



# Financial Results for the period ended 30 September 2023

November 2023

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# 9M 2023 Results Summary

## Strategic

- Successfully completed the re-start of c.US\$750m state-of-the-art GTU-3 gas plan, with 2.5 billion cubic meters per annum gas processing capacity
- Commenced the appraisal campaign at the Stepnoy Leopard fields
- The Board of Directors approved a limited scale drilling programme for the Chinarevskoye field to be executed over 2023-2024

## Financial

- 9M 2023 revenues of US\$88.8m (9M 2022: US\$155.5m)
- EBITDA<sup>1</sup> of US\$33.0m with EBITDA margin of 37.1% (9M 2022: US\$94.9m and 61%, respectively)
- Free cashflow for the period US\$61.9m negative (9M 2022: US\$45.0m positive)
- Unrestricted cash balances of US\$171.7m (H1 2023: US\$192.0m)

## Operational

- Average daily production volumes of 10,288 boepd (9M 2022: 13,684 boepd)
- Average daily sales volumes of 9,096 boepd (9M 2022: 12,780 boepd)
- Gas lift system capacity successfully doubled to 900,000m<sup>3</sup>/day, helping to partially offset production decline
- The Group continues its well and reservoir management strategy through well workovers and rigless well intervention in 2023
- Ural OG tie-back project progressing, with expected capital expenditure of c.US\$5m

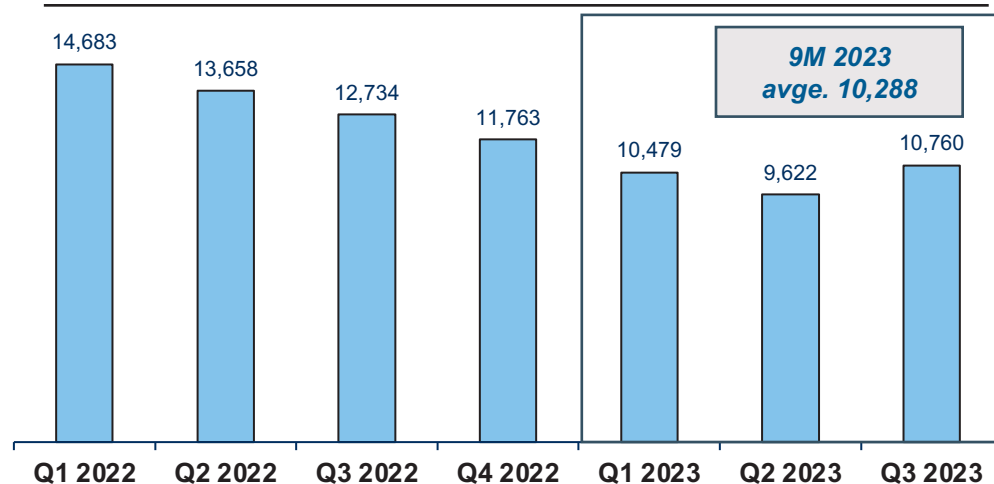
## HSE/ESG

- Zero Lost Time Injury in 9M 2023 (9M 2022: zero)
- One Total Recordable Incidents in 9M 2023 (9M 2022: four)
- 3,347 tonnes of GHG and non-GHG emissions in 9M 2023 against 6,309 tonnes permitted for 2023 under the Kazakhstan Environmental Code
- As part of the Company's Environment Protection Plan and in support of the Republic of Kazakhstan's ecology improvement objectives, over 400 trees have been planted in October in Beles.

<sup>1</sup> EBITDA is defined as the results of operating activities before depreciation and amortisation, share-based compensation, fair value gains and losses on derivative instruments, foreign exchange losses, finance costs, finance income, non-core income or expenses and taxes, and includes any cash proceeds received or paid out from hedging activity.

