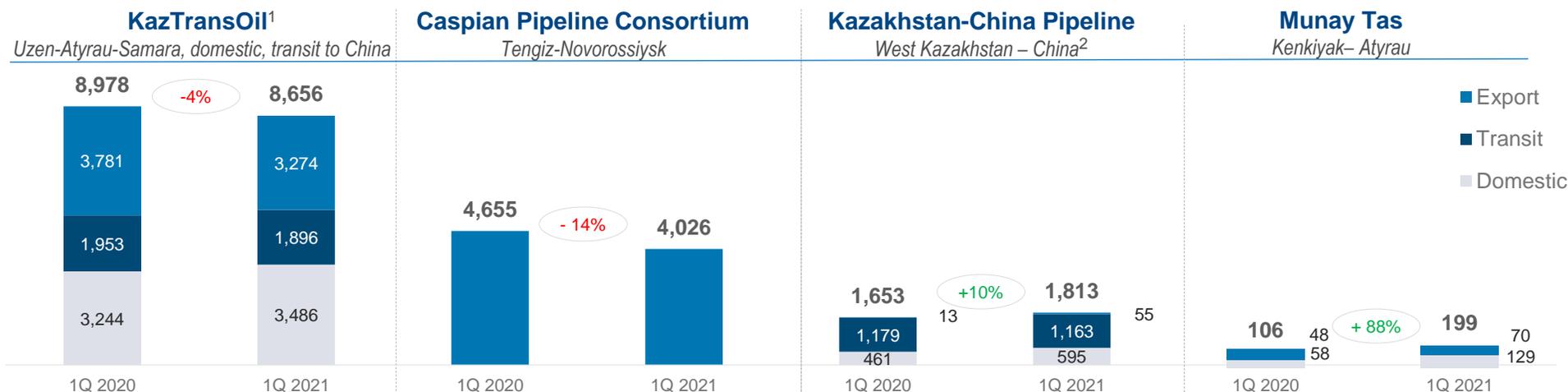
(4) Prepayments are at Kashagan B.V. level (50% owned by KMG). Kashagan B.V is consolidated to KMG's financials using equity method.

Note: Numbers may not sum due to rounding.

Appendix

Midstream: Oil transportation turnover

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



Oil transportation tariffs for 1Q 2021

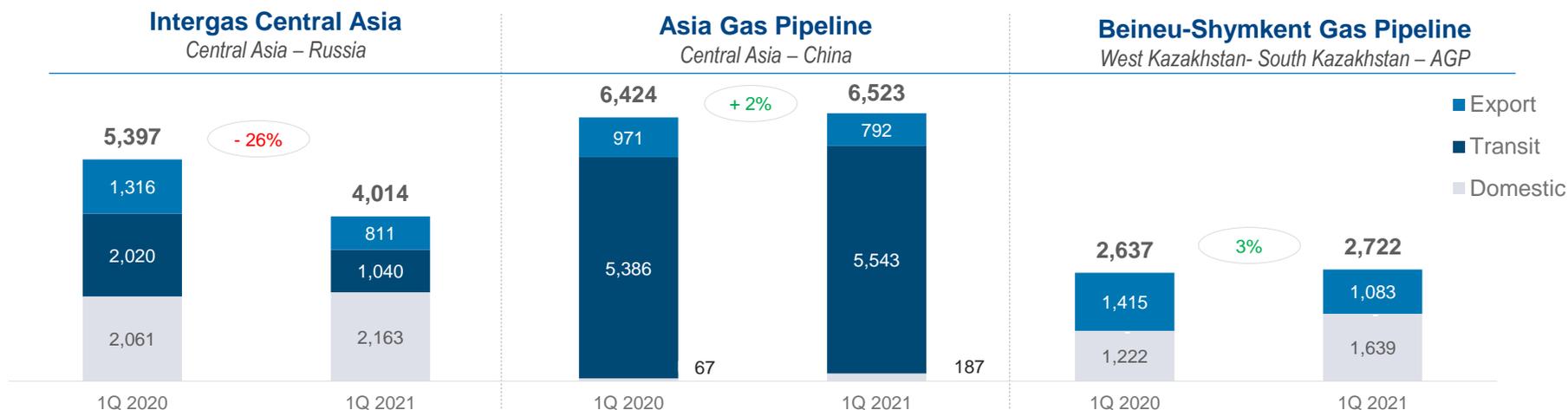
Company	Direction	UoM	Weighted Average tariffs	% change 1Q 2020 vs 1Q 2021
KazTransOil	Export	tn per 1,000 km	7,359 KZT	+ 9.4%
	Domestic	tn per 1,000 km	4,356 KZT	+ 6.0 %
	Transit	per tonne	4.23 USD	no change
Caspian Pipeline Consortium	Export	per tonne	36.00 USD	no change
Kazakhstan-China Pipeline	Export	tn per 1,000 km	6,799 KZT	no change
	Domestic	tn per 1,000 km	7,158 KZT	no change
	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)

