

In 2023, at the level of Samruk-Kazyna JSC, PCSs for the categories 'IT Equipment' and 'Special Clothing' were implemented.

Indicators of service providers in 2023

Suppliers — roster (Pre-qualification)	3
incl:	
within the PCS	3
not within the PCS	0
total contractual amount	265,833,912
Suppliers — not on the register (Pre-qualification)	0
incl:	
within the PCS	0
not within the PCS	0
total contractual amount	0
Suppliers — Registry (SV)	3
incl:	
within the PCS	3
not within the PCS	0
total contractual amount	198,803,935
Suppliers — not on the register (SV)	1
incl:	
within the PCS	1
not within the PCS	0
total contractual amount	646,685

In 2023, KEGOC JSC share of in-country value in procurement of goods, works and services was 67%, including 70% for goods (excluding electricity from near abroad) and 65% for procurement of works and services. In Energoinform JSC, the share of in-country value was 21.52% for goods and 97.3% for works and services.

Analysis of financial and economic indicators

Analysis of actual income and expenses figures for 2023, KZT million

	2023 plan	2023 actual	Deviation	Main causes of deviations
Consolidated income	255,204.8	266,496.2	104.4%	
				Over-fulfilment of the plan was due to the growth of regulated services: <ul style="list-style-type: none"> on electric power transmission by KZT 4,438.3 million as a result of growth of actual volumes of rendered services by 1,421 million kWh; income from the sale of services on the use of NPPs by KZT 1,237.9 million as a result of an increase in actual volumes of services rendered by 367 million kWh; on dispatching by KZT 510.6 million as a result of an increase in actual volumes by 690 million kWh; on income from services on organisation of balancing of production and consumption of electric power by KZT 51.3 million; also, due to the introduction of the Single Buyer model, the plan for the sale of balancing electricity on the balancing market of the Republic of Kazakhstan was exceeded by KZT 2,075.5 million.
operating income	248,996.1	252,136.4	101.3%	At the same time, the decrease in revenues occurred for the following reasons: <ul style="list-style-type: none"> on income from the sale of electricity to compensate for the interstate balance flow by KZT 3,202.9 million due to a decrease in the actual weighted average price compared to the planned one from 7.32 to 6.49 KZT/kWh (or by KZT -1,111.0 million), including. including due to decrease in weighted average ruble exchange rate, and decrease in actual volumes of electricity compared to planned by — 285.7 million kWh (or — KZT 2,091.8 million); by KZT 1,726.2 million on income from servicing activities.
Consolidated expenses	215,706.1	212,897.5	98.7%	
				The decrease of 4.0% was mainly due to the following : <ul style="list-style-type: none"> decrease in actual expenses for purchase of balancing electricity on the balancing market of the Republic of Kazakhstan by KZT 4,012.6 million; decrease in depreciation charges by KZT 3,383.4 million as a result of revision of the service life of fixed assets; decrease in property tax expenses of the main and auxiliary production by KZT 1,333.3 million due to revision of the taxable base; reduction of expenses for capacity regulation provided by third-party organisations by KZT 1,479.5 million due to a decrease in the actual volume by 1,579 million kWh, as well as a reduction in the tariff; reduction of expenses for transit services by KZT 466.7 million due to the fact of repair works.
cost price	188,965.4	181,403.6	96.0%	At the same time, as compared to the planned indicators, the expenses on: <ul style="list-style-type: none"> purchase of electricity to compensate for hourly deviations in the actual interstate balance of electricity flow by KZT 3,030.8 million due to an increase in actual electricity volumes by 416.3 million kWh; costs of technological electricity consumption (losses) by KZT 2,066.3 million due to an increase in the weighted average price from 11.05 to 11.8 KZT/kWh.
General and administrative expenses	11,906.6	13,680.3	114.9%	The excess was mainly due to an increase in the allowance for doubtful debts in operating activities
implementation expenses	504.0	491.0	97.4%	Decrease in recurrent expense as a result of savings realised
Operating profit	47,620.1	56,561.5	137.9%	

