

STATEMENT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

DEAR SHAREHOLDERS, INVESTORS, AND PARTNERS,

For KMG, 2022 was a landmark and eventful year as global turbulence grew increasingly more intense. As early as 2021, we realised that the world was on the verge of changes and the Company needed to adapt effectively to the new global realities.

We need to align ourselves with global needs and opportunities. The Company will do this by effectively leveraging its competitive advantages as a company and Kazakhstan's strengths as a regional player.

KMG believes that strong corporate governance is central to delivering robust performance. In its evolution, KMG reached a new level of corporate governance in 2022. The Company went to IPO, the largest on Kazakhstan's stock exchanges – KASE and AIX. On 8 December 2022, secondary trading in KMG shares was launched on the stock exchanges. The status of a public company, along with being an increasingly transparent business, implies further sustainable development, when interests of all stakeholders, including minority shareholders, are respected. We are confident that KMG's IPO will greatly contribute to the development of a strong Company that is up to the high standards of modern global majors.

In line with its development strategy, KMG continues its business as a vertically integrated oil and gas company, enhancing its upstream segment, and streamlining operational efficiency. As part of this strategic objective, the Company purchased an 8.44% stake in the Kashagan megaproject from Samruk-Kazyna for USD 3.8 bln, one of the biggest deals for KMG in recent years. With increasing its stake in the Kashagan project to 16.88%, the level of 2P reserves grew by 9.8% and totalled to 707 mln toe (5.5 billion boe). The deal was welcomed by the investment community and credit rating agencies.

As part of the strategic goal to expand its product portfolio, KMG ventured into advanced petrochemicals as one of the new pockets of growth for the future. KMG boasts some impressive achievements in this area. In November 2022, a large-scale integrated gas chemical complex came on-stream (Kazakhstan Petrochemical Industries Inc., where KMG had acquired a 49.5% share). KMG is currently looking into another major petrochemical project for the production of 1.25 mln tonnes of polyethylene per year.

Another important aspect of the Company's balanced development is KMG's sustainability efforts. In December 2022, KMG's ESG risk management was rated by Sustainalytics at 28.4 – medium ESG risk exposure, – which is low for oil and gas companies in general. Experts praised the Company for its engagement with local communities, tax transparency, and commitment to preserving the environment and biodiversity. Moreover, the expert report recognised KMG Group's corporate governance and adherence to high standards of business ethics.

We are proud of the year's results: they assist us in unlocking KMG's potential. I would like to thank our CEO, Magzum Myrzagaliyev, and his Management Board for their strong performance during the year. The milestones that we achieved over the year will lay the foundation for a stronger future.

Chris Walton

Chairman of the Board of Directors of JSC NC KazMunayGas



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