

retail market grew by 0.9% year-on-year (15.71% in the end of December 2020 vs 14.81% in December 2019) in 2020.

At year-end 2020, KMG International's retail network was comprised of the following assets:

- ◆ Romania: 284 filling stations and 779 points of sale (DOEX, RBI and Cuves) 10 CODO, 3 DODO, 13 DOEX, 11 RBI and 65 Cuves stations were opened
- ◆ Neighbouring countries: 254 filling stations and points of sale, including 60 stations in Bulgaria (new 8 DOCODO and 1 DODO), 102 stations in Georgia (6 new stations in key regions, including the first flagship COCO station in Borzhomi) and 92 stations in Moldova (5 new DOCO stations).

## SERVICE PROJECTS

To deliver their optimisation programmes, KMG's oil service companies consider their leading role in maintaining social stability in operating regions. This inevitably leads to extra costs, resulting from the need to retain employees regardless of current operational needs and meet all obligations under the collective bargaining agreement: benefits, medical insurance premiums and upskilling costs.

## SERVICE INFRASTRUCTURE

KMG's oil service operations are supported by 12 key companies.

Key oil services

- ◆ Drilling and developing oil and gas wells. Providing well services and workovers
- ◆ Transporting freight and passengers, providing field transportation and maintenance
- ◆ Providing maintenance, repair, set-up and testing services for electrical installations and cathode protection; commissioning and routine servicing of electrical equipment
- ◆ Operating offshore and onshore drilling rigs, oil and gas production engineering, drilling services
- ◆ Natural gas processing
- ◆ Servicing measuring equipment, automation systems and telemechanics, providing telecoms, radio, and cable or satellite TV services at oil fields; checking and repairing measuring equipment; and servicing security alarms. Servicing transport GPS monitoring systems
- ◆ Building steel and fiberglass pipelines for oil transportation, building gas pipelines and constructing oil and injection wells. Reconstructing oil pipelines, water pipelines and roads
- ◆ Producing and transporting drinking water, ensuring sea water transport
- ◆ Catering, maintaining social facilities, etc.

KMG has continued a range of efforts to achieve break-even for its oil service companies, including measures to maintain current production levels and the implementation of new development projects. Moreover, as a socially responsible business, KMG remains committed to ensuring workforce stability at these companies.

## Development projects

KMG is on track with its new gas processing plant project in Zhanaozen, with further phase-specific activities carried out through joint efforts with Linde Aktiengesellschaft (Linde AG). During 2020, KMG finalised initial design data and determined the location of its new plant.

On 5 October 2020, KMG Systems & Services LLP and the international association Oil Spill Response Limited signed an oil spill response partnership for Tier 3 spills.

On 28 October 2020, TenizService LLP transshipped the last large module for the Future Growth Project at Tengiz, reaching a total of 408 modules weighing a total 279,859 tonnes delivered for the Project between 2018 and 2020. The overall module transshipment programme was completed six months ahead of schedule. In December 2020, the Cargo Transportation Route Project passed the milestone of 4.3 mln man-hours worked with zero accidents.