



**Semi - Annual report of National Company
KazMunayGas JSC for 2024**

Astana, 2024

Content

Company overview

Key events

Operating results

Financial results

Key risks

Responsibility statement

Report on review of interim condensed consolidated financial statements

Interim consolidated statement of comprehensive income

Interim consolidated statement of financial position

Interim consolidated statement of cash flows

Interim consolidated statement of changes in equity

Company overview

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

As of 30 June 2023, KMG is owned by Sovereign Wealth Fund Samruk-Kazyna Joint-Stock Company (87.42%), the National Bank of Kazakhstan (9.58%), and 3% are in free float.

The Company retained its leading position in terms of oil production, transportation and refining in Kazakhstan.

KMG, realising that its activities are directly related to the use of natural resources, recognizes its responsibility to society for the rational use of these resources and the preservation of a favorable environment.

KMG's main assets are as follows:

Upstream: Ozenmunaigas (OMG) – 100%, Embamunaigas (EMG) – 100%, Kazakhturkmunai (KTM) – 100%, KazMunayTeniz – 100%, Urikhtau (UO) – 100%, Mangistaumunaigaz (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, KazakhOil Aktobe (KOA) – 50%, Petrokazakhstan Inc (PKI) – 33%, Tengizchevroil (TCO) – 20%, Kashagan – 16.88%, Karachaganak (KPO) – 10%.

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

Downstream: Pavlodar refinery – 100%, Atyrau refinery – 99.53%, Shymkent refinery – 49.72%, KMG International – 100%, Petromidia refinery – 54.63%, Vega refinery – 54.63, KazRosGas – 50%, Kazakhstan Petrochemical Industries Inc. – 49.5%, Silleno – 49.9%

For further information, please visit: www.kmg.kz

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Key events from the beginning of 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 million 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 August 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., Makeyev D.S., Aryssova, D.A., Brekeshev S.A., Soyunov N. Dzh. and Balykbaev R.A.)
- On 26 June 2024, KMG completed the payment of dividends to shareholders for 2023. The total amount of dividends was 300.0 bln tenge. The dividends per common share amounted to 491.71 tenge.

Operating results

Key operating highlights for the first half of 2024 compared to the first half of 2023:

- Oil and gas condensate production increased by 1.1% and amounted to 11,989 thous. tonnes;
- Oil transportation volumes increased by 6.2% and amounted to 41,733 thous. tonnes;
- Hydrocarbons refining volumes at the Kazakh and Romanian refineries amounted to 8,902 thous. tonnes compared to 10,109 thous. tonnes.

	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
Oil production, thous. tonnes	11,989	11,860	+1.1%
Gas production, mln m ³	4,840	4,789	+1.1%
Oil transportation, thous. tonnes	41,733	39,309	+6.2%
Oil refining, thous. tonnes	8,902	10,109	-11.9%

Operating results are represented in accordance with KMG's ownership interest in joint ventures and associates and 100% of results for fully consolidated subsidiaries, unless otherwise stated. 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 operating results.

Upstream

Oil and gas condensate production volume for the first half of 2024 amounted to 11,989 thous. tonnes (497 kbopd) representing an increase of 1.1%. Production volume of associated and natural gas (before the volumes of reinjection) raised by 1.1% to 4,840 mln m³.

Oil and condensate production, thous. tonnes	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
OMG	2,510	2,474	+1.4%
MMG	1,530	1,538	-0.6%
EMG	1,371	1,325	+3.5%
Tegniz	2,872	2,981	-3.7%
Kashagan	1,539	1,536	+0.2%
Karachaganak	547	549	-0.3%
Others	1,620	1,457	+11.2%
Total	11,989	11,860	+1.1%

Oil production at Tegniz decreased by 3.7% and amounted to 2,872 thous. tonnes (126 kbopd). Associated gas production narrowed by 4.2%, amounting to 1,587 mln m³. The decrease in indicators was due to overhaul at sour gas injection facility in May of the reporting year.

In April 2024, Tegniz started the commissioning of the Wellhead Pressure Management Project facilities, and the launch of the Future Growth Project, according to the updated schedule, is planned for the second quarter of 2025.

KMG's share of oil production at Kashagan amounted to 1,539 thous. tonnes (67 kbopd), showing an increase of 0.2%. Gas increased by 2% and amounted to 996 mln m³. The stable performance was due to the reliable operation of technological equipment at the production facilities of the field.

Oil and condensate production at Karachaganak decreased by 0.2% and amounted to 547 thous. tonnes (24 kbopd). The reasons for the slight reduction in liquid hydrocarbon production were the reduction in supplies of unstable condensate to JSC "Condensate" and the restriction of gas intake from the Orenburg Gas Processing Plant. At the same time, gas production increased by 5.8% and amounted to 1,173 million m³ due to the depletion of the field and the increase in the volume of gas in the produced gas-liquid mixture.

