



Delivering Our Mixed Asset Energy Strategy

H1 2024 Results Presentation

20 August 2024

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H1 2024 Highlights

Strategic

- Stepnoy Leopard Final Investment Decision approved: initial field development phase, with a capital budget of US\$100m gross.
- Stepnoy Leopard CPR completed: Nostrum's 2P reserves base increased over fivefold (from 23 mmboe to 133 mmboe working interest); US\$220m after-tax net (80% WI) NPV10 & 34% IRR.

Operational

- 22% increase in average daily production volumes: 12,220 boepd (H1 2023: 10,048 boepd).
- 16% increase in average daily sales volumes: 10,475 boepd (H1 2023: 9,020 boepd).
- Processing Ural Oil & Gas LLP (Ural O&G) volumes: one well with initial flow rates of 0.3 Mm³/day of raw gas; expected tie-in of a further four wells in H2 2024 to increase total flow rates to 1.5 Mm³/day of raw gas (Ural O&G (MOL) guidance).
- Chinarevskoye new drills: well No.301 producing from May 2024; well No.41 spudded in May 2024 with completion expected in Q3 2024.
- Production facilities availability approximately 97%.

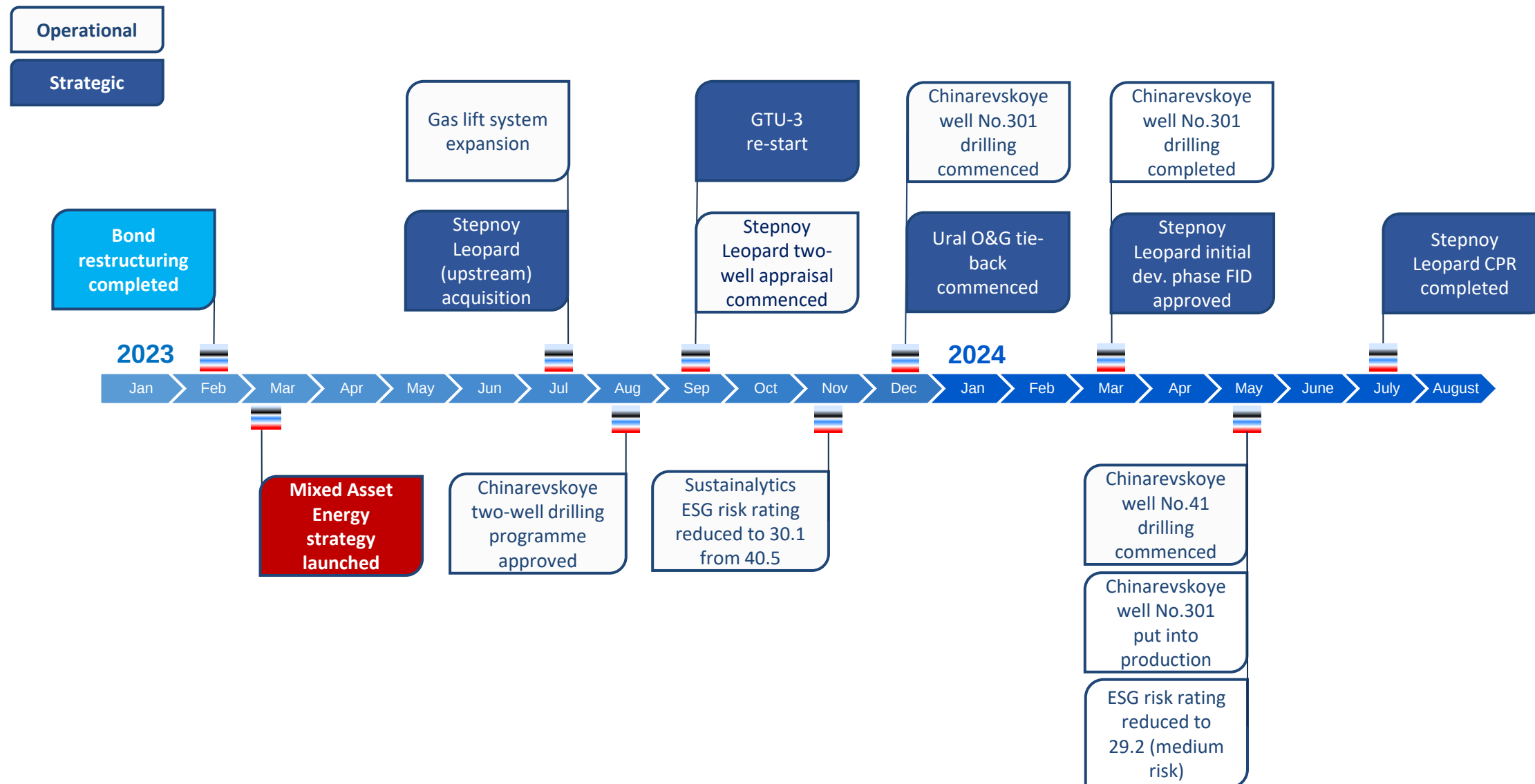
Financial

- 23.7% increase in revenues: US\$65.3m (H1 2023: US\$52.8m).
- 44% increase in EBITDA: US\$22.3m (H1 2023: US\$15.5m).
- US\$158.4m cash balance before non-recurring items, a slight decrease from 2023 year-end cash balance of US\$161.7m.
- US\$142.5m unrestricted closing cash balance (incl. term deposit (TD) and money market funds (MMF) (31 Dec 2023: US\$161.7m).

