

Competition analysis

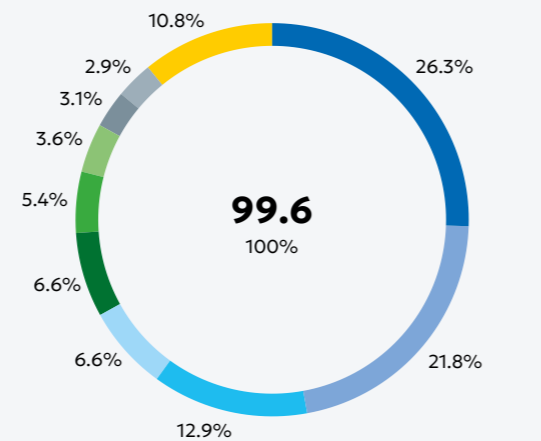
KMG holds a pre-eminent position in Kazakhstan’s oil and gas sector, maintaining robust competitive advantages derived from its scale, integrated business model, and status as a national company.

1. Resource base and asset control. KMG is the nation’s largest oil and gas producer, with a share of approximately 26% in total oil and gas condensate production and around 17% in natural and associated gas production. The Company participates in Kazakhstan’s major upstream projects, including the Tengiz, Karachaganak, and Kashagan fields, which form the backbone of national hydrocarbon production.
2. Integrated value chain. KMG’s business model spans the entire value chain – from exploration and production to refining, transportation, and the marketing of hydrocarbons and oil products. This integration allows the Company to enhance operational efficiency, optimise costs, and mitigate the impact of price volatility on financial performance.
3. Export and transport infrastructure. KMG controls and participates in the management of key oil transportation infrastructure, including the CPC system, the Atyrau–Samara route, the Atasu–Alashankou oil pipeline, and sea transportation via the Port of Aktau. The Company remains focused on enhancing the resilience and diversification of its export logistics amidst a turbulent external environment.
4. Government support and strategic role. As a national oil and gas company, KMG participates in strategic projects and enjoys preferential rights to obtain subsoil use permits through direct negotiations, ensuring resource base stability and a sustainable long-term development trajectory.
5. Financial resilience and access to capital markets. KMG maintains high liquidity, disciplined control over operating costs and CAPEX, and broad access to international and regional capital markets, including the LSE, AIX, KASE, and HKEX, providing flexibility for the Company’s financial policy.
6. Long-term self-sufficiency in reserves. At year-end 2025, proved (1P) oil and gas condensate reserves life was 13 years, exceeding the average of about 11 years for the global oil majors.

1P oil and condensate reserves life in 2025¹, years

Companies	1P oil and gas condensate reserve life
KMG	13 (2025)
BP	9
TotalEnergies	12
Exxon Mobil	13
Eni	10
Chevron	8
Petrobras	12
Shell	9
Equinor	8

Oil and gas condensate output in Kazakhstan in 2025



mln tonnes

26.2 ● KMG	5.4 ● PetroChina
21.7 ● Chevron	3.6 ● LUKOIL
12.8 ● ExxonMobil	3.1 ● TotalEnergies
6.6 ● Shell	2.9 ● CNPC
6.6 ● Eni	10.7 ● Others

Source: JSC “Situational Analytical Center of the Fuel and Energy Complex of the Republic of Kazakhstan”.

¹ These metrics are estimates calculated as the ratio of net proved hydrocarbon reserves (1P) to annual production. For comparable companies, the calculations are based on publicly available data for 2024; for KMG, metrics are based on the annual PRMS reserves assessment for 2025.

KMG Development Strategy

Context

In 2025, the oil and gas industry continued to navigate a period of heightened macroeconomic and geopolitical uncertainty. Decelerating global economic growth, shifts in the monetary policies of major economies, and persistent commodity price volatility created a volatile external environment for all energy market players.

In this context, KMG’s Development Strategy focused on adapting to the evolving global energy landscape and establishing a sustainable model for long-term growth. The Company prioritised enhancing value chain efficiency, bolstering financial resilience, diversifying business operations, and gradually transforming its business model in alignment with global energy and climate trends.

VISION

Vertically integrated national oil and gas company that meets the highest standards of safety, is committed to sustainability principles, and seeks to maximise its financial performance.