Oil and condensate production at operating assets increased by 3.5% to 7,031 thous. tonnes (280 kbopd). The growth was due to the newly acquired Dunga field, geological and technical activities related to drilling, capital repairs of wells and hydraulic fracturing at Embamunaigas fields, as well as a decrease in emergency power outages by the Mangystau Nuclear Power Plant in the reporting half-year compared to the same period last year. At the same time, oil production at mature fields of the Kumkol group continues to decline due to natural depletion of reserves. Gas production at operating assets increased by 3.5% to 1,084 million m³ due to the development of the new gas condensate field, Rozhkovskoye (Ural Oil and Gas), and the newly acquired Dunga field. At the same time, gas production decreased at Vostochny Saztobe field (Kazakhstan) due to geological and technical activities being carried out at 2 gas condensate wells.

Midstream

The total volume of oil trunk pipelines and sea transportation increased by 6.2% to 41,733 thous. tonnes.

Oil transportation ¹ , thous. tonnes	1H 2024 (100%)	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
KazTransOil	22,265	22,265	21,353	+4.3%
Kazakhstan-China Pipeline	9,127	4,563	4,644	-1.7%
MunaiTas ²	2,735	1,395	1,393	+0.1%
Caspian Pipeline Consortium	33,210	6,891	6,684	+3.1%
Kazmortransflot	6,618	6,618	5,235	+26.4%

Total	-	41,733	39,309	+6.2%
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¹ Part of the volume of oil can be transported by two or three pipeline companies, and correspondingly these volumes are counted more than once in the consolidated volume of oil transportation.

² MunaiTas is an equity-consolidated joint venture and transportation volumes are quoted at a 51% ownership interest.

The volume of oil transportation through main pipelines increased by 3.1% and amounted to 35,115 thous. tonnes. The increase was due to the growth of transshipment of Kashagan oil through the KazTransOil and Caspian Pipeline Consortium systems.

In the reporting period, the volume of marine transportation increased by 26.4%, reaching 6,618 thous. tonnes. The growth was due to an increase in the transportation of oil through the Baku-Tbilisi-Ceyhan oil pipeline, which ships oil to the Mediterranean Sea, as well as an increase in volumes along the Aktau-Makhachkala and Aktau-Baku routes in the Caspian Sea. At the same time, there was a decrease in transportation volumes through the Black Sea, which is explained by overhaul at the Petromidia plant and NATO military exercises.

Trading

Sales volumes of KMG's own produced oil and gas condensate decreased by 0.4% and amounted to 12,114 thous. tonnes, of which 65.4% was exported.

Supplies of own produced oil and gas condensate volumes to cover the needs of the domestic market amounted to 4,194 thous. tonnes, including deliveries of crude oil from operating assets (Ozenmunaigas, Embamunaigas, Kazakhturkmunai) in the amount of 2,648 thous. tonnes to Atyrau, Pavlodar and Shymkent refineries for further oil refining and sales of oil products.

Downstream

Hydrocarbon refining, thous. tonnes ¹	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
Atyrau refinery	2,911	2,881	+1.0%
Pavlodar refinery	2,722	2,772	-1.8%
Shymkent refinery	1,256	1,380	-9.0%
Caspi Bitum	165	201	-17.9%
Petromidia	1,731	2,681	-35.5%
Vega	117	193	-39.3%
Total	8,902	10,109	-11.9%

¹Shymkent refinery and Caspi Bitum refining volumes are indicated at a share of 50%, other refineries – 100%.

The decrease in refining volume compared to the first half of 2023 was mainly due to the shutdown for overhaul at the refineries in Romania (Petromidia, Vega), as well as a slight reduction in refining volumes at Kazakhstan refineries (at Shymkent refinery due to a major overhaul in April 2024, and at Caspi Bitum due to weak requested volumes for bitumen from road construction companies).

The total volume of hydrocarbon processing compared to the same period in 2023 decreased by 11.9% and amounted to 8,902 thous. tonnes.

- The volume of hydrocarbon processing at Kazakhstan's refineries decreased by 2.5% and amounted to 7,054 thous. tonnes due to a longer-than-expected planned overhaul at Shymkent refinery compared to 2023 (a major overhaul was conducted in 2024, while in 2023 it was a routine maintenance). The processing volumes at Caspi Bitum decreased due to weak requested volumes for bitumen from road construction companies during the reporting period.

- The volume of processing at the KMG International plants (Petromidia, Vega) in Romania dropped by 35.7% and amounted to 1,848 thous. tonnes. The reduction in processing volumes occurred due to the late launch of the soft hydrocracking unit at Petromidia refinery and the shutdown of the plant for scheduled major overhaul in March of this year. The restart of the plant was completed in early June, at the moment it is operating in the normal mode at full capacity.