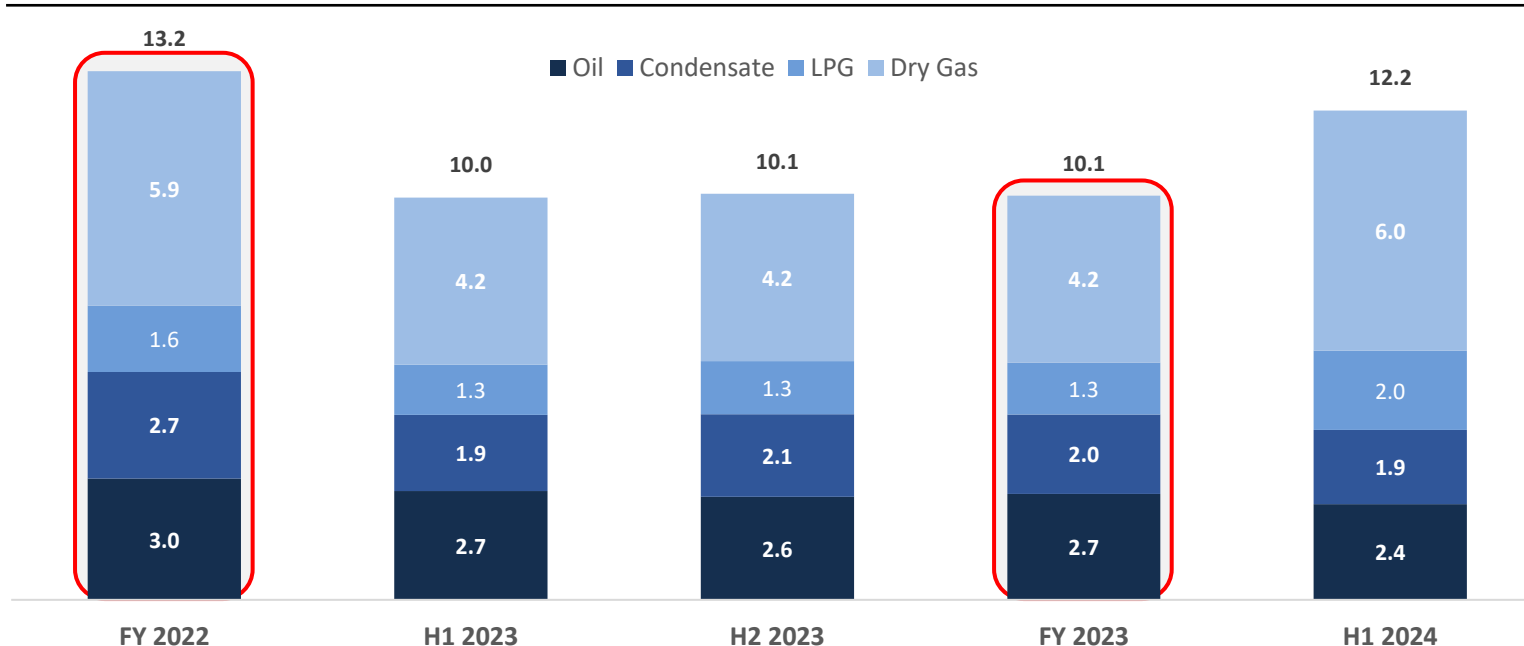
HSE / ESG

- Zero fatalities among employees and contractors (H1 2023: zero).
- Zero Lost Time Injury Rate (incidents per million man-hours) (H1 2023: zero).
- 0.64 Total Recordable Incidents Rate (incidents per million man-hours) (H1 2023: 1.0).
- 2,590 tonnes of air emissions emitted in H1 2024 against 5,983 tonnes permitted for 2024 under the Kazakhstan Environmental Code.
- Improved independent ESG Risk Rating of 29.2 (end of 2023: 30.1; end of 2022: 40.5), moving Nostrum to Medium risk category

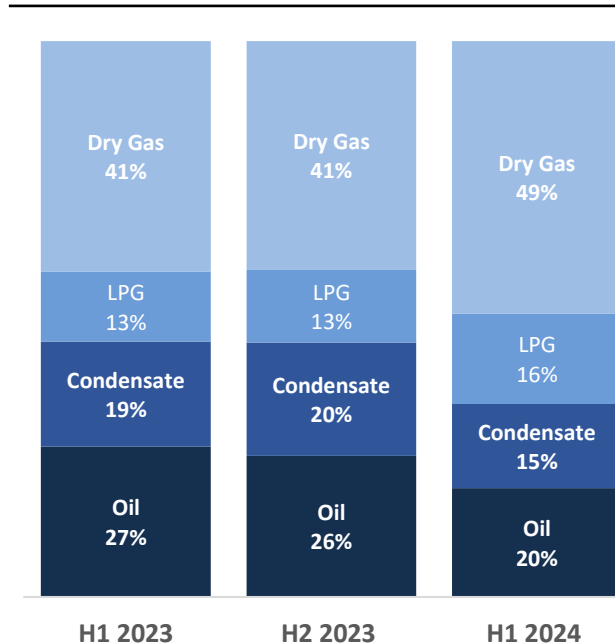
Strategic and Operational Road Map



Production Volumes (average kboepd)