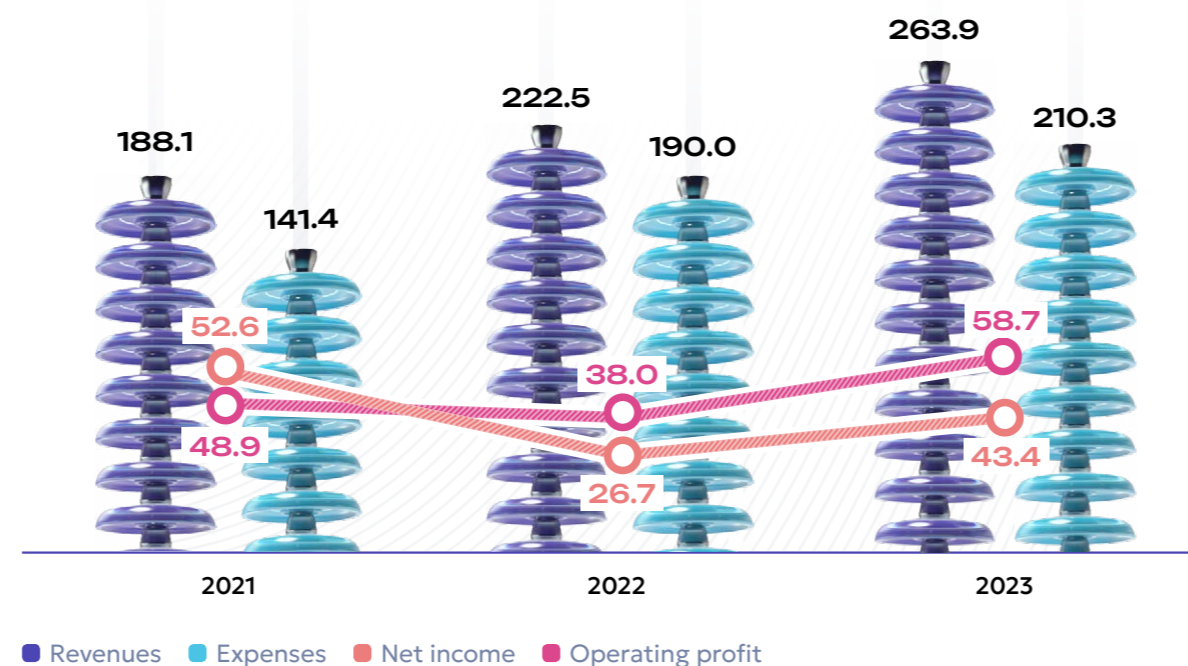


Analysis of actual income and expenditure figures for 2023 with actual figures for 2022, KZT million

	2022 fact	2023 actual	Deviation	Main causes of deviations
Consolidated income	249,888.5	255,204.8	106.6%	
operating income	217,255.5	252,136.4	116.1%	The 16.1% growth was mainly due to income from regulated services by KZT 17,254.7 million as a result of the growth of tariffs and volumes provided, as well as income from the sale of balancing electricity on the balancing market due to the introduction of the Single Buyer from 1 July 2023 by KZT 19,171.9 million. At the same time, income from the sale of electricity to compensate for imbalances decreased by KZT 1,836.0 million.
Consolidated expenses	217,420.5	212,897.5	97.9%	
cost price	166,355.9	181,403.6	109.0%	The increase of 9.0% was mainly due to the growth of expenses on technological electricity consumption (losses) by KZT 10,842.0 million as a result of the growth of services rendered and increase in the actual tariff, expenses on purchase of balancing electricity in connection with the introduction of real-time BEM from 1 July 2023 by KZT 6,202.9 million, expenses on labour remuneration with deductions by KZT 6,080.8 million, as well as expenses on medical insurance of employees by KZT 701.4 million in order to improve social conditions. At the same time, expenses on depreciation charges decreased by KZT 9,873.4 million as a result of revision of the service life of fixed assets.
General and administrative expenses	9,746.0	13,680.3	140.4%	Increase in costs due to an increase in personnel labour costs, as well as due to an increase in the allowance for doubtful accounts for operating activities.
implementation expenses	310.4	491.0	158.2%	Increase mainly as a result of increase in labour costs for personnel expenses.
Operating profit	40,843.3	56,561.5	138.5%	

2-6

Dynamics of financial and economic indicators, KZT billion



Ratio analysis

In 2023, ROACE increased by 2.327 percentage points from the 2022 level, including: by 2.179 percentage points due to an increase in adjusted profit (NOPAT) of KZT 18.07 billion, and by 0.148 percentage points due to a decrease in average capital employed (ACE) of KZT 29.54 billion.

At the end of 2023 compared to 2022, EBITDA increased by KZT 5.630 billion due to changes in volumes and tariffs for regulated services (+KZT 17.255 billion), a decrease in the loss from the sale and purchase of electricity to compensate for hourly deviations in the actual interstate balance of electricity flows by KZT 8.797 billion as a result of the introduction of a new mechanism of the electricity market. The change in the indicator was also affected by:

- increase in labour costs including deductions by KZT 6.451 billion;
- increase in expenses on technological electricity consumption (losses) in the amount of KZT 10.842 billion as a result of growth in the average purchase price of electricity and other factors.