The volume of oil product production at Kazakh and Romanian refineries decreased by 11.1% and amounted to 8,283 thous. tonnes.

- Kazakhstani refineries produced 6,465 thous. tonnes of oil products, which is 0.8% less than the first half of 2023 due to a corresponding decrease in refining volumes at the refineries by 2.5%.
- Oil products production at KMG International refineries (Petromidia, Vega) was less than last year by 35.0% and amounted to 1,818 thous. tonnes compared to 2,796 thous. tonnes due to a corresponding decrease in refining volumes at the refineries.

Financial results

Key financial indicators for the first half of 2024¹ compared to the first half of 2023:

- Revenue amounted to 4,239 bln tenge (USD 9,440 mln) compared to 3,943 bln tenge (USD 8,727 mln);
- EBITDA amounted to 977 bln tenge (USD 2,175 mln) compared to 1,115 bln tenge (2,469 mln);
- The Company's net profit including share in income of joint ventures and associates amounted to 550 bln tenge (USD 1,224 mln) compared to 488 bln tenge (USD 1,081 mln);
- Net profit adjusted for share in profit of joint ventures and associates² amounted to 591 bln tenge (USD 1,316 mln) compared to 263 bln tenge (USD 583 mln);
- Free cash flow amounted to 604 bln tenge (USD 1,345 mln) compared to 217 bln tenge (USD 480 mln);
- Gross debt as of 30 June 2024 amounted to 4,009 bln tenge (USD 8,502 mln) compared to 3,757 bln tenge (USD 8,265 mln) as of 31 December 2023;
- The Company's net debt as of 30 June 2024 was at 1,573 bln tenge (USD 3,337 mln) compared to 1,645 bln tenge (USD 3,620 mln) as of 31 December 2023.

Name of the indicator	UoM	6M 2024	6M 2023	%
Dated Brent ³ , average	\$/bbl	84.06	79.66	5.5%
Dated Urals ³ , average	\$/bbl	72.52	53.86	34.6%
KEBCO ³ , average	\$/bbl	84.40	77.74	8.6%
Exchange rate, average	KZT/USD	449.09	451.80	-0.6%

¹ The amounts were converted to US dollars for user convenience at average exchange rates for respective periods (average USD/KZT for the first half of 2024 and 2023 were at 449.09 and 451.80 respectively; period-end USD/KZT as of 30 June 2024 and 31 December 2023 were at 471.46 and 454.56 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 of income of joint ventures and associates.

³ Source: S&P Global Platts.

Name of the indicator	UoM	6M 2024	6M 2023	%
Revenue	bln tenge	4,239	3,943	7.5%
Share in profit of JVs and associates, net	bln tenge	268	400	-32.9%
Dividends received from JVs and associates, net	bln tenge	310	174	77.4%
Net profit	bln tenge	550	488	12.5%
Net profit adjusted for the share in profit of JVs and associates	bln tenge	591	263	124.5%
EBITDA ⁴	bln tenge	977	1,115	-12.4%
Adjusted EBITDA ⁵	bln tenge	1,018	890	14.4%
CAPEX (accrual basis)	bln tenge	282	301	-6.6%
CAPEX (cash basis)	bln tenge	270	354	-23.9%
Free cash flow ⁶	bln tenge	604	217	178.7%
Gross debt ⁷	bln tenge	4,009	3,757 ⁸	6.7%
Net debt ⁹	bln tenge	1,573	1,645 ⁸	-4.4%

Operating results for the half quarter of 2024¹⁰ compared to the first half of 2023:

- The volume of oil and gas condensate production increased by 1.1% and amounted to 11,989 thous. tonnes;
- Oil transportation volumes increased by 6.2% and amounted 41,733 thous. tonnes;
- The volume of refining of hydrocarbons at Kazakhstani and Romanian refineries amounted 8,902 thous. tonnes compared to 10,109 thous. tonnes.

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 are shown as of 31 December 2023.

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 Production results are stated in accordance with KMG's shareholdings in joint ventures and associates and 100% for consolidated subsidiaries. More detailed information is available in the press release on production results for the first half of 2024 at the link: <https://www.kmg.kz/en/investors/reporting>

	6M 2024 (net to KMG)	6M 2023 (net to KMG)	%
Oil production, thous. tonnes	11,989	11,860	+1.1%
Gas production, mln m ³	4,840	4,789	+1.1%
Oil transportation, thous. tonnes	41,733	39,309	+6.2%
Raw hydrocarbon processing, thous. tonnes	8,902	10,109	-11.9%

Financial Highlights for the first half of 2024

Revenue

Revenue amounted to 4,239 bln tenge (USD 9,440 mln), which is 7.5% higher than in the first half of 2023, mainly due an increase in the volume of KMG International oil sales, as well as an increase in the average price of Brent crude oil by 5.5%

Share in profit of joint ventures and associates

The share in income of joint ventures and associates decreased by 32.9% and amounted to 268 bln tenge (USD 597 mln) mainly as the result of a decrease in profits of “Tengizchevroil” LLP by 121.7 bln tenge (USD 267 mln) due to an increase in depreciation costs due to launch of the Wellhead Pressure Management Project and The Future Growth Project facilities.