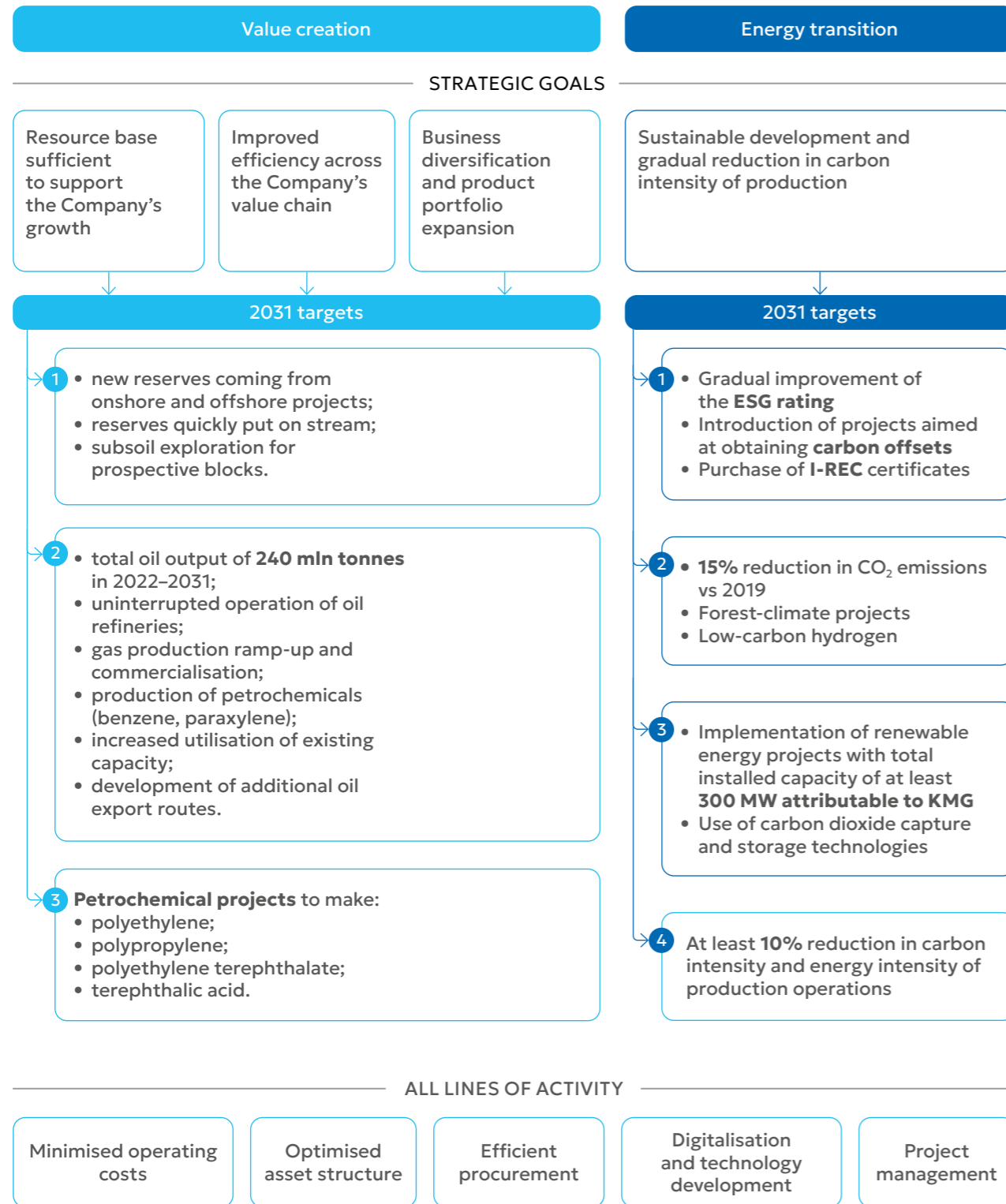
MISSION

We are effective and sustainable in our use of natural resources to ensure energy security, development, and prosperity of Kazakhstan while also caring about future generations.

KMG’s 2022–2031 Development Strategy was approved by the Board of Directors in November 2021.



