

SHAREHOLDER AND INVESTOR RELATIONS

KMG's shareholders¹

Shareholder	Ordinary shares	Ordinary shares, %	Preferred shares	Total shares	Total shares, %
JSC Sovereign Wealth Fund Samruk-Kazyna	551,698,745	90,42	–	551,698,745	90,42
The National Bank of Kazakhstan	58,420,748	9,58	–	58,420,748	9,58

Securities issues

Type of shares	Authorised shares	Outstanding shares	Unissued shares
Ordinary	849,559,596	610,119,493	239,440,103

There were no changes in the shareholder structure in the reporting period.

The annual General Meeting of Shareholders, with its roles performed by the Management Board of the Fund according to applicable law and KMG Charter, pending approval of the following documents:

- ◆ KMG's 2020 annual financial statements (consolidated and separate)
- ◆ KMG's 2020 net profit distribution
- ◆ Amount of dividend per ordinary share in KMG

Dividend history


Indicator	2018	2019	2020
Dividend per share, KZT	61.54	60.64	133.97
Total dividends paid, KZT mln	36,273	36,998	81,738

DIVIDENDS

The Dividend Policy aims at ensuring the balance of interests of the Fund and the Companies, as well as predictability and transparency of the approach to determining the dividend amount and payment terms and procedure.

The amount of dividend payable to companies, with more than 50% of common owned by the Fund, is differentiated according to their maturity and financial and economic position determined based on financial stability and liquidity indicators.

The dividend payment timeline is fixed by the General Meeting of Shareholders when resolving to pay out dividends.

For more details see the Financial Statements section 

JSC Samruk-Kazyna's Dividend Policy for Subsidiaries is available on the Company's website.



¹ As at 31 December 2020.

CREDIT RATINGS

Credit ratings assigned by international rating agencies serve as reliable and independent tools for the Group's credit assessment. KMG aims at aligning its key financial metrics with target investment-grade long-term ratings and exceeding it. The Company provides rating agencies with access to all information necessary for a comprehensive and reliable evaluation of the Group's creditworthiness. Rating agencies and KMG's Management Board hold regular review meetings, and KMG maintains the contacts.

In addition to the Company's operating and financial results and market environment, KMG's credit ratings are linked to Kazakhstan's sovereign credit profile as its change may impact credit ratings of Kazakhstan's companies, including KMG.

KMG's efforts to strengthen its financial position were recognised by rating agencies. In 2018–2019, KMG's financial performance improvement was translated into higher ratings of the Company's stand-alone credit profile (SACP) from Fitch, Moody's and S&P.

In 2020, despite material external economic risks, Fitch and S&P affirmed their earlier ratings. Currently, the Company has investment-grade credit ratings from Moody's and Fitch and is two grades below the investment-grade credit rating from S&P.

- ◆ • On 22 August 2019, the Moody's rating agency affirmed KMG's long-term credit rating at Baa3 with the outlook changed from stable to positive, whereas the standalone rating of KMG

In 2020, despite material external economic risks, Fitch and S&P affirmed their earlier ratings.

was upgraded from Ba3 to Ba2. In its periodic review on 14 December 2020, Moody's mentions such factors as large oil reserves and track record of sustainable production without OPEC+ restrictions, robust liquidity and long-term debt maturity profile and expects that the Company's leverage, interest coverage and cash flow metrics will remain commensurate with its Baseline Credit Assessment (BCA).

- ◆ On 27 March 2020, Fitch Ratings affirmed KMG's long-term issuer default rating at BBB– with a stable outlook. KMG's standalone credit profile at BB– was conditioned by the agency's forecast for the Company's leverage to gradually decrease after a projected increase in 2020 due to the pandemic-driven drop in oil prices.
- ◆ On 27 March 2020, S&P Global Ratings revised its outlook for KMG from stable to negative and affirmed its BB local and foreign currency ratings, following its review of Brent crude prices which are expected to average USD 30 per bbl for the rest of 2020, USD 50 per bbl in 2021 and USD 55 per bbl afterwards.
- ◆ On 28 January 2021, following the revision of its risk assessment for the oil and gas exploration, production and refining sector, S&P Global Ratings affirmed KMG's credit ratings at BB with a negative outlook.