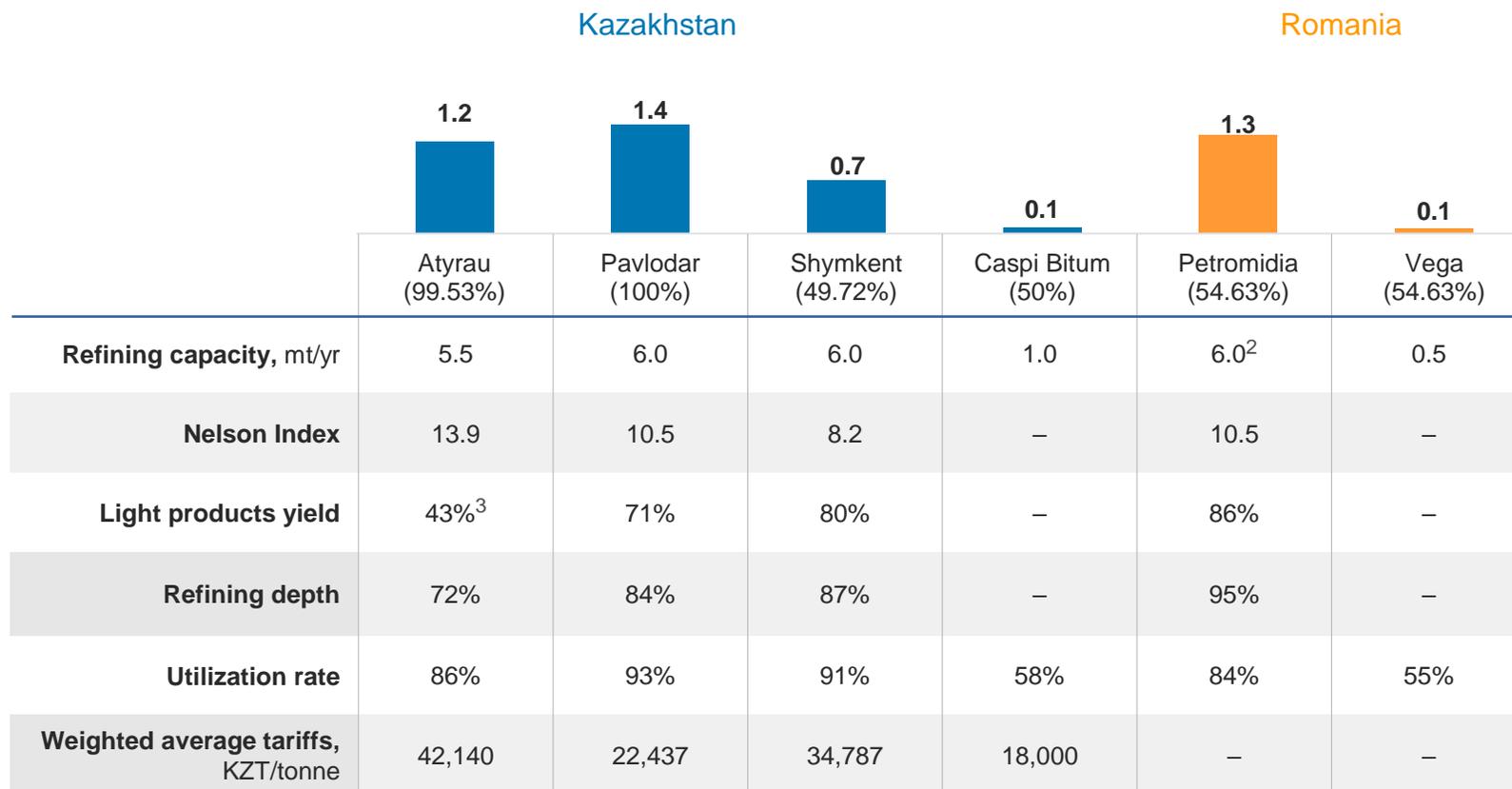


Gas transportation tariffs for 1Q 2021

Company	Direction	UoM	Weighted Average tariffs	% change 1Q 2020 vs 1Q 2021
Intergas Central Asia	Export	1,000 m ³ per 100 km	4.82 USD	+ 16.4%
	Domestic	1,000 m ³	4,551 KZT	+ 105.7%
	Transit	1,000 m ³ per 100 km	2.09 USD	+ 1.5%
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	no change
	Domestic	1,000 m ³ per 100 km	1,200 KZT	no change