# 9M 2023 Operational Review

## Production volumes (boepd)<sup>1</sup>

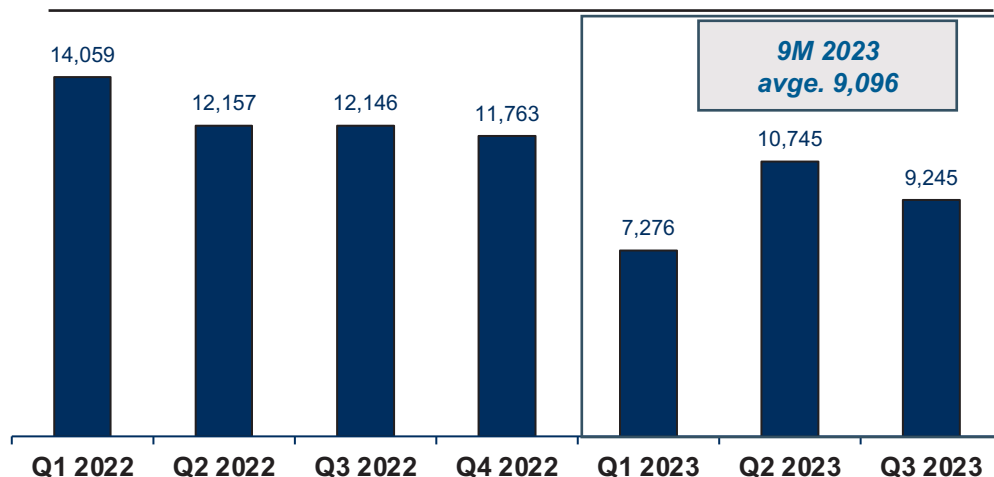


- 9M 2023 average production volumes available for sales 10,288 boepd:
  - Crude & condensate 4,710 boepd
  - LPG 1,293 boepd
  - Dry gas 4,285 boepd
- Production decline continues from the mature Chinarevskoye field
- Gaslift expansion helping to offset production decline
- Continuation of targeted workover and well intervention programme in 2023
- 9M 2023 average sales volumes 9,096 boepd
- Crude & condensate inventory amounted to approximately 176,668 boe.