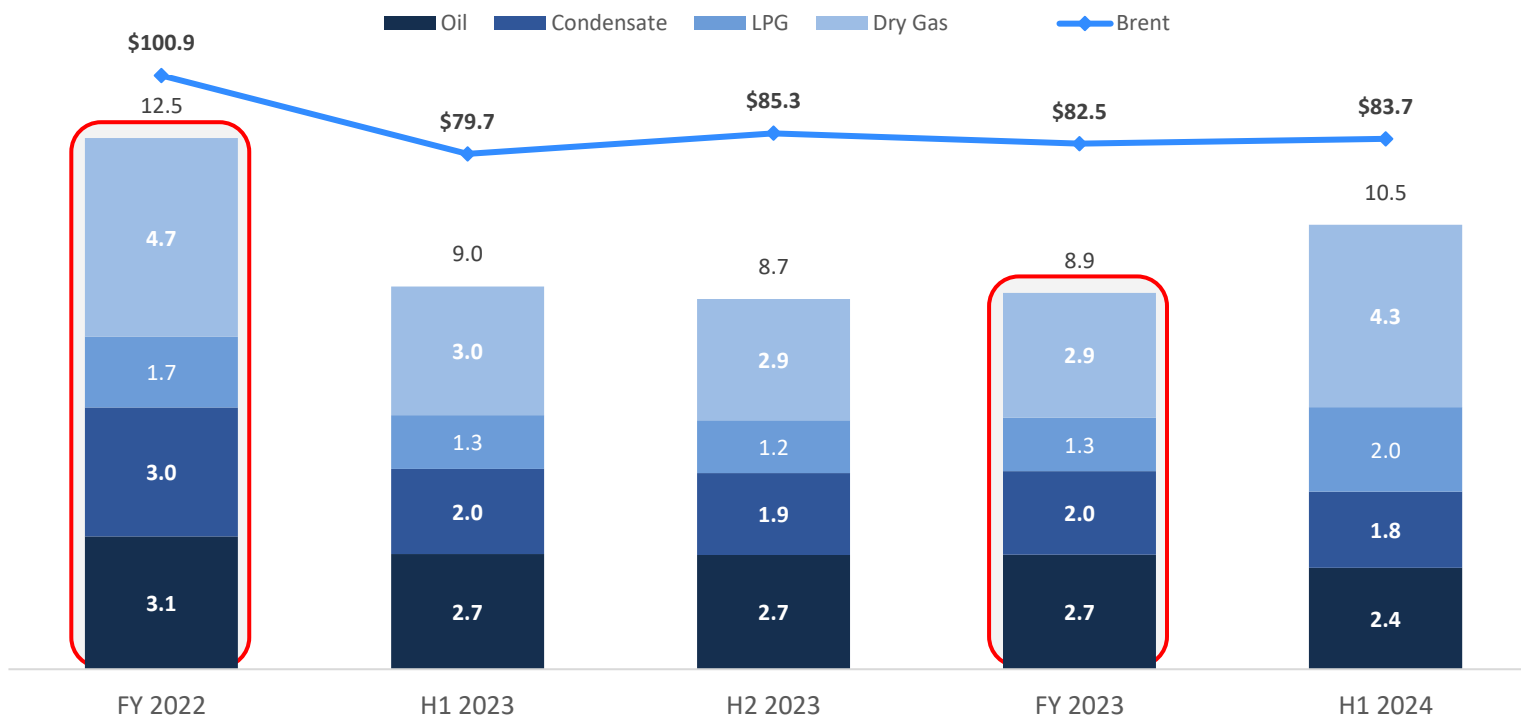


Production Product Mix

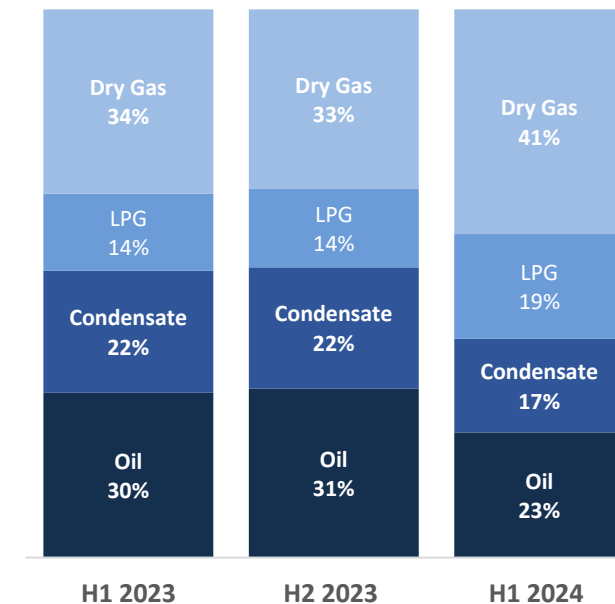


- Production and sales volumes differ because: (a) produced dry gas volumes used for powering certain field facilities (approximately 1.7 kboepd in H1 2024) are not available for sale, and (b) sales volumes are subject to the timing of oil and condensate shipments.
- Ural O&G raw gas processing: Nostrum retains title to LPG and dry gas (included in the production volumes above) and earns a condensate tolling fee (related volumes not included in the charts above).
- Year-on-year 22% increase in average daily production volumes (12.2 kboepd H1 2024, 10.1 kboepd H1 2023) reflects:
 - Additional volumes of dry gas and LPG produced from Ural O&G raw gas, commenced on 21 Dec 2023.
 - Gas-lift system expansion in July 2023, doubling its capacity and slowing down Chinarevskoye field production decline.
 - Improved LPG yields from GTU-3 processing of approximately 20%.
- Chinarevskoye field average daily production forecast for FY 2024 is in the range of 7-8 kboepd.