EBITDA

EBITDA for the first half of 2024 amounted to 977 bln tenge (USD 2,175 mln), down 12.4% compared to 1,115 bln tenge (USD 2,469 mln) mainly due to a decrease in the Refining segment due to the late launch of the soft hydrocracking unit at Petromidia refinery and the shutdown of the plant for scheduled major overhaul in March of this year.

Adjusted EBITDA

Adjusted EBITDA reflecting dividends received from joint ventures and associates instead of share in income of joint ventures and associates amounted to 1,018 bln tenge (USD 2,267 mln), showing a growth of 14.4%.

Net profit

The Company's net profit increased by 12.5% compared to the first half of 2023 and amounted to 550 bln tenge (USD 1,224 mln). The increase in net profit is mainly due to the growth in revenue and an increase in interest income on bank deposits and financial assets.

Net profit adjusted for share in profit of JVs and associates

Net profit adjusted for the share in profit joint ventures and associates increased by 124.5% from 263 bln tenge (USD 583 mln) to 591 bln tenge (USD 1,316 mln).

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

The cost of purchased oil, gas, petroleum products and other materials in the reporting period increased by 8.2% and amounted to 2,340 bln tenge (USD 5,211 mln). The increase in cost was largely due to an increase in the volume of oil purchased for resale, as well as due to an increase in the average price of oil.

Operating expenses

Operating expenses increased by 8.2% and amounted to 639 bln tenge (USD 1,423 mln) mainly due to the indexation of wage costs for production workers in the regions of presence as well as an increase in transportation costs due to an increase in tariffs and transportation volumes.

Transportation and distribution costs amounted to 132 bln tenge (USD 293 mln), up 10.1% compared to the first half of 2023. The growth was due to an increase in the volume of oil sales by KMG International, as well as an increase in transportation costs due to an increase in tariffs and transportation volumes.

General and administrative expenses increased by 62.7% and amounted to 117 bln tenge (USD 262 mln). The increase was due to the accrual of remuneration to JSC NC "QazaqGaz", a subsidiary of Samruk-Kazyna JSC, for the services of trust management of a 50% stake in KazRosGaz LLP in the amount of 20.95 bln tenge, as well as in connection with the provision of sponsorship assistance to flood victims through Samruk-Kazyna Trust in the amount of 10.0 bln tenge in April-May 2024.

Taxes other than income tax increased by 7.1% to 302 bln tenge (USD 673 mln), mainly due to higher excise tax expenses, mineral extraction tax, and rent tax on crude oil exports due to higher oil prices.

Capital expenditures

The Company's capital expenditures accrual basis (disclosed in the Note "Segment reporting") amounted to 282 bln tenge (USD 627 mln), a decrease of 6.6% mainly due to the completion of reconstruction and expansion of the Astrakhan-Mangyshlak main water pipeline, as well as the completion of the drilling of an exploration well at the Zhenis project.

Dividends received from JVs and associates

Dividends received from joint ventures and associated companies amounted to 310 bln tenge (USD 689 mln) compared to 174 bln tenge (USD 386 mln). This deviation is mainly caused by different payment frequency of dividends of "Tengizchevroil" LLP in the reporting period and last year. The increase was mainly due to dividends paid by TCO in the amount of 68 bln tenge (USD 153 mln), Mangistaumunaigas JSC in the amount of 42.7 bln tenge (USD 95 mln) and dividends paid by "KazRosGas" LLP of 21.0 bln tenge (USD 47 mln).

Free cash flow

Free cash flow increased in comparison with the first half of 2023 by 178.7% and amounted to 604 bln tenge (USD 1,345 mln). The growth was associated with an increase in dividends received from joint ventures and associated companies, as well as with a decrease in capital expenditures.

Debt management

Debt indicators

Name of the indicator	UoM	30 June 2024	31 Dec 2023	%
Bonds	bln tenge	3,372	3,046	10.7%
Loans	bln tenge	637	711	-10.4%
Gross debt	bln tenge	4,009	3,757	6.7%

Numbers may not add up due to a rounding.

Total debt as of 30 June 2024 amounted to 4,009 bln tenge (USD 8 502 mln), an increase in tenge by 6.7% and by 2.9% in US dollar terms compared to 31 December 2023 mainly due to an increase from 3% to 9.3% on the coupon rate of the bonds issued by KMG in favor of Samruk-Kazyna JSC in 2022¹¹.

