

We analyzed segmented information according to IFRS. Segment performance is evaluated based on revenues and net profit.

Group's operating segments have their own structure and management according to the type of the produced goods and services provided. Moreover, all segments are strategic directions of the business, which offer different types of the goods and services in different markets.

The Company's activity consist of four main operating segments: exploration and production of oil and gas, oil transportation, gas trading and transportation, refining, KMG International, Sales of crude oil and refined products to third parties, Corporate center of NC KMG and other (oilfield service companies and other insignificant companies). KMG presents Corporate center's activities separately, since NC KMG performs not only the functions of the parent company, but also carries out operational activities (processing of crude oil at Atyrau and Pavlodar refineries and further sale of oil products to both domestic and export markets).

Key factors affecting segmented EBITDA in 2019:

- Upstream operations reflected decrease of USD 385 mln mainly due to lower earnings from JVs and associates on the back of lower global oil prices;
- Oil Transportation segment was relatively stable over the year;
- EBITDA from "Gas transportation and marketing" segment soared by USD 330 mln mainly as a result of full recovery of accumulated unrecognized shares in the loss of Asian Gas Pipeline (AGP);
- Refining segment EBITDA decreased slightly due to tenge depreciation against USD;
- EBITDA from Corporate office's trading operations up USD 116 mln as a result of transfer of KMG EP's oil processing activities (from OMG and EMG) from KMG EP to NC KMG following KMG EP's delisting in 2018. KMG EP transferred its activities on processing crude oil at Atyrau and Pavlodar refineries and further sale of oil products to both domestic and export markets. In addition, KMG Onimderi ceased its operations during 2Q of 2019, therefore the wholesale and retail sales now are combined by NC KMG.

up **15%**
EBITDA

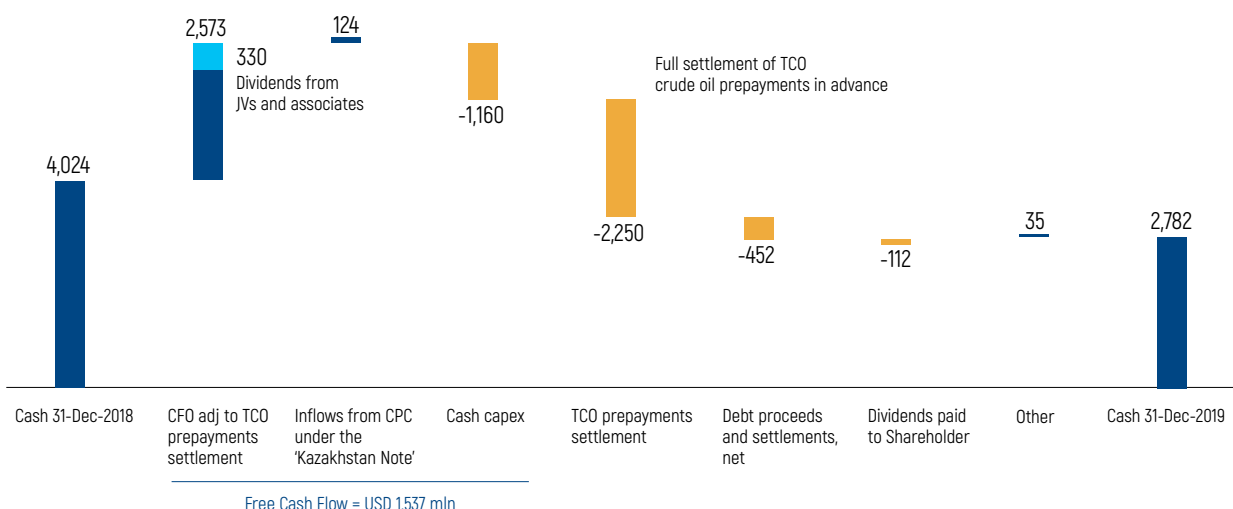
CASH FLOWS

The following table below provides our consolidated cash flows for 2018 and 2019:

KZT mln	2019	2018	Change	%
Net cash flow from operating activities	123,801	629,161	(505,360)	-80.3%
Adjusted cash flows from operating activities	988,251	801,113	187,138	23.4%
Net cash flows (used in)/ from investing activities	(319,562)	991,081	(1,310,643)	-132.2%
Net cash flows (used in)/from financing activities	(270,371)	(1,520,368)	1,249,997	-82.2%
Effects of exchange rate changes	(14,985)	179,467	(194,452)	-108.3%
Change in allowance for expected credit losses	(279)	(98)	(181)	184.7%
Net change in cash and cash equivalents	(481,396)	279,243	(760,639)	-272.4%
Net change in cash and cash equivalents, USD mln	(1,257)	809	(2,067)	-255.4%

up **42.4%**
FCF

CASH MOVEMENT, USD MLN

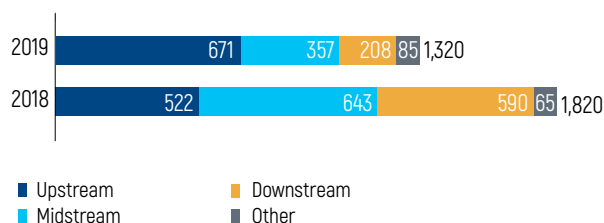


CAPITAL EXPENDITURES

Company's Capital expenditures decreased by 19.5% year-on-year to KZT 505 bln (USD 1,320 mln). Capital expenditures represents investments in projects, maintaining current production levels and other expenses.

Complex modernisation of refineries has been completed, bringing fuels production of Euro-4 and Euro-5 standards and we are already exporting oil products to Europe and Central Asia. Main investments by segments are: Production - 51%, Transportation - 27%, Refining - 16%, Other - 6%.

CAPEX ON ACCRUED BASIS, USD MLN



DIVIDENDS RECEIVED

The Company is a Parent Company of the Group and receives dividends from their subsidiaries, JVs and associated companies. We received dividends in the amount of USD 330 mln and USD 464 mln in 2019 and 2018, respectively. The decrease was mainly attributable to - received dividends from TCO and KazRosGas in 2018.

In 2019, we paid dividends in the amount of KZT 43 bln to the Fund, the National Bank of RK and other non-controlling interests

DIVIDENDS RECEIVED FROM JVS AND ASSOCIATED COMPANIES, USD MLN