Strategic focuses



By delivering on its four strategic goals, KMG contributes to diversifying the national economy and reducing Kazakhstan's carbon footprint. The Company's Development Strategy, along with its strategic goals and objectives, is disclosed for all stakeholders on

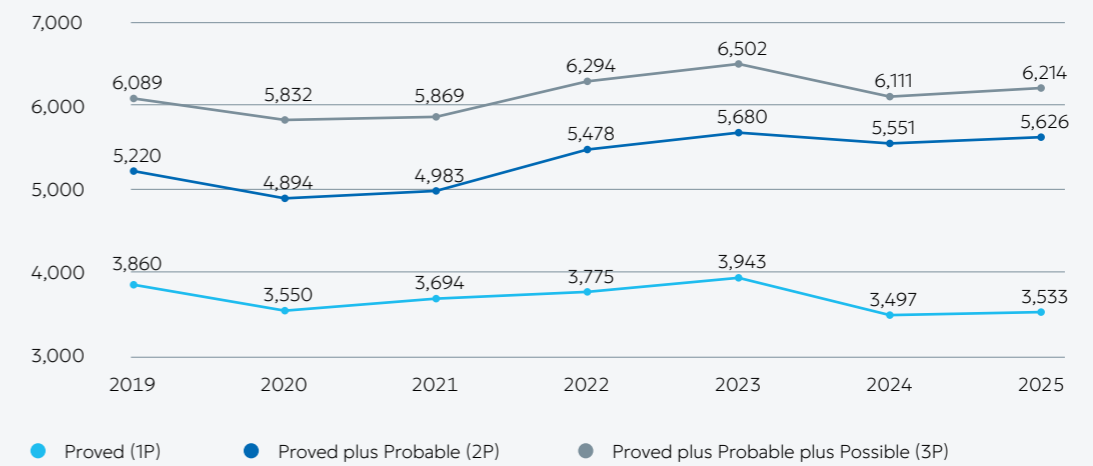
its corporate website. Furthermore, KMG Group consistently holds annual strategic meetings to tackle systemic and forward-looking challenges that influence the Company's operations.

Strategic goal No. 1

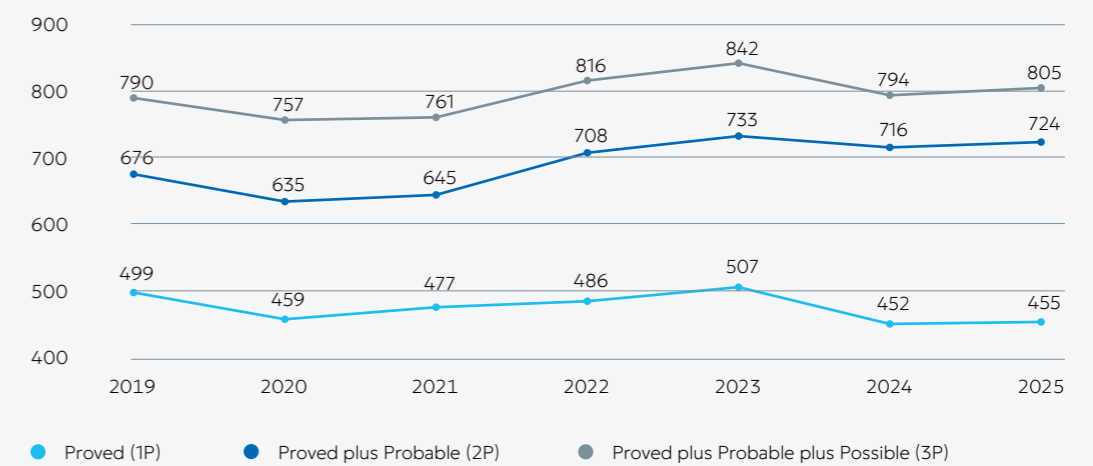
Resource base sufficient to support KMG's growth

2025 highlights

Net hydrocarbon reserves under PRMS, mln boe



Net hydrocarbon reserves under PRMS, mln toe



- **161 mln tonnes** – cumulative new reserves in 2022–2025.
- Hydrocarbon exploration and production contracts were signed with strategic partners for complex projects at the Zhylyoi (Atyrau Region and Kazakhstan's part of the Caspian Sea) and Berezovsky (West Kazakhstan Region) subsoil blocks.

- Drilling of two deep prospecting wells was completed at the Karaton Subsalt (Atyrau Region) and Turgai Palaeozoic (Kyzylorda Region) blocks.