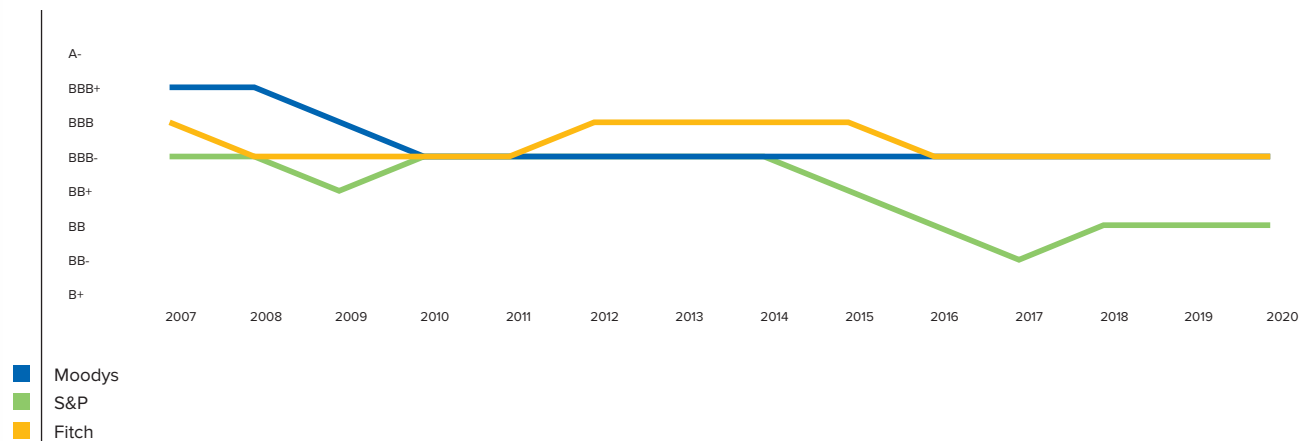


KMG's credit ratings

Rating agency	Date	Rating type	Rating	Outlook
Moody's Investors Service	22 August 2019	Long-term foreign currency rating	Baa3	Positive
S&P Global Ratings	28 January 2021	Issuer default rating	BB	Negative
Fitch Ratings	27 March 2020	Long-term issuer default rating	BBB-	Stable

Kazakhstan's credit ratings

Rating agency	Date	Rating type	Rating	Outlook
Moody's Investors Service	22 August 2019	Long-term foreign currency credit rating	Baa3	Positive
S&P Global Ratings	5 March 2021	Sovereign foreign and local currency credit rating	BBB-	Stable
Fitch Ratings	19 February 2021	Long-term foreign currency issuer default rating	BBB	Stable

Change in KMG's ratings

Sources: Moody's, S&P, Fitch

BOND ISSUES

As at 31 December 2020, KMG's consolidated debt (expressed in USD) was USD 9,690 bln, including USD 7,075 bln (around 73%) in bond issues.

KMG Group's projects are largely financed through its own net cash flows. At the same time, KMG and its subsidiaries and dependent companies may enter the bonds market, if the conditions are favourable, in order to finance individual strategic projects or remain financially stable to implement the Development Strategy until 2028.

KMG borrows both on the national and global capital markets in line with its flexible, balanced debt management policy. KMG bonds are among the most liquid instruments among those offered by Kazakhstan's issuers. KMG's FX-denominated bonds have been historically attractive to a wide range of investors. KMG bonds' investor base includes thousands of institutional and retail investors, mostly based in the USA, Europe and Asia. KMG's Eurobonds are traded in the London Stock Exchange and the Kazakhstan Stock Exchange.

KMG Eurobonds for a total amount of USD 6.25 bln have been included in the official list of Astana International Exchange since 30 March 2021. KMG Eurobonds have been traded on AIX since 31 March 2021 under the ticker symbol (KMG) with settlements in US dollars.

In October 2020, the Company issued 12.5-year Eurobonds for a total amount of USD 750 mln. Orders from investors in Kazakhstan were collected through JSC Kazakhstan Stock Exchange ("KASE") simultaneously with the international book-building. The initial price guidance was set at yields to maturity of around 3.875%, but backed by strong investor support was later revised to 3.5%, implying a total yield improvement by 37.5 bps. In October – November 2020, the Company made an early full repayment of bonds due 2022 and 2023 with nominal value of USD 906.6 mln

As at 31 December 2020, KMG had six outstanding Eurobond issues for a total amount of USD 6.25 bln on par value.