As at 30 June 2024, KMG International received a syndicated loan in the amount of USD 80.5 mln (equivalent to 36.1 bln tenge) under the existing credit line for the working capital financing.

The increase in total debt was partially offset by the full repayment of a loan by KMG International in the amount of USD 59.3 mln (equivalent to 26.6 bln tenge) from Credit Agricole and a partial repayment of a loan from BCP in the total amount of USD 44 mln (equivalent to 19.7 bln tenge). Also, in the reporting period, Atyrau and Pavlodar refineries partially repaid a loan from Development Bank of Kazakhstan JSC in the total amount of 23.7 bln tenge, including interest rates. During the first half of 2024, Atyrau refinery partially repaid the loan from Halyk Bank in the total amount of 19.2 bln tenge.

As at 30 June 2024, based on the notification of the Ministry of Energy of the Republic of Kazakhstan on the termination of the subsoil use contract of the Zhenis project, the Company derecognized the loan received from Lukoil Kazakhstan Upstream LLP (carry-financing) in the amount of 47.9 bln tenge.

Net debt

Net debt as of 30 June 2024 amounted to 1,573 bln tenge (USD 3,337 mln), an increase in tenge by 4.4% and in US dollar terms by 7.8% in comparison to the volume as of 31 December 2023.

Cash and cash equivalents

Consolidated cash and cash equivalents including deposits

Name of the indicator	UoM	30 June 2024	31 Dec 2023	%
Cash and cash equivalents	bln tenge	1,692	1,051	61.0%
Long-term deposits	bln tenge	67	64	4.5%
Short-term deposits	bln tenge	667	997	-32.1%
Cash and cash equivalents including deposits	bln tenge	2,435	2,112	15.3%

¹¹ Details are disclosed in the Company's financial statements for the relevant period.

Numbers may not add up due to a rounding.

Consolidated cash, cash equivalents, including deposits as of 30 June 2024 increased by 15.3% compared to the indicator as of 31 December 2023 and amounted to 2,435 bln tenge. In US dollar terms, the indicator amounted to USD 5,165 mln and increased by 11.2% compared to the indicator as of 31 December 2023.

Key risks of the Company

KMG operates in a constantly changing environment.

Some risks may evolve over time and potential impact and likelihood may change in response to internal and external factors.

KMG manages, monitors and reports on key risks and uncertainties that may affect the implementation of the strategy.

There are specific risk factors inherent in the Company that may affect the results of its activities.

Strong volatility of oil prices

Oil prices are volatile and may decline. This directly affects the decline in KMG's financial performance. When oil prices fall, the Company's free cash flow and, accordingly, the ability to pay dividends reduces.

According to forecasts, the oil price in 2024 is expected to be at the level of \$84 per barrel, which aligns with the baseline budget scenario, with a plan of \$80 per barrel.

Risk of Production Volume Reduction

The Republic of Kazakhstan voluntarily committed to OPEC+ agreement obligations. According to OPEC, from January to July 2024, Kazakhstan exceeded its quota by 699 thousand barrels of oil per day. In line with the plan to compensate for overproduction, the largest production cut is expected in October 2024. In 2025, monthly production reductions are planned until September (from 65,000 barrels per day in January to 1,000 barrels per day in September).

From August 1, 2024, repairs began on 2 (out of 6) production lines at Tengiz (KMG's share – 20%), and from October to November, repairs are planned to replace the slug-catcher at the Bolashak oil and gas processing facility (Kashagan, KMG's share – 16.88%). These repairs are expected to slightly reduce production, which will help meet the country's OPEC+ agreement obligations. Currently, production is proceeding as planned.

Risk of lower transportation and sales volumes in the segment of oil exports

If the Company's export routes are curtailed or closed in any way, whether due to technical failures, pollution, security issues, political events, natural disasters, public health threats and global pandemics, or disagreements with the Company's partners, this will, among other things, material adverse effect on exports volumes, which in turn would have a material adverse effect on the Company's business, prospects, financial position, cash flows or results of operations.

At the same time, various additional risk factors affect the Company's activities.

A list of the main risk factors with their description and possible consequences, as well as measures taken to reduce risks and manage risks, are disclosed in the KMG Shares Prospectus and the Company's Annual Report for 2023, which are posted on the Company's website (www.kmg.kz)

Responsibility statement

In accordance with paragraph 29 of Article 14 of the Company's Charter, the Management Board approves KMG's semi-annual report, based on the requirements of the rules of the stock exchanges on which KMG's securities are traded.

The Management Board and each member of the Management Board confirm that they recognise their responsibility for preparing and approving the semi-annual report and financial statements, and consider the semi-annual report and financial statements, taken as a whole, to be fair, balanced and understandable and to provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Each member of the Board of Directors confirms that to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the subsidiary undertakings included in the consolidation taken as a whole;
- the report includes a fair review of the development and performance of the business and the financial position of the Company and the subsidiary undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.