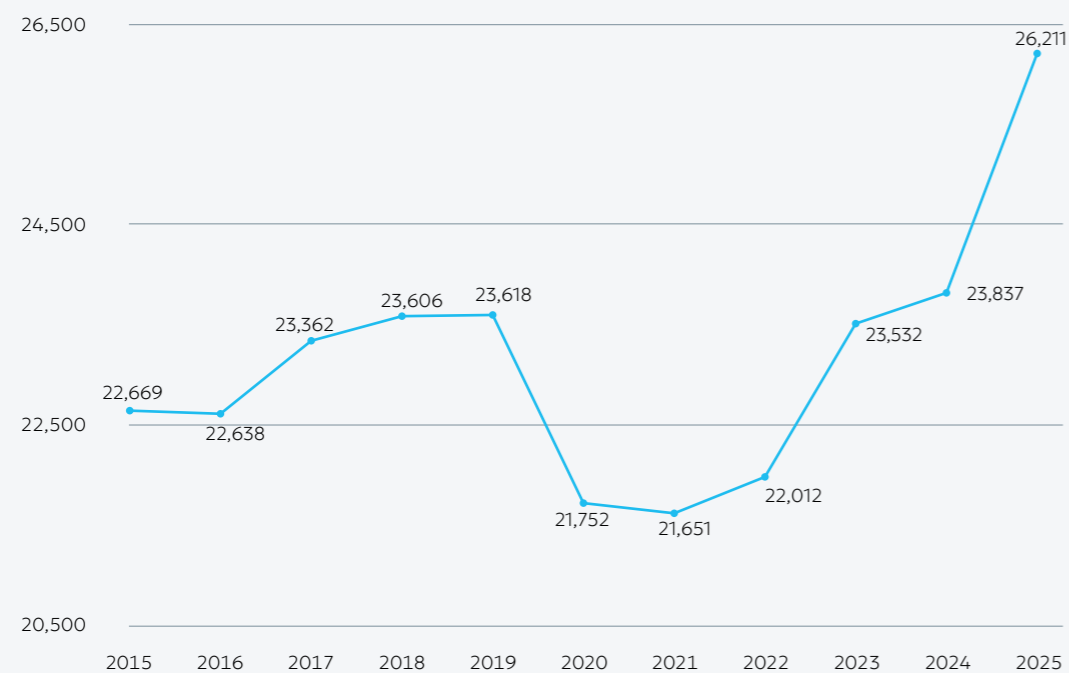
➔ For more details, see the Exploration section, p. 74-77

Strategic goal No. 2

Improved efficiency across the Company's value chain

Upstream

Oil and gas condensate production, thous. tonnes



2025 highlights

- **26.2 mln tonnes** – all-time high for oil and gas condensate production.
- **434 thous. tonnes** – additional oil output from implementing measures under the roadmap of technological challenges.
- **11.4 bln m³** – all-time high for natural and associated gas production.
- Commercial production of crude oil commenced at the Third-Generation Plant at the Tengiz field.
- Gas production ramp-up at the West Prorva (Embamunaigas), Rozhkovskoye (Ural Oil and Gas) and East Urikhtau (Urikhtau Operating) fields driven by the launch of new wells.