Sales Volumes (average kboepd) and Average Brent Price (US\$/bbl)



Sales Product Mix



- Production and sales volumes differ because: (a) produced dry gas volumes used for powering certain field facilities (approximately 1.7 kboepd in H1 2024) are not available for sale, and (b) sales volumes are subject to the timing of oil and condensate shipments.

- 16% increase in average daily sales volumes in H1 2024 compared to H1 2023, primarily driven by the increase in production volumes.
- Combined dry gas and LPG product mix increased from 47% in H2 2023 to 60% in H1 2024, due to additional dry gas and LPG produced from Ural O&G raw gas.

Financial KPIs

Measure	H1 2024	H2 2023	H1 2023	Commentary (H1 2024 vs H2 2023)
Revenue (US\$m)	65.3	66.8	52.8	Drivers of revenue change: (a) decline in Chinarevskoye production volumes, offset by dry gas and LPG produced from Ural O&G raw gas processing (b) lower mix of higher price liquid sales volumes (c) lower average brent price (H1 2024 \$83.7/bbl vs H2 2023 \$85.3/bbl) (d) new US\$3.9m Ural O&G condensate tolling revenues
EBITDA¹ (US\$m)	22.3	26.6	15.5	Impact of reduced revenues, and increased operating and G&A costs.
EBITDA margin (% pts)	34.2	39.8	29.4	Impact of reduced EBITDA, and a largely fixed operating cost base.
Selling & transportation (US\$/boe) ²	3.5	4.0	3.6	Impact of increase in sales volumes, partially offset by a slight increase in total costs.
Operating costs (US\$/boe) ³	9.8	9.7	10.2	Although operating costs increased due to inflation and additional cost of raw gas purchased from Ural O&G, operating costs per boe remained stable due to increased production.
G&A expenses (US\$/boe) ⁴	3.1	4.1	3.3	Largely fixed G&A expense base, subject to indexation of payroll and inflation of service costs. G&A expenses per boe decreased due to increased production.
Cash balance before non-recurring items (US\$m)	158.4	194.4	226.8	Strong cash performance in H1 2024 before non-recurring items.
Unrestricted cash balance including TD and MMFs (US\$m)	142.5	161.7	192.0	Reduction resulting from Chinarevskoye drilling programme (US\$11.7m), Stepnoy Leopard two-well appraisal programme (US\$3.9m) and coupon paid less interest received (US\$6m).
Bonds, principal (US\$m)	661.6	636.2	612.8	Bonds principal increases due to capitalised PIK.

¹ EBITDA is defined as the results of operating activities before DD&A, share-based compensation, foreign exchange losses, finance costs, finance income, non-core income or expenses and taxes.

² Selling & transportation cost per boe is calculated on sales volumes.

³ Operating cost per boe is calculated on production volumes. Operating costs represent cost of sales excluding DD&A and change in inventory.

⁴ G&A expenses per boe of production volumes. G&A expenses represent general and administrative expenses, excluding DD&A.