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Report on Review of Interim Financial Information

To the Shareholders, Board of Directors and Management of JSC “National Company “KazMunayGas”

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of JSC “National Company “KazMunayGas” and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 June 2024, the related interim condensed consolidated statement of comprehensive income for the three- and six- month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of JSC "National Company "KazMunayGas" and its subsidiaries is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young LLP



Kairat Medetbayev
Auditor

Auditor Qualification Certificate
No. MF-0000137 dated 8 February 2013

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

15 August 2024



Rustamzhan Sattarov
General Director
Ernst and Young LLP

State audit license for audit activities on
the territory of the Republic of Kazakhstan:
series MFYU-2 No. 0000003 issued by the
Ministry of finance of the Republic of
Kazakhstan on 15 July 2005

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the three and six months ended June 30, 2024**

<i>In millions of tenge</i>	Note	For the three months ended June 30,		For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*	2024 (unaudited)	2023 (unaudited) (restated)*
Revenue and other income					
Revenue from contracts with customers	6	2,012,042	2,055,876	4,239,360	3,943,025
Share in profit of joint ventures and associates, net	7	113,865	208,022	268,190	399,719
Gain from disposal of subsidiary	4	–	–	16,410	–
Finance income	14	108,562	37,500	210,047	75,057
Other operating income		26,234	33,706	30,344	39,520
Total revenue and other income		2,260,703	2,335,104	4,764,351	4,457,321
Costs and expenses					
Cost of purchased oil, gas, petroleum products and other materials	8	(1,074,329)	(1,130,748)	(2,340,139)	(2,162,627)
Production expenses	9	(310,724)	(330,110)	(638,995)	(590,645)
Taxes other than income tax	10	(169,049)	(140,409)	(302,448)	(282,313)
Depreciation, depletion and amortization		(160,109)	(144,045)	(322,422)	(295,937)
Transportation and selling expenses	11	(65,055)	(58,366)	(131,564)	(119,537)
General and administrative expenses	12	(77,935)	(38,968)	(117,469)	(72,208)
Impairment of property, plant and equipment and exploration expenses	13	(16,728)	(138,965)	(16,824)	(139,275)
Finance costs	14	(92,746)	(81,883)	(167,338)	(158,769)
Foreign exchange gain, net	2	55,858	30,949	39,337	23,765
Other expenses		(7,806)	(9,745)	(16,372)	(14,083)
Total costs and expenses		(1,918,623)	(2,042,290)	(4,014,234)	(3,811,629)
Profit before income tax		342,080	292,814	750,117	645,692
Income tax expenses	15	(93,014)	(91,322)	(200,611)	(157,196)
Net profit for the period		249,066	201,492	549,506	488,496

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In millions of tenge</i>	Note	For the three months ended June 30,		For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*	2024 (unaudited)	2023 (unaudited) (restated)*
Other comprehensive income/(loss)					
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</i>					
Hedging effect	24	4,947	188	5,101	988
Exchange differences on translation of foreign operations		540,495	17,977	374,680	(223,579)
Net (loss)/gain on hedge of a net investment	21	(137,673)	(6,510)	(93,941)	60,062
Tax effect		(32,392)	(884)	(21,917)	12,816
Net other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods, net of tax		375,377	10,771	263,923	(149,713)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain on defined benefit plans, net of tax		536	237	536	237
Actuarial gain on defined benefit plans of the joint ventures, net of tax		54	356	111	384
Net other comprehensive income not to be reclassified to profit or loss in the subsequent periods, net of tax		590	593	647	621
Net other comprehensive income/(loss) for the period, net of tax		375,967	11,364	264,570	(149,092)
Total comprehensive income for the period, net of tax		625,033	212,856	814,076	339,404
Net profit/(loss) for the period attributable to:					
Equity holders of the Parent Company		256,317	241,179	557,989	522,367
Non-controlling interests		(7,251)	(39,687)	(8,483)	(33,871)
		249,066	201,492	549,506	488,496
Total comprehensive income/(loss) attributable to:					
Equity holders of the Parent Company		632,089	252,507	822,449	373,233
Non-controlling interests		(7,056)	(39,651)	(8,373)	(33,829)
		625,033	212,856	814,076	339,404
Earnings per share** – tenge thousands					
Basic and diluted		0.42	0.40	0.91	0.86

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and reflect adjustments made, refer to Note 5