➔ For more details, see the Upstream section, p. 78-95

Midstream

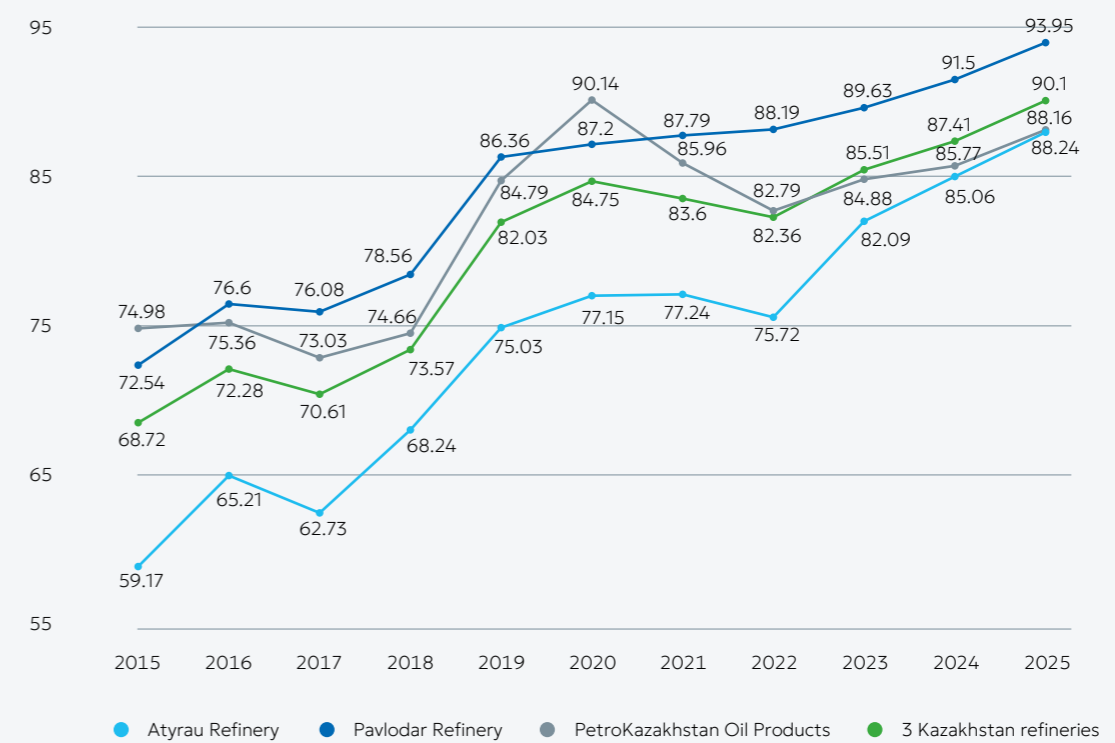
2025 highlights

- **1 bln tonnes** – total volume of oil shipped via the CPC marine terminal since 2001.
- **45.1 mln tonnes** – transportation volume via the KazTransOil system (a seven-year high).
- **63.8 mln tonnes** – volume of Kazakhstan oil shipped via the CPC marine terminal.
- **2.1 mln tonnes** – volume of Kazakhstan oil supplied to Germany.
- **1.3 mln tonnes** – volume of Kazakhstan oil shipped from the Port of Aktau via the Baku–Tbilisi–Ceyhan (BTC) route.

➔ For more details, see the Midstream section, p. 96-104

Downstream

Refining depth, %



2025 highlights

- **14.7 mln tonnes** – all-time high for total hydrocarbon refining throughput at Kazakhstan refineries (18.2 mln tonnes on a 100% basis).
- **90.1%** – all-time high refining depth at Kazakhstan refineries.
- **77.7%** – all-time high yield of light oil products at Kazakhstan refineries.
- **4.6 mln tonnes** – all-time high petrol production at Kazakhstan refineries (5.7 mln tonnes on a 100% basis).

- **5.1 mln tonnes** – all-time high diesel fuel production at Kazakhstan refineries (6.1 mln tonnes on a 100% basis).
- The upgrade of the Caspi Bitum plant was completed, increasing oil refining capacity from 1.0 mln to 1.5 mln tonnes per year and bitumen production from 500 thous. to 750 thous. tonnes per year.

➔ For more details, see the Downstream section, p. 104-115



Strategic goal No. 3

Business diversification and product portfolio expansion

2025 highlights

- **377 thous. tonnes** – output of polypropylene at the KPI integrated gas chemical complex.
- Construction of the Silleno integrated gas chemical complex for polyethylene production with a capacity of **1.25 mln tonnes per year commenced**.
- An EPC contractor was selected for the gas separation unit (GSU) construction project.
- A contractor was selected for the trunkline (ethane, propane) construction project.
- A four-party Framework Agreement on the Urea project was signed as part of developing cooperation with CNPC (China).

