

# KMG DEVELOPMENT STRATEGY

## Approval of the new KMG 2022–2031 Development Strategy

As a vertically integrated national oil company, KMG delivers on its targets, focuses on further developing the Kazakh oil and gas industry, and supports the Government in addressing tasks related to Kazakhstan's social and economic development.

Before 2017, the Company pursued a rapid growth strategy based on investments and acquisitions that relied on borrowed funds, which was the primary driver of KMG's high leverage. The Company was able to acquire a number of large assets, ramp up hydrocarbon reserves, upgrade its refining capacities, and expand existing and create new infrastructure to transport oil and gas domestically and have them exported. This approach helped to promote sustained economic growth and contributed to the nation's energy security.

The development strategy adopted in 2018 targeted gradual organic growth while prioritising financial stability. Over these years, the Company has achieved most of its medium-term objectives.

In 2020, as a way to respond to the global economic downturn, KMG came up with crisis response measures for 2020–2021. The Company honoured its obligations to cut down on oil and condensate production as part of the OPEC+ agreement, ensured continuity of its production process across all lines of business, maintained financial stability, continued with investments in development projects, and retained the potential for growth going forward.

Changes in global trends, new strategic vision to benefit all stakeholders, and new opportunities available to the Company caused KMG to engage in a large-scale effort in 2021 to update its Development Strategy and identify priority goals for the next ten years until 2031.

The Company came up with new vision, mission, and strategic goals aligned with today's challenges and supporting KMG's further development in the long run.



## Key areas for KMG's development

As part of its new Development Strategy until 2031, KMG focuses on its core operations seeking to drive organic growth and improve operations across all key segments.

### VISION

Vertically integrated national oil and gas company that meets the highest standards of safety, is committed to sustainability principles, and strives 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.

### KEY PRIORITIES OF SHAREHOLDERS

- Effective portfolio management
- Responsible investment
- Sustainable development

■ Strategic goals

□ Objectives as part of the strategic goals