** The number of ordinary shares as of June 30, 2024 and December 31, 2023 equaled to 610,119,493.

Deputy Chairman of the Management Board



Chief accountant

D.A. Aryssova

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at June 30, 2024**

<i>In millions of tenge</i>	Note	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Assets			
Non-current assets			
Exploration and evaluation assets		191,631	174,187
Property, plant and equipment	16	7,301,769	7,181,206
Investment property		5,696	19,383
Intangible assets		875,598	874,930
Right-of-use assets		104,572	101,765
Investments in joint ventures and associates	18	4,922,243	4,821,427
VAT receivable		28,725	30,360
Advances for non-current assets		71,499	50,954
Other non-current non-financial assets		3,448	4,192
Loans and receivables due from related parties		120,947	94,334
Other non-current financial assets		43,836	23,217
Long-term bank deposits	17	66,767	63,891
Deferred income tax assets		44,145	65,829
		13,780,876	13,505,675
Current assets			
Inventories		376,911	376,444
Trade accounts receivable	19	635,045	561,258
VAT receivable		37,833	60,523
Income tax prepaid		19,693	33,051
Other current non-financial assets	19	158,505	157,257
Loans and receivables due from related parties		92,593	125,569
Other current financial assets	19	94,991	74,870
Short-term bank deposits	17	676,711	997,012
Cash and cash equivalents	20	1,691,809	1,050,873
		3,784,091	3,436,857
Assets classified as held for sale		177	180
		3,784,268	3,437,037
Total assets		17,565,144	16,942,712

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)**

<i>In millions of tenge</i>	Note	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Equity and liabilities			
Equity			
Share capital		916,541	916,541
Additional paid-in capital		1,142	1,142
Other equity		4,191	(910)
Currency translation reserve		4,348,993	4,090,281
Retained earnings		5,450,058	5,486,747
Attributable to equity holders of the Parent Company		10,720,925	10,493,801
Non-controlling interests		(110,583)	(99,404)
Total equity		10,610,342	10,394,397
Non-current liabilities			
Borrowings	21	3,680,128	3,365,736
Lease liabilities	22	89,451	87,880
Other non-current financial liabilities	24	19,477	18,743
Provisions	23	297,580	306,219
Employee benefit liabilities		72,361	70,975
Other non-current non-financial liabilities	24	45,548	37,777
Deferred income tax liabilities		1,244,186	1,126,767
		5,448,731	5,014,097
Current liabilities			
Trade accounts payable	24	599,568	663,930
Borrowings	21	328,447	391,358
Lease liabilities	22	13,287	17,400
Other current financial liabilities	24	150,523	145,953
Provisions	23	50,183	33,576
Employee benefit liabilities		5,571	5,703
Income tax payable		17,884	28,285
Other taxes payable	25	125,445	116,500
Other current non-financial liabilities	24	215,163	131,513
		1,506,071	1,534,218
Total liabilities		6,954,802	6,548,315
Total equity and liabilities		17,565,144	16,942,712
Book value per ordinary share* – tenge thousands		15.955	15.603

* The number of ordinary shares as of June 30, 2024 and December 31, 2023 equaled to 610,119,493. Presentation of Book value per ordinary share is a non-IFRS measure required by KASE.

Deputy Chairman of the Management Board



Chief accountant

D.A. Aryssova

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2024

<i>In millions of tenge</i>	Note	For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*
Cash flows from operating activities			
Profit before income tax		750,117	645,692
Adjustments:			
Depreciation, depletion and amortization		322,422	295,937
Impairment of property, plant and equipment and exploration expenses	13	16,824	139,275
Realized (gains)/losses from derivatives on petroleum products	9	(4,913)	453
Finance income	14	(210,047)	(75,057)
Finance costs	14	167,338	158,769
Share in profit of joint ventures and associates, net	7	(268,190)	(399,719)
Movements in provisions		1,257	(16,788)
Net foreign exchange gain		(35,308)	(20,802)
Gain on disposal of subsidiary	4	(16,410)	-
(Reversal)/write off of inventories to net realizable value		(2,708)	5,213
Gain on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net		(6,404)	(135)
Other adjustments		7,342	3,215
Operating profit before working capital changes		721,320	736,053
Change in VAT receivable		24,121	(17,294)
Change in inventory		17,501	(42,890)
Change in trade accounts receivable and other current assets		(41,237)	(158,560)
Change in trade and other payables and contract liabilities		(19,109)	97,938
Change in other taxes payable		(27,567)	(54,004)
Cash generated from operating activities		675,029	561,243
Dividends received from joint ventures and associates	18	309,547	174,464
Income taxes paid		(65,508)	(101,934)
Interest received		66,524	63,632
Interest paid	21, 22	(112,159)	(126,561)
Net cash flow from operating activities		873,433	570,844