➔ For more details, see the Key Investment Projects section, [p. 63-71](#)



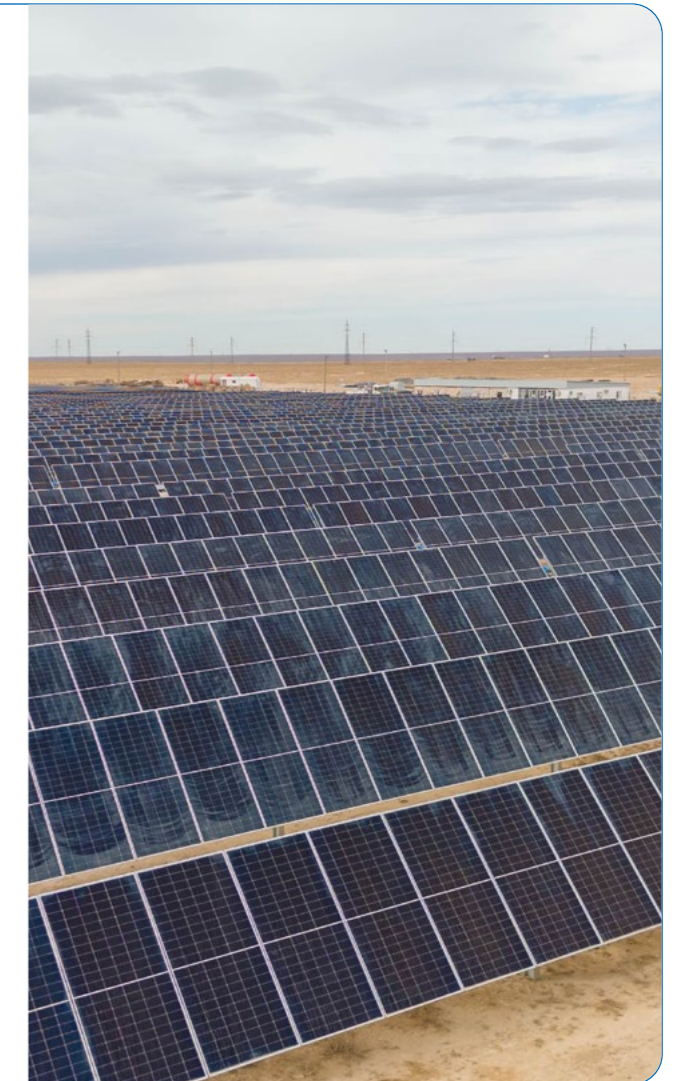
Strategic goal No. 4

Sustainable development and gradual reduction in carbon intensity of production

2025 highlights

- **BBB** – ESG rating from MSCI¹.
- **B** – CDP climate rating².
- **Climate and disclosure:** methane emissions reports of subsidiaries and associates were submitted to UNEP³ under the OGMP 2.0⁴ initiative.
- **Low-carbon energy:** a 50 MW solar power plant was commissioned in Zhanaozen (Mangistau Region).
- **Environmental and social initiatives:** the Kenderly seawater desalination plant with a capacity of 50 thous. m³ per day was brought on-stream in the Mangistau Region.
- **Methane emissions management:** instrumental measurements of methane leaks were conducted at Kazgermunai, Embamunaigas, and Mangistaumunaigaz.

➔ For more details, see the Ensuring Sustainable Development section, [p. 156-166](#)



¹ Morgan Stanley Capital International, an international provider of indices and ESG ratings for the global investment community.

² Carbon Disclosure Project – a climate programme for carbon reporting.

³ United Nations Environment Programme (UNEP) – the leading UN body for environmental protection.

⁴ Oil & Gas Methane Partnership 2.0 (OGMP 2.0) – UNEP's flagship programme for reporting and mitigating methane emissions in the oil and gas sector.

KPIs

In 2025, KMG implemented key initiatives and achieved its planned corporate KPIs.