Cashflow Analysis

Cash balances/movements (US\$m)	H1 2024	H2 2023	H1 2023	Commentary
Beginning Cash Balance¹	161.7	192.0	233.6	
Operating profit before working capital changes ²	19.3	21.7	24.3	
Working capital changes	(12.0)	4.9	(17.0)	H1 2024 mainly driven by increase in trade receivables (due to timing of shipments), which were mostly collected in July 2024.
Income tax paid	(3.1)	(9.6)	(1.6)	H2 2023 reflects income tax prepayment based on FY 2023 estimates made in December 2023.
Cash from operations	4.2	17.0	5.7	
Capital expenditure	(1.5)	(8.3)	(5.4)	2023 movements mainly relate to gas-lift expansion and GTU-3 restart projects.
Finance items (coupon payment less interest received)	(6.0)	(6.3)	(7.1)	H1 2024 reflects US\$8m coupon payment less US\$2m interest received from short-term cash investments.
Ending Cash Balance before non-recurring items	158.4	194.4	226.8	
Acquisition of 80% interest in Positiv Invest LLP (Stepnoy Leopard fields)	0.0	(19.3)	0.0	US\$19.3m relates to the acquisition cost of 80% interest in Positiv Invest.
Stepnoy Leopard fields - two-well appraisal programme	(3.9)	(3.6)	0.0	Approximately US\$0.4m remaining to be paid in H2 2024.
Chinarevskoye drilling programme	(11.7)	0.0	0.0	Approximately US\$13m remaining to be paid in H2 2024.
Debt restructuring	0.0	(0.8)	(24.7)	The amount includes coupon payments related to 2022 (US\$15.8m) and advisor fees related to bond restructuring.
Tax audit (tax, fines & penalties)	0.0	0	(24.9)	Income tax and related fines and penalties paid as a result of comprehensive tax audit of Zhaikmunai LLP for the 2016-2021 period.
Transfer from/(to) restricted cash	(0.3)	(9.0)	14.8	2023 movements relate to restructuring and timing of transfers to DSRA.
Ending Cash Balance^{1, 3}	142.5	161.7	192.0	

¹ Unrestricted cash balance (excludes DSRA and Liquidation account funds).

² Operating profit before working capital changes" as shown in the Cash Flow Statement after adjustment for non-recurring items.

³ Ending cash balance, includes US\$137m short-term investments into TD and MMFs.



Supporting materials

Balance Sheet Overview (US\$m)

Category	30 Jun 2024 (Unaudited)	31 Dec 2023 (Audited)	Change	Commentary
PP&E	255.1	252.6	2.5	Additions of US\$15.8m mostly related to Chinarevskoye drilling programme, were offset by US\$12.8m depreciation.
Exploration/ Evaluation assets	26.9	23.9	2.9	Additions related to further spend on Stepnoy Leopard two-well appraisal programme. US\$2.9m spent to date and US\$0.5m remaining forecast spend in H2 2024.
Unrestricted cash and current investments	142.5	161.7	(19.2)	Decrease mainly due to spend on Chinarevskoye drilling programme (US\$11.7m), Stepnoy Leopard two-well appraisal programme (US\$3.9m), capital repairs of equipment (US\$1.5m), coupon paid less interest received (US\$6m), and CIT payments (US\$3.1m). These were offset by positive net cash from operations US\$7.3m. US\$137m were invested in term deposits and MMFs as of 30 June 2024 (from July 2024 all funds are in MMFs).
Other assets	96	81.1	14.9	Increase mainly driven by trade receivables due to timing of shipments, as well as increase in VAT assets by US\$2m, interest receivable of US\$1.6m, income tax prepayment by US\$1.3m and spare parts inventory by US\$2.2m.
Total assets	520.4	519.3	1.1	
Notes & accum. interest	518.6	471.7	46.9	Increase mainly driven by US\$25.4m SUN PIK capitalised and US\$21.5m amortisation of FV adjustment.
ARO	23.1	22.2	0.9	Small increase due to unwinding of the discount.
Deferred tax	45.7	44.5	1.2	Small increase as the tax and IFRS base of assets have been slightly changed.
Other creditors	46.8	46.6	0.2	Small increase due to US\$1.3m rise in trade payables, largely offset by US\$0.9m combined reduction in amounts due to RoK, current tax payable and other current liabilities.
Total liabilities	634.2	585.0	49.2	
Net Assets	(113.8)	(65.7)	(48.1)	Mainly resulting from finance costs including amortisation of FV adjustment.