## 2023 guidance

- Average production volumes 9,000 – 10,000 boepd

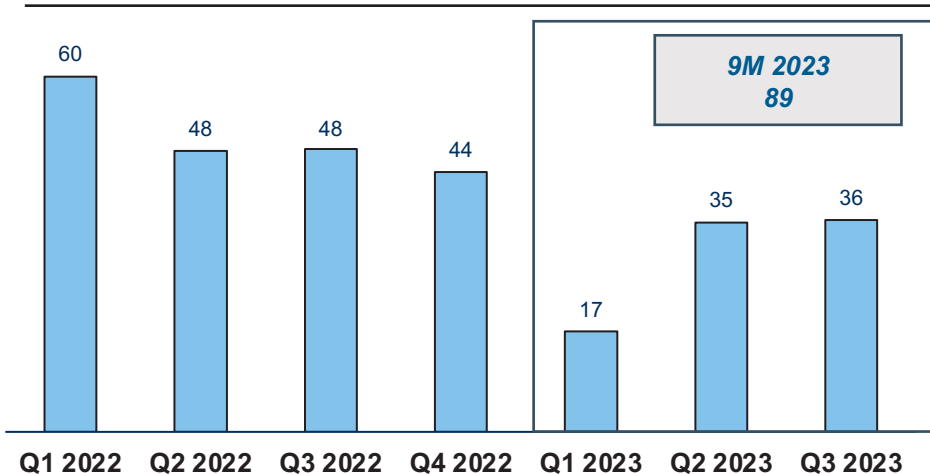
## Sales volumes (boepd)<sup>1</sup>



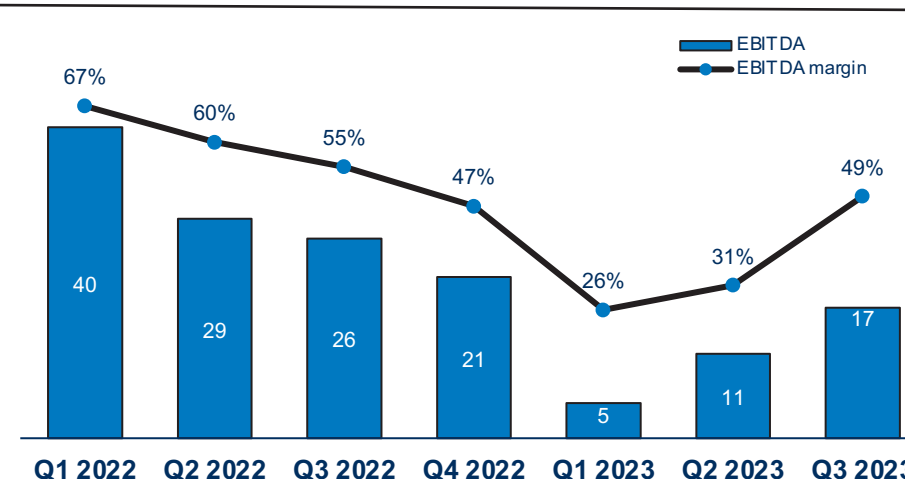
<sup>1</sup> The delta between production and sales volumes fluctuates annually depending on the timing of condensate shipments. The average delta between production and sales volumes adjusting for condensate shipments is 1,000-1,500 boepd - this represents own use gas required to power certain field facilities.

# 9M 2023 Financial Review

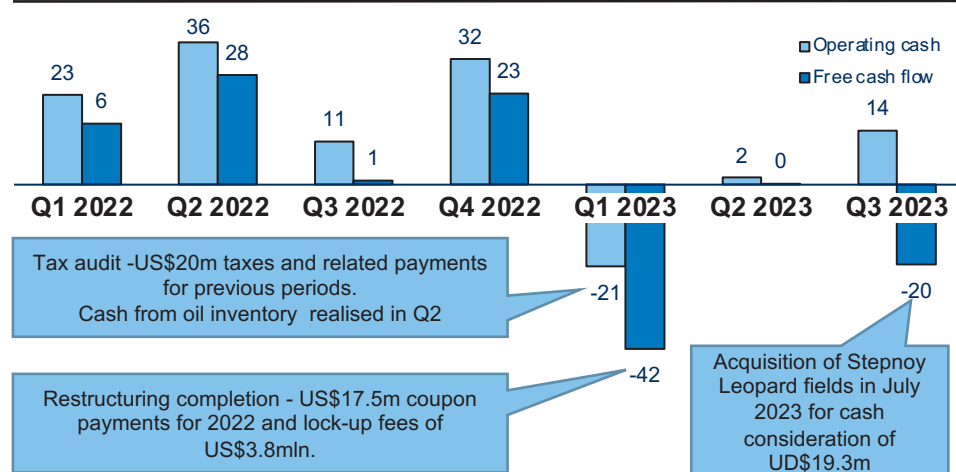
## Revenue (US\$m)



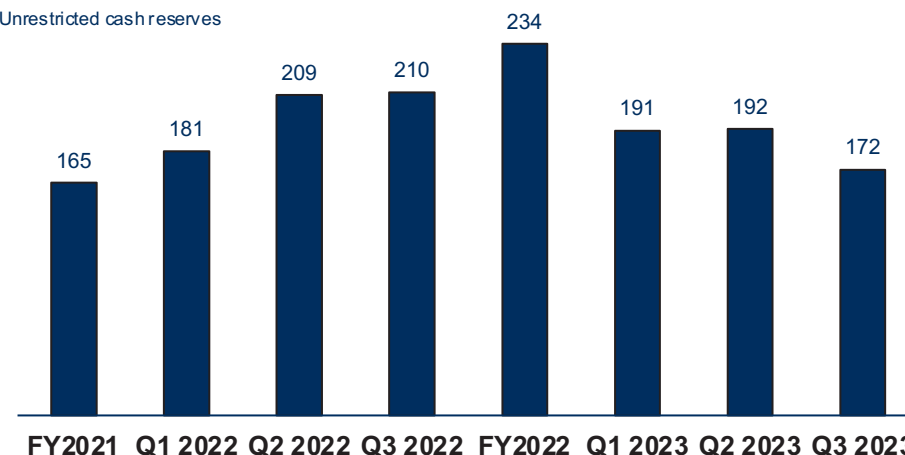
## EBITDA<sup>1</sup> (US\$m)