KMG's outstanding Eurobonds¹

Currency	Issue date/maturity date	Issue size, USD mln	Outstanding bonds, USD mln	Coupon rate, % p.a.	ISIN: RegS/144A
USD	19.04.2017/19.04.2027	1,000	1,000	4.75	XS1595713782 / US48667QAN51
USD	19.04.2017/19.04.2047	1,250	1,250	5.75	XS1595714087 / US48667QAP00
USD	24.04.2018/24.04.2025	500	500	4.75	XS1807299174 / US48667QAR65
USD	24.04.2018/24.04.2030	1,250	1,250	5.375	XS1807300105 / US48667QAQ82
USD	24.04.2018/24.04.2048	1,500	1,500	6.375	XS1807299331 / US48667QAS49
USD	14.10.2020/14.04.2033	750	750	3.50	XS2242422397 / US48126PAA03

¹ Senior unsecured, as at 31 December 2020 at the corporate centre level

INVESTOR COMMUNICATIONS

KMG continues to successfully implement its investor relations programme to ensure stability of financing and reduce its cost of capital. Communications with investors involve the Chairman of the Board of Directors, Chairman of the Management Board, members of the Management Board and heads of KMG's strategic, financial, and operating units, as well as the Investor Relations. In 2020, the Health, Safety and Environment Department also started participating in conference calls to provide more detailed information on occupational health, industrial safety and environmental protection matters.

KMG holds quarterly conference calls for investors to discuss financial and operating results with the Deputy Chairman and members of the Management Board, as well as department directors. Apart from the quarterly ones, the Company held special conference calls to discuss the divestiture of JSC KazTransGas from KMG Group in Q2 2020 and the roadshow before the Eurobond issue in Q4 2020.

The Company adheres to the principles of timeliness, completeness and availability of disclosures for the investment community. KMG quarterly publishes quarterly results presentations, financial results, trading updates, IFRS financial statements and analyst databooks. In 2020, the Company continued its practice to promptly inform investors and analysts on KMG's financial and operating performance upon their request.

Guided by sustainability principles, in 2020 the Company considerably enhanced the transparency of its ESG disclosures. Particularly, the Company published its expanded 2019 Sustainability Report as well as 2019 CDP Climate Change Questionnaire and, for the first time, a Water Security Questionnaire, both on the CDP's website as well. In addition, for a third year running, KMG has been the leader of the environmental transparency and responsibility rating of Kazakhstan oil and gas companies in 2019, prepared by the World Wide Fund for Nature (WWF), CREON Group and the National Rating Agency, supported by the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan and in partnership with the United Nations Environment Programme (UNEP) in Central Asia.

The materials and publications as well as contacts of the Investor Relations are available in the Investors section on the Company's website. 

KMG understands the importance of further enhancing its two-way dialogue with the investment community and regularly conducts investor perception surveys on the Company, with the results reviewed by the Board of Directors.

2020 investor calendar

Q1 2020	<ul style="list-style-type: none"> ◆ Investor conference call on full-year 2019 financial and operating results ◆ 2019 quarterly results presentation ◆ 2019 financial results and trading update ◆ IFRS consolidated financial statements for 2019
Q2 2020	<ul style="list-style-type: none"> ◆ Investor conference call on Q1 2020 financial and operating results ◆ Q1 2020 quarterly results presentation ◆ Q1 2020 financial results and trading update ◆ Interim condensed consolidated IFRS financial statements for 3M 2020 ended on 31 March 2020 ◆ Publication of 2019 Annual Report ◆ Special call for investors on the divestiture of JSC KazTransGas from KMG Group
Q3 2020	<ul style="list-style-type: none"> ◆ Investor conference call on Q2 2020 financial and operating results ◆ Q2 2020 quarterly results presentation ◆ Q2 2020 financial results and trading update ◆ Interim condensed consolidated IFRS financial statements for 6M 2020 ended on 30 June 2020 ◆ Publication of 2019 Sustainability Report ◆ Publication of 2019 CDP Climate Change Questionnaire and Water Security Questionnaire
Q4 2020	<ul style="list-style-type: none"> ◆ Investor conference call on Q3 2020 financial and operating results ◆ Q3 2020 quarterly results presentation ◆ Q3 2020 financial results and trading update ◆ Interim condensed consolidated IFRS financial statements for 9M 2020 ended on 30 September 2020 ◆ Roadshow on the Eurobond issue, including a series of conference calls with current and potential investors, involving the Deputy Chairman of the Management Board for Economics and Finance and Chairman of the Board of Directors