Income Statement Overview (US\$m)

Category	H1 2024	H1 2023	Change	Commentary
Revenue	65.3	52.8	12.5	Revenue increase driven by an additional volumes of dry gas and LPG produced from Ural O&G raw gas, slightly higher average brent price, timing of oil exports vs domestic sales, and a new US\$3.9m Ural O&G condensate tolling revenue.
Cost of Sales	(34.8)	(39.3)	4.5	Decrease driven mainly by US\$7.4m reduction in depreciation charge (due to change in the depreciation method), offset by indexation uplift in payroll and rise of materials & supplies by US\$1.2m and US\$1.5m, respectively.
Gross Profit	30.5	13.5	17.0	
G&A	(7.0)	(6.0)	(1.0)	Increase mainly driven by payroll indexation and service cost inflation.
Selling & Transportation	(6.6)	(5.9)	(0.7)	Increase in selling and transportation cost corresponds to increase in sales volumes.
Taxes (not CIT)	(7.4)	(6.3)	(1.1)	Increase derives from the rise in average hydrocarbon prices and production volumes.
Finance costs	(55.5)	(54.8)	(0.7)	Slight increase driven by US\$6.1m higher interest expense (higher effective interest rate on SUNs and SSNs compared to Old Notes, offset by lower principle). This was partially offset by US\$5m lower other finance costs (due to one-off restructuring advisory fees incurred in H1 2023).
Interest income	3.7	0.9	2.8	Improvement as a result of investment of surplus cash in term deposits and money market funds (MMFs) yielding higher interest rates compared to interest rates on the bank balances in H1 2023.
Other	(3.4)	(3.9)	0.5	Various items in each period: H1 2023 mainly additional accruals for fines/penalties related to tax audit; H2 2024 various smaller items including business development costs.
Income tax	(2.5)	(0.4)	(2.1)	Net amount of current and deferred tax. Increase in H1 2024 is driven by higher revenues, which is expected to be offset by higher capex deductions in later quarters of the year.
Profit/(Loss) before debt Rx impact	(48.2)	(62.9)	14.7	
Debt Rx	0.0	944.0	(944.0)	H1 2023 includes US\$770m gain on debt-to-equity swap and US\$174m FV adjustment on initial recognition of SSNs and SUNs.
Profit/(Loss)	(48.2)	881.1	(929.3)	

Cash Flow Statement Overview (US\$m)

Category	H1 2024	H1 2023	Change	Commentary
Beginning Cash Balance¹	161.7	233.6	(71.9)	
Cash from operations	7.3	(4.5)	11.8	Positive in H1 2024 mainly due to increased revenues from Ural O&G processing and higher export sales, offset mainly by trade receivables increase by US\$7m.
Income tax paid	(3.1)	(14.5)	11.4	Reduction in income tax paid is mainly due to a US\$12.5m tax audit payment in H1 2023.
Cash from operations, after tax	4.2	(19.0)	23.2	
PP&E acquisitions	(13.2)	(5.4)	(7.8)	H1 2024 expenditures are mainly related to Chinarevskoye two-well drilling programme. H1 2023 amounts included Gaslift expansion, GTU3 re-start, Ural O&G tie-back, well workover costs, and other capital repairs of equipment.
SL two-well appraisal	(3.9)	0.0	(3.9)	Cash paid on Stepnoy Leopard appraisal works.
Interest received	2.2	0.9	1.3	Improvement as a result of investment of surplus cash in term deposits and money market funds (MMFs) yielding higher interest rates compared to interest rates on the bank balances in H1 2023.
Finance costs paid	(8.2)	(32.9)	24.7	H1 2024 includes semi-annual coupon paid on SSNs and SUNs. H1 2023 includes coupon paid on SSNs and SUNs for 2022 and 2023, plus lock-up fees and advisor fees on completion of restructuring.
Transfer (to)/from restricted cash and other items	(0.3)	14.8	(15.1)	H1 2023 represents proceeds from redeemed escrow funds net of funds placed in DSRA on completion of the bond restructuring.
Net cash movement	(19.2)	(41.6)	22.4	
Ending Cash Balance^{1, 2}	142.5	192.0	(49.5)	

¹ Unrestricted cash balance (excludes DSRA and Liquidation account funds).

² Ending cash balance, includes US\$137m short-term investments into TD and MMFs.