Downstream: Refining details

Refining volumes in 1Q 2021 (net to KMG¹), mt



(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, 1Q21

In USD mln

	UPSTREAM	MIDSTREAM		DOWNSTREAM	NC KMG	OTHER	TOTAL
	E&P	Oil transportation	Gas transportation and marketing	Refining and trading of crude oil and refined products	Trading and corporate	OFS, other assets and eliminations	
Operating EBITDA	183	74	238	166	35	(39)	658
Share in profit of JVs and associates	265	60	184	10	-	(1)	518
Tengiz (20%)	213						
MMG (50%)	29						
KGM (50%)	1						
Kashagan (8.44%)	20						
KOA (50%)	2						
PKI (33%)	5						
CPC (20.75%)		52					
KCP (50%)		6					
MT (51%)		1					
AGP (50%)			133				
BSGP (50%)			47				
KazRosGas (50%)			4				
Shymkent refinery (50%)				9			
Other	(5)	1	1	1	-	(1)	
EBITDA	448	134	423	176	35	(40)	1,176
<i>% of total</i>	38%	11%	36%	15%	3%	-3%	100%

Note: Numbers may not sum due to rounding.

EBITDA segmented, 1Q20

<i>In USD mln</i>	UPSTREAM	MIDSTREAM		DOWNSTREAM	NC KMG	OTHER	TOTAL
	E&P	Oil transportation	Gas transportation and marketing	Refining and trading of crude oil and refined products	Trading and corporate	OFS, other assets and eliminations	
Operating EBITDA	111	102	171	134	5	12	535
Share in profit of JVs and associates ¹	196	44	(47)	(26)	-	(0)	167
Tengiz (20%)	163						
MMG (50%)	16						
KGM (50%)	15						
Kashagan (8.44%)	(0)						
KOA (50%)	(0)						
PKI (33%)	7						
CPC (20.75%)		51					
KCP (50%)		(8)					
MT (51%)		1					
AGP (50%)			(11)				
BSGP (50%)			(20)				
KazRosGas (50%)			(16)				
Shymkent refinery (50%)				(29)			
Other	(5)	0	0	4	-	(0)	
EBITDA	307	146	124	109	5	12	702
<i>% of total</i>	44%	21%	18%	15%	1%	1%	100%

Note: Numbers may not sum due to rounding.

Consolidated statement of comprehensive income

In KZT bn

	1Q2021	1Q2020	Change	Change, %
Revenue and other income				
Revenue	1,433	1,376	57	4.1%
Share in profit of joint ventures and associates, net	218	65	153	235.4%
Finance income	22	37	-15	-40.5%
Other operating income	12	9	3	33.3%
Total revenue and other income	1,685	1,487	198	13.3%
Costs and expenses				
Cost of purchased oil, gas, petroleum products and other materials	-747	-741	-6	0.8%
Production expenses	-164	-174	10	-5.7%
Taxes other than income tax	-92	-94	2	-2.1%
Depreciation, depletion and amortization	-98	-92	-6	6.5%
Transportation and selling expenses	-123	-119	-4	3.4%
General and administrative expenses	-32	-38	6	-15.8%
Reversal of impairment/(impairment) of property, plant and equipment, exploration and evaluation assets	0	-61	61	-100.0%
Exploration expense	-20	-	-20	-
Impairment of investment in joint venture and associate	-	-38	38	-
Finance costs	-68	-67	-1	1.5%
Other expenses	-6	-7	1	-14.3%
Net foreign exchange gain	4	32	-28	-87.5%
Total costs and expenses	-1,346	-1,399	53	-3.8%
Profit before income tax	339	88	251	285.2%
Income tax expense	-53	-18	-35	194.4%
Net profit for the period	286	70	216	308.6%
Net profit/(loss) for the period attributable to:				
Equity holders of the Parent Company	287	86	201	233.7%
Non-controlling interest	-1	-16	15	-93.8%
	286	70	216	308.6%
Other comprehensive income/(loss)				
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</i>				
Hedging effect	-1	-	-	-
Exchange differences on translation of foreign operations	45	704	-659	-93.6%
Tax effect	-4	-63	59	-93.7%
Net other comprehensive income to be reclassified to profit or loss in the subsequent periods	40	641	-601	-93.8%
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain on defined benefit plans of the joint ventures	0	-	-	-
Net other comprehensive gain not to be reclassified to profit or loss in the subsequent periods	0	-	-	-
Net other comprehensive income for the period	40	641	-601	-93.8%
Total comprehensive income for the period, net of income tax	326	711	-385	-54.1%
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the Parent Company	327	728	-401	-55.1%
Non-controlling interest	-1	-17	16	-94.1%
	326	711	-385	-54.1%
Earnings per share* – Tenge thousands				
Basic and diluted	0.47	0.11	0.36	327.3%