## Cash generation (US\$m)



## Unrestricted cash reserves



<sup>1</sup> EBITDA is defined as the results of operating activities before depreciation and amortization, share-based compensation, fair value gains and losses on derivative instruments, foreign exchange losses, finance costs, finance income, non-core income or expenses and taxes, and includes any cash proceeds received or paid out from hedging activity.



# Supporting materials

# 9M 2023 Financial Results

## Interim Consolidated Statement of Financial Position

### Consolidated statement of financial position

<i>In thousands of US Dollars</i>	<i>Notes</i>	<b>30 September 2023 (unaudited)</b>	<b>31 December 2022 (audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	256,312	276,023
Exploration and evaluation assets	5	20,362	—
Advances for non-current assets	6	1,216	2,114
Restricted cash	10	24,597	31,022
		<b>302,487</b>	<b>309,159</b>
<b>Current assets</b>			
Inventories	7	30,212	30,196
Prepayments and other current assets	8	11,092	4,688
Income tax prepayment		86	95
Trade receivables	9	15,519	12,395
Cash and cash equivalents	10	171,681	233,584
		<b>228,590</b>	<b>280,958</b>
<b>TOTAL ASSETS</b>		<b>531,077</b>	<b>590,117</b>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
Share capital	11	2,151	3,203
Treasury capital		(166)	(1,660)
Non-controlling interest		502	—
Retained deficit and reserves		(66,960)	(941,769)
		<b>(64,473)</b>	<b>(940,226)</b>
<b>Non-current liabilities</b>			
Notes payable and accumulated interest	13	471,016	—
<i>Principal</i>		612,773	—
<i>Arrangement fees and fair value adjustments</i>		(141,757)	—
Abandonment and site restoration provision		21,179	20,073
Due to Government of Kazakhstan		3,720	4,002
Deferred tax liability		44,976	49,899
		<b>540,891</b>	<b>73,974</b>
<b>Current liabilities</b>			
Current portion of notes payable and accumulated interest	13	15,823	1,396,517
Trade payables	14	9,184	9,929
Advances received		48	52
Current portion of due to Government of Kazakhstan		1,031	1,031
Other current liabilities	15	28,573	48,840
		<b>54,659</b>	<b>1,456,369</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>531,077</b>	<b>590,117</b>



