

Corporate key performance indicators

To advance our strategic goals and initiatives, corporate key performance indicators (KPIs) are set annually for KMG's management. These KPIs are developed taking into account the Company's priority objectives and a need to strike a balance between production, financial, and sustainability metrics. The list of KPIs includes mandatory indicators related to industrial and occupational safety. At the end of each year, the assessment of performance against these KPIs

is used to determine the remuneration of KMG employees who are subject to the performance evaluation.

The 2023 corporate KPIs and functional KPIs of the Management Board members were aimed at successfully implementing investment projects, achieving planned production and financial targets, and fulfilling our ESG goals.

Improved efficiency across the Company's value chain

Performance under priority investment projects	80% (2022: 54.02%)
Scheduled project activities were completed as part of four out of five projects:	
<ul style="list-style-type: none"> ■ Upgrade and expansion of the Astrakhan–Mangyshlak water pipeline ■ Construction of a desalination plant in Kenderly with a daily capacity of 50,000 m³ ■ Integrated gas chemical complex construction (Phase 2 – polyethylene production) ■ Construction of a new gas processing plant in Zhanaozen 	
See the Performance under Investment Projects section	

Oil and gas condensate production	23,490¹ thous. tonnes (2022: 22,012 thous. tonnes)
This indicator measures oil and gas condensate production from operating assets and major oil and gas assets attributable to the Company.	
See the Upstream section	

EBITDA margin, excluding trading	40% (2022: 29.3%)
This indicator measures the Company's profitability and shows the percentage of revenue retained by the Company before taxes, interest on loans, and depreciation and amortisation.	
See the Financial Review section	

Total shareholder return (TSR)	43.1% (indicator introduced in 2023)
This indicator measures return on invested capital.	
43.1% = (Closing share price at the end of 2023 (29 December 2023) of KZT 11,541 – Initial share price (at IPO on 8 December 2022) of KZT 8,406 + Dividends of KZT 491.71 per share) / Initial share price (at IPO on 8 December 2022) of KZT 8,406 * 100%	
See the Shareholder and Investor Relations section	

Sustainable development and gradual reduction in carbon intensity of production

Comprehensive OHS indicator	Lost Time Incident Rate (LTIR): 0.30 (2022: 0.36%)
Identification and reporting of unsafe condition / unsafe behaviour / unsafe action / hazardous event / hazardous factor: 12,240 Qorgau cards completed in KMG's subsidiaries and associates (indicator introduced in 2023).	
This indicator consists of two components Lost Time Incident Rate (LTIR) and Qorgau OHS card completion	
See the Health, Safety and Environment section	

Estimated KPI achievement rates. The final approval by KMG's Board of Directors of the actual values for 2023 is expected in July 2024.

Performance under investment projects

Corporate Project Management System

In 2023, to implement investment projects more efficiently, KMG continued to build its Corporate Project Management System (CPMS).

As part of these efforts, we drafted 34 template documents to facilitate decision-making in various PM areas and set detailed requirements for relevant processes.

The Company adopted a CPMS handbook describing tools and methods to manage capital projects.

In 2023, KMG Group hosted the first project management conference bringing together 150 experts in major projects from the Company and its subsidiaries and associates. Conference participants took part in an open dialogue on challenges in the planning and implementation of capital projects, looked at the key aspects of design, construction and coordination processes, reviewed lessons learned, and presented best PM practices.

KMG together with its subsidiaries and associates takes a lot of effort to continuously improve employees' PM competences.

The reporting period saw eight internal and external training courses in various project management domains, with over 300 employees taking part, 46 certified under IPMA standards, and 17 certified under Green Project Management standards.

An in-house certification system is in place to evaluate KMG project management staff, with managers of capital projects to be tested for compliance with CPMS requirements starting from 2024.

The Company liaised with government authorities to streamline project design, approval and budgeting processes.

The next year will see further efforts to enhance procedures and tools for project assessment, decision-making and create a pool of project leaders from among KMG Group employees.



¹ In accordance with the asset list included in the calculation of target KPIs. KMG's total oil and gas condensate production was 23,532 thous. tonnes.