Consolidated statement of financial position

In KZT bn	31 March 2021	31 December 2020	Change	Change, %
Assets				
Non-current assets				
Property, plant and equipment	4,307	4,370	-63	-1.4%
Right-of-use assets	77	54	23	42.6%
Exploration and evaluation assets	141	158	-17	-10.8%
Investment property	22	23	-1	-4.3%
Intangible assets	168	168	0	0.0%
Long-term bank deposits	56	57	-1	-1.8%
Investments in joint ventures and associates	6,688	6,471	217	3.4%
Deferred income tax asset	58	59	-1	-1.7%
VAT receivable	88	94	-6	-6.4%
Advances for non-current assets	43	23	20	87.0%
Loans and receivables due from related parties	702	685	17	2.5%
Other non-current financial assets	21	12	9	75.0%
Other non-current non-financial assets	3	3	0	0.0%
	12,374	12,177	197	1.6%
Current assets				
Inventories	237	228	9	3.9%
VAT receivable	65	107	-42	-39.3%
Income tax prepaid	59	70	-11	-15.7%
Trade accounts receivable	563	423	140	33.1%
Short-term bank deposits	271	282	-11	-3.9%
Loans and receivables due from related parties	28	28	0	0.0%
Other current financial assets	263	57	206	361.4%
Other current non-financial assets	98	89	9	10.1%
Cash and cash equivalents	1,174	1,146	28	2.4%
	2,758	2,430	328	13.5%
Assets classified as held for sale	5	46	-41	-89.1%
	2,763	2,476	287	11.6%
Total assets	15,137	14,653	484	3.3%
Equity and liabilities				
Equity				
Share capital	917	917	0	0.0%
Additional paid-in capital	9	9	0	0.0%
Other equity	-1	0	-1	-
Currency translation reserve	2,187	2,146	41	1.9%
Retained earnings	5,922	5,636	286	5.1%
Attributable to equity holders of the Parent Company	9,034	8,708	326	3.7%
Non-controlling interest	-72	-71	-1	1.4%
Total equity	8,962	8,637	325	3.8%
Non-current liabilities				
Borrowings	3,695	3,717	-22	-0.6%
Provisions	300	303	-3	-1.0%
Deferred income tax liabilities	574	556	18	3.2%
Lease liabilities	43	45	-2	-4.4%
Other non-current financial liabilities	27	33	-6	-18.2%
Other non-current non-financial liabilities	29	29	0	0.0%
	4,668	4,683	-15	-0.3%
Current liabilities				
Borrowings	408	362	46	12.7%
Provisions	61	63	-2	-3.2%
Income tax payable	12	9	3	33.3%
Trade accounts payable	606	537	69	12.8%
Other taxes payable	153	130	23	17.7%
Lease liabilities	49	17	32	188.2%
Other current financial liabilities	87	86	1	1.2%
Other current non-financial liabilities	131	129	2	1.6%
	1,507	1,333	174	13.1%
Liabilities related to assets classified as held for sale	0	-	-	-
Total liabilities	6,175	6,016	159	2.6%
Total equity and liabilities	15,137	14,653	484	3.3%
Book value per ordinary share – Tenge thousands	14.414	13.88	0.534	3.8%