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In millions of tenge</i>	Note	For the six months ended June 30,	
		2024 (unaudited)	2023 (unaudited) (restated)*
Cash flows from investing activities			
Placement of bank deposits		(607,484)	(920,765)
Withdrawal of bank deposits		950,803	1,476,515
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		(269,532)	(354,129)
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale		718	1,474
Additional contributions to joint ventures without changes in ownership	18	(11,851)	(11,050)
Deferred consideration paid for the acquisition of subsidiary	5, 26	(1,520)	(163,770)
Proceeds from disposal of share in joint venture without losing joint control		4,465	-
Proceeds from disposal of subsidiaries, net of cash disposed	4	8,010	-
Loans given to related parties		(25,620)	(1,999)
Repayment of loans due from related parties		31,441	13,600
Proceeds from sale of notes of the National Bank of RK		183,763	335,047
Acquisition of notes of the National Bank of RK		(174,725)	(270,047)
Other		1,884	920
Net cash flows from investing activities		90,352	105,796
Cash flows from financing activities			
Proceeds from borrowings	21	105,140	287,072
Repayment of borrowings	21	(171,232)	(336,622)
Dividends paid to shareholders	26	(300,002)	(300,002)
Dividends paid to non-controlling interests		(2,509)	(1,515)
Distributions to Samruk-Kazyna		(57)	(153)
Proceeds from the repo agreements		22,074	-
Repayment of the repo agreements		(22,074)	-
Contribution from the related party	5	-	13,821
Other operations		-	(8,962)
Repayment of principal portion of lease liabilities	22	(14,861)	(11,903)
Net cash flows used in financing activities		(383,521)	(358,264)
Effects of exchange rate changes on cash and cash equivalents		60,690	(11,447)
Change in allowance for expected credit losses		(18)	(9)
Net change in cash and cash equivalents		640,936	306,920
Cash and cash equivalents, at the beginning of the period		1,050,873	763,185
Cash and cash equivalents, at the end of the period		1,691,809	1,070,105

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and reflect adjustments made, refer to Note 5.

Deputy Chairman of the Management Board

Chief accountant



D.A. Aryssova

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9 through 41 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024

In millions of tenge	Attributable to equity holders of the Parent Company					Total	Non-controlling interests	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2022 (audited)	916,541	1,142	(1,759)	4,209,612	4,803,431	9,928,967	(61,541)	9,867,426
Net profit/(loss) for the period (restated)*	-	-	-	-	522,367	522,367	(33,871)	488,496
Other comprehensive income/(loss)	-	-	988	(150,743)	621	(149,134)	42	(149,092)
Total comprehensive income/(loss) (restated)*	-	-	988	(150,743)	522,988	373,233	(33,829)	339,404
Dividends (Note 26)	-	-	-	-	(300,002)	(300,002)	(1,500)	(301,502)
Distributions to Samruk-Kazyna	-	-	-	-	(45)	(45)	-	(45)
Other operations	-	-	-	-	(17,925)	(17,925)	-	(17,925)
Transactions with Samruk-Kazyna	-	-	-	-	22,145	22,145	-	22,145
Contribution from the related party (Note 5)*	-	-	-	-	13,821	13,821	-	13,821
Reserve for put option of non-controlling interest holder of a subsidiary	-	-	-	-	-	-	(590)	(590)
As at June 30, 2023 (unaudited) (restated)*	916,541	1,142	(771)	4,058,869	5,044,413	10,020,194	(97,460)	9,922,734

* Certain numbers shown here do not correspond to the interim condensed consolidated financial statements for the three and six months ended June 30, 2023 and reflect adjustments made, refer to Note 5.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In millions of tenge	Attributable to equity holders of the Parent Company					Total	Non-controlling interests	Total
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings			
As at December 31, 2023 (audited)	916,541	1,142	(910)	4,090,281	5,486,747	10,493,801	(99,404)	10,394,397
Net profit/(loss) for the period	-	-	-	-	557,989	557,989	(8,483)	549,506
Other comprehensive income	-	-	5,101	258,712	647	264,460	110	264,570
Total comprehensive income/(loss)	-	-	5,101	258,712	558,636	822,449	(8,373)	814,076
Dividends (Note 26)	-	-	-	-	(300,002)	(300,002)	(2,806)	(302,808)
Distributions to Samruk-Kazyna	-	-	-	-	(9)	(9)	-	(9)
Other operations	-	-	-	-	(2,026)	(2,026)	-	(2,026)
Transactions with Samruk-Kazyna (Note 21)	-	-	-	-	(293,288)	(293,288)	-	(293,288)
As at June 30, 2024 (unaudited)	916,541	1,142	4,191	4,348,993	5,450,058	10,720,925	(110,583)	10,610,342

Deputy Chairman of the Management Board

Chief accountant



[Signature]
D.A. Aryssova

[Signature]
A.S. Yesbergenova

The full version of KMG's financial statements for the three and six months ended June 30, 2024, is available on the Company's website (www.kmg.kz).