# 9M 2023 Financial Results

## Interim Consolidated Statement of Comprehensive Income

### Consolidated statement of comprehensive income

		For the three months ended 30 September		For the nine months ended 30 September	
		2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
<i>In thousands of US Dollars</i>					
	Notes				
<b>Revenue</b>					
Revenue from export sales		32,991	40,407	76,761	137,965
Revenue from domestic sales		2,967	7,334	12,032	17,608
	16	35,958	47,741	88,793	155,573
Cost of sales	17	(19,682)	(20,480)	(59,006)	(61,626)
<b>Gross profit</b>		16,276	27,261	29,787	93,947
General and administrative expenses	18	(3,170)	(2,481)	(9,229)	(8,438)
Selling and transportation expenses	19	(3,241)	(5,296)	(9,148)	(14,830)
Taxes other than income tax	20	(3,559)	(5,923)	(9,918)	(15,577)
Finance costs	21	(30,687)	(30,204)	(99,218)	(94,272)
Gain on debt-to-equity exchange	10	410	–	769,611	–
Fair value adjustment on recognition of debt instruments	10	(3,481)	–	163,506	–
Foreign exchange loss, net		567	(81)	(235)	17
Interest income		931	75	1,830	172
Other income		4,835	681	5,980	3,062
Other expenses	22	(3,562)	(1,365)	(7,799)	(3,555)
<b>(Loss)/income before income tax</b>		(24,681)	(17,333)	835,167	(39,474)
Current income tax expense		(4,226)	(140)	(7,259)	(421)
Deferred income tax expense		2,250	(8,651)	4,923	(21,006)
<b>Income tax expense</b>	23	(1,976)	(8,791)	(2,336)	(21,427)
<b>(Loss)/income for the period</b>		(26,657)	(26,124)	832,831	(60,901)
<b>Other comprehensive income that could be reclassified to the income statement in subsequent periods</b>					
Currency translation difference		(123)	(232)	(5)	(314)
<b>Other comprehensive (loss)/income</b>		(123)	(232)	(5)	(314)
<b>Total comprehensive (loss)/income for the period</b>		(26,780)	(26,356)	832,826	(61,215)
Income/(loss) for the period attributable to the shareholders (in thousands of US dollars)				832,831	(60,901)
Weighted average number of shares				169,381,600	169,381,600
Basic and diluted earnings per share (in US dollars)	12			4.92	(0.36)

<sup>1</sup> The number of shares has been adjusted as required under IAS 33.64 for the effect of the sub-division and consolidation of the ordinary share capital occurred after close of business on 9 February 2023 (Note 31).

All items in the above statement are derived from continuing operations.



# 9M 2023 Financial Results

## Interim Consolidated Statement of Cash Flows

### Consolidated statement of cash flows

		For the nine months ended 30 September	
	Notes	2023 (unaudited)	2022 (unaudited)
In thousands of US Dollars			
<b>Cash flow from operating activities:</b>			
Income/(loss) before income tax		835,167	(39,474)
<i>Adjustments for:</i>			
Depreciation, depletion and amortisation	17,18,19	31,470	39,749
Finance costs	21	99,218	94,272
Interest income		(1,830)	(172)
Foreign exchange loss on investing and financing activities		293	280
Fair value adjustment on recognition of debt instruments		(163,506)	–
Gain on debt-to-equity exchange		(769,611)	–
<b>Operating profit before working capital changes</b>		<b>31,201</b>	<b>94,655</b>
<i>Changes in working capital:</i>			
Change in inventories		154	(294)
Change in trade receivables		(3,124)	(18,653)
Change in prepayments and other current assets		(5,346)	(346)
Change in trade payables		332	(892)
Change in advances received		(4)	98
Change in due to Government of Kazakhstan		(773)	(773)
Change in other current liabilities		(12,171)	(2,986)
<b>Cash used in operations</b>		<b>10,269</b>	<b>70,809</b>
Income tax paid		(15,547)	(853)
<b>Net cash flows used in operating activities</b>		<b>(5,278)</b>	<b>69,956</b>
<b>Cash flow from investing activities:</b>			
Interest received		1,830	172
Purchase of property, plant and equipment		(11,708)	(8,028)
Purchase of Positiv Invest LLP		(19,312)	–
Advances for non-current assets		898	(2,733)
Purchase of exploration and evaluation assets		(1,471)	–
Transfer from /(to) restricted cash		6,445	(58)
<b>Net cash used in investing activities</b>		<b>(23,318)</b>	<b>(10,647)</b>
<b>Cash flow from financing activities:</b>			
Finance costs paid		(27,630)	–
Other finance costs		(5,737)	(13,733)
<b>Net cash used in financing activities</b>		<b>(33,367)</b>	<b>(13,733)</b>
Effects of exchange rate changes on cash and cash equivalents		60	(604)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(61,903)</b>	<b>44,972</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>233,584</b>	<b>165,246</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>171,681</b>	<b>210,218</b>



# Thank you