Performance against corporate KPIs in 2025¹

Corporate key performance indicators	2025 actual performance (2024 actual performance), description
Oil and gas condensate production	26,211 thous. tonnes (2024: 23,837 thous. tonnes) This indicator measures oil and gas condensate production from operating assets and major oil and gas assets attributable to the Company. For more details, see the Upstream section, p. 78-95
Performance under investment projects	8 projects (2024: 6 projects) 1. Construction of the Kenderly seawater desalination plant (commissioning). 2. Ramping up the Caspi Bitum plant's oil refining capacity to 1.5 mln tonnes per year through the modernisation of the existing EDD-AVDU unit (commissioning). 3. Construction of a new gas processing plant in Zhanaozen (obtaining a positive conclusion from Gosexpertiza for the detailed design of Phase 2, completion of general construction works on Phase 1). 4. Construction of an integrated gas chemical complex. Phase 2 (polyethylene) (ordering long-lead equipment for the polymerisation unit and off-site facilities (compressors, columns, reactors, pumps, extruder, etc.), commencement of earthworks and piling works (pyrolysis)). 5. Construction of a gas separation unit (ordering long-lead equipment (compressors), obtaining a decision from the Council for National Fund Management and/or another lender, including KMG, on project financing). 6. Kalamkas-Sea and Khazar (ordering the construction of offshore platforms at Kazakhstan shipyards, completion of FEED). 7. Construction of a 247 MW hybrid power plant with Eni. 8. Ethane and propane trunkline construction in the single right-of-way, Atyrau Region (selecting the EPC contractor). For more details, see the Key Investment Projects section, p. 63-71
EBITDA margin, excluding trading	45% (2024: 44%) This indicator measures the Company's profitability and shows the percentage of revenue retained by the Company before taxes, interest on loans, and depreciation and amortization. For more details, see the Financial Review section, p. 126-139
Total shareholder return (TSR)	40.65% (2024: 28.55%) This indicator measures return on invested capital. $40.65\% = (\text{average share price in the reporting year (KZT 17,893)} - \text{average share price in the previous year (KZT 13,071)} + \text{dividend per share (KZT 491.71)} - \text{contribution to the authorised capital per share (KZT 0)}) / \text{average share price in the previous year (KZT 13,071)} \times 100\%$ For more details, see the Shareholder and Investor Relations section, p. 278-287
Comprehensive OHS indicator	75% (2024: 125%) The indicator reflects a reduction in the Lost Time Incident Rate (LTIR); identification and alerts on unsafe conditions / unsafe behaviour / unsafe actions / hazardous events / hazardous factors. In 2025, due to a fatal accident at Ozenmunaigas, the OHS indicator is capped at the 75% threshold. For more details, see the Occupational Safety section, p. 189-194

¹ The KPI delivery values are estimated. The final approval by the KMG Board of Directors of the actual values of the indicators for 2025 is expected in July 2026.

Corporate key performance indicators	2025 actual performance (2024 actual performance), description
Share of in-country value (ICV) in the procurement of goods and share of in-country value in the procurement of works and services across KMG Group	ICV (goods) – 70%, ICV (goods/services) – 90% (2024: ICV (goods) – 55%, ICV (goods/services) – 89%) This indicator reflects the share of in-country value in the procurement of goods, works, and services across KMG Group in 2025 (KMG's subsidiaries and associates acting as subjects of the Samruk-Kazyna procurement procedures). For more details, see the Supplier relations section, p. 195-199
Approval of the Road Map for AI Projects	The KPI reflects the approval of the Road Map for AI Projects (the Road Map must include at least six projects) The Road Map was approved by KMG's Board of Directors on 4 December 2025 (indicator introduced in 2025)

Key investment projects

Investment portfolio overview

In line with the 2022–2031 Development Strategy, the Company is consistently building an investment portfolio with a focus on long-term growth, sustainability and technological upgrade. Today it encompasses a wide range of projects seeking to diversify the business, expand the product line, improve efficiency across the Company's value chain, and strengthen the resource base. KMG supports projects in both conventional (exploration, transportation and refining of oil) and new realms (petrochemicals, alternative energy, and carbon footprint reduction at its existing operating assets).

As of late 2025, the total value of investment projects involving the Company amounted to KZT 62,499 bln, including KZT 22,354 bln attributable to KMG¹.

In 2025, as part of the long-term growth strategy and strengthening its competitive edge, KMG continued to expand its investments. Over the year, final investment decisions were made on projects totalling KZT 544 bln, including KZT 531 bln attributable to the Company.

Projects with FID made in 2025, with KMG's interest

Project	Interest	Total cost (approved), KZT bln	Cost attributable to KMG share, KZT bn
Projects with FID made in 2025:		544	531
Construction of the first integrated gas chemical complex. Phase 2 (construction of trunklines – ethane, propane)	100%	339	339
Programme for transitioning to a three-year continuous run between turnarounds at Pavlodar Refinery	100%	110	110
Transition to a three-year continuous run between turnarounds at Atyrau Refinery	100%	37	37
Efficiency improvement at Atyrau Refinery	100%	33	33
Transition to a longer interval between repairs at Shymkent Refinery	50%	24	12

¹ Including KMG's participation in megaprojects (Tengiz, Kashagan, Karachaganak) and joint ventures.