Consolidated statement of cash flows – indirect

In KZT bn	1Q2021	1Q2020	Change	Change, %
Cash flows from operating activities				
Profit before income tax	339	88	251	285.2%
Adjustments:				
Depreciation, depletion and amortization	98	92	6	6.5%
Exploration expense	20	-	-	-
(Reversal)/impairment of property, plant and equipment and exploration and evaluation assets	0	61	-61	-100.0%
Impairment of investments in joint venture and associate	-	38	-	-
Allowance of obsolete inventories	2	5	-3	-60.0%
Net foreign exchange differences	-1	-1	0	0.0%
(Gain)/loss on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net	-7	2	-9	-450.0%
Realized loss/(gain) from derivatives on petroleum products	2	-12	14	-116.7%
Finance costs	68	67	1	1.5%
Finance income	-22	-37	15	-40.5%
Share in profit of joint ventures and associates, net	-218	-65	-153	235.4%
Movements in provisions	-2	17	-19	-111.8%
Other adjustments	1	4	-3	-75.0%
Operating profit before working capital changes	280	259	21	8.1%
Change in VAT receivable	49	-2	51	-2550.0%
Change in inventory	-15	59	-74	-125.4%
Change in trade accounts receivable and other assets	-251	91	-342	-375.8%
Change in trade and other payables and contract liabilities	69	-218	287	-131.7%
Change in other taxes payable	18	-21	39	-185.7%
Cash generated from operations	150	168	-18	-10.7%
Dividends received from joint ventures and associates	0	8	-8	-100.0%
Cash receipt of derivative instruments	2	-	-	-
Income taxes paid	-19	-29	10	-34.5%
Interest received	9	26	-17	-65.4%
Interest paid	-26	-33	7	-21.2%
Net cash flow from operating activities	116	140	-24	-17.1%
Cash flows from investing activities				
Withdrawal of bank deposits, net	16	39	-23	-59.0%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	-82	-127	45	-35.4%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	28	6	22	366.7%
Additional contributions to joint ventures without changes in ownership	-2	-	-	-
Loans given to related parties	-7	-14	7	-50.0%
Acquisition of debt securities	0	-1	1	-100.0%
Proceeds from lease receivables	0	-	-	-
Proceeds from Note receivable from a shareholder of a joint venture	-	5	-	-
Proceeds from disposal of subsidiaries, net of cash disposed	-	8	-	-
Net cash flows used in investing activities	-47	-84	37	-44.0%
Cash flows from financing activities				
Proceeds from borrowings	121	100	21	21.0%
Repayment of borrowings	-163	-121	-42	34.7%
Share buyback by subsidiary	-	0	-	-
Distribution to Samruk-Kazyna	-1	-	-	-
Payment of principal lease liabilities	-5	-4	-1	25.0%
Net cash flows used in financing activities	-48	-25	-23	92.0%
Effects of exchange rate changes on cash and cash equivalents	7	135	-128	-94.8%
Change in allowance for expected credit losses	0	0	0	-
Net change in cash and cash equivalents	28	166	-138	-83.1%
Cash and cash equivalents, at the beginning of the year	1146	1064	82	7.7%
Cash and cash equivalents, at the end of the period	1174	1230	-56	-4.6%

Consolidated statement of cash flows – direct (not part of financial statements, unaudited)

In KZT bn

	1Q2021	1Q2020	Change	Change, %
Cash flows from operating activities				
Receipts from customers	1,517	1,466	51	3.5%
Payments to suppliers	-1,018	-904	-114	12.6%
Other taxes and payments	-292	-291	-1	0.3%
Dividends received from joint ventures and associates	0	8	-8	-100.0%
Net payment for derivative instruments	2	0	2	-
Income taxes paid	-19	-29	10	-34.5%
Interest received	9	26	-17	-65.4%
Interest paid	-26	-33	7	-21.2%
Payments to employees	-87	-85	-2	2.4%
Taxes received from Tax authorities	61	13	48	369.2%
Social payments and pension funds	-15	-16	1	-6.3%
Other payments	-16	-15	-1	6.7%
Net cash flow from operating activities	116	140	-24	-17.1%
Cash flows from investing activities				
Withdrawal of bank deposits, net	16	39	-23	-59.0%
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets	-82	-127	45	-35.4%
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale	28	6	22	366.7%
Additional contributions to joint ventures without changes in ownership	-2	-	-	-
Loans given to related parties	-7	-14	7	-50.0%
Acquisition of debt securities	0	-1	1	-100.0%
Proceeds from lease receivables	0	-	-	-
Proceeds from Note receivable from a shareholder of a joint venture	-	5	-	-
Proceeds from disposal of subsidiaries, net of cash disposed	-	8	-	-
Net cash flows used in investing activities	-47	-84	37	-44.0%
Cash flows from financing activities				
Proceeds from borrowings	121	100	21	21.0%
Repayment of borrowings	-163	-121	-42	34.7%
Share buyback by subsidiary	-	0	-	-
Distribution to Samruk-Kazyna	-1	-	-	-
Payment of principal lease liabilities	-5	-4	-1	25.0%
Net cash flows used in financing activities	-48	-25	-23	92.0%
Effects of exchange rate changes on cash and cash equivalents	7	135	-128	-94.8%
Change in allowance for expected credit losses	0	0	0	-
Net change in cash and cash equivalents	28	166	-138	-83.1%
Cash and cash equivalents, at the beginning of the year	1,146	1,064	82	7.7%
Cash and cash equivalents, at the end of the period	1,174	1,230	-56	-4.6%