During 2023 the norms on financial stability indicators and covenants were not violated.

Economic value generated and distributed

The economic component of KEGOC JSC activities is of great strategic importance both for the Company itself and for the state economy, and is aimed at increasing long-term value for KEGOC JSC shareholders and investors.

The procedures for development and approval of the Business Plan and budgets (including the Capital Investment Plan for implementation of investment projects for construction, reconstruction and modernisation of the Company's facilities) are regulated by the Rules for development, coordination, approval, adjustment, execution and monitoring of the Action Plan (Business Plan) and budgets of KEGOC JSC. The Action Plan (Business Plan) is developed on a consolidated basis, i.e. it includes plans of subsidiaries for a 5-year period on a rolling basis. An annual budget is approved for the implementation of the Action Plan (Business Plan). Implementation of the Business Plan is monitored by the Board of Directors of KEGOC JSC on a quarterly basis.

Distribution of economic value, KZT million

	2021	2022	2023
Total capitalisation	908,336.27	809,916.87	849,254.52
equity capital	737,136.82	653,565.16	685,719.13
borrowed capital	171,199.45	156,351.70	163,535.39
Funds received from the state	-	-	-
Economic value created	199,424.10	227,003.95	263,910.63
operating income	186,443.14	217,255.55	252,136.38
financial income	5,368.22	5,726.12	7,576.47
other income	7,612.74	4,022.29	4,197.78
Distributed economic value	201,789.23	217,270.65	253,879.87
labour costs	23,672.49	26,755.43	33,272.86
expenses on taxes and levies to the state budget	14,047.26	18,026.52	21,610.03
payments to capital providers	53,200.01	30,309.24	47,075.04
charity and sponsorship*	-	-	-
other operating expenses	99,492.06	136,625.19	148,327.37
other non-operating expenses*	11,377.43	5,554.26	3,594.57
Profit after tax for the year from discontinued operations	13,471.47	-	-
Economic value to distribution	11,106.33	9,733.30	10,030.77

201-1, 201-4

Balance sheet analysis

Indicators of KEGOC JSC economic balance sheet, KZT million

Indicator	2019	2020	2021	2022	2023	2023/2022
Non-current assets	659,175.9	695,192.5	1,019,820.4	873,932.8	881,414.5	101%
Current assets	97,111.0	116,820.1	73,396.9	112,679.4	120,370.5	107%
Total assets	756,987.7	812,012.6	1,093,217.3	986,612.2	1,001,785.0	102%
Capital	481,838.0	502,556.5	737,136.8	653,565.2	685,719.1	105%
Non-current liabilities	230,808.2	239,766.9	310,396.6	273,569.6	277,539.5	101%
Current liabilities	44,341.5	69,689.2	45,683.9	59,477.4	38,526.4	65%
Total liabilities	275,149.7	309,456.1	356,080.5	333,047.0	316,065.9	95%
Total equity and liabilities	756,987.7	812,012.6	1,093,217.3	986,612.2	1,001,785.0	102%

As of 31 December 2023, the Company's assets amounted to KZT 1,001,785.0 million, reflecting a 1.5% increase compared to 2022.

Long-term assets accounted for 88.0% of the balance sheet structure, which are mostly represented by fixed assets. In 2023, long-term assets showed a slight growth of 0.9% or by KZT 7,481.7 million and amounted to KZT 881,414.5 million.

Short-term assets accounted for 12.0% of the balance sheet. In 2023, they increased by 6.8% (or by KZT 7,691.1 million), amounted to KZT 120,370.5 million at the end of the year. The growth was driven by increased trade receivables due to legislative amendments in the energy sector related to the introduction of the Single Power Purchaser model and the launch of the balancing electricity market, as well as an increase in cash and cash equivalents. At the same time, the growth in short-term assets was partially offset by a decrease in current financial assets due to the redemption of KZT 30,000 million of coupon bonds of Samruk-Kazyna JSC.

The capital at the end of 2023 was KZT 685,719.1 million, showing growth by 4.9% or KZT 32,153.9 million compared to 2022. This was due to the secondary placement of ordinary shares within the framework of the SPO of KEGOC JSC and growth of retained earnings. The share of equity in the structure of the balance sheet was 68.4%.

Liabilities totaled KZT 316,065.9 million by year-end, decreasing by 5.1% or KZT 16,981.2 million compared to 2022. Long-term liabilities constituted 87.8%, while short-term liabilities accounted for 12.2%. The change is mainly due to a decrease in liabilities on dividends payable for the 1st half of 2022 by KZT 17,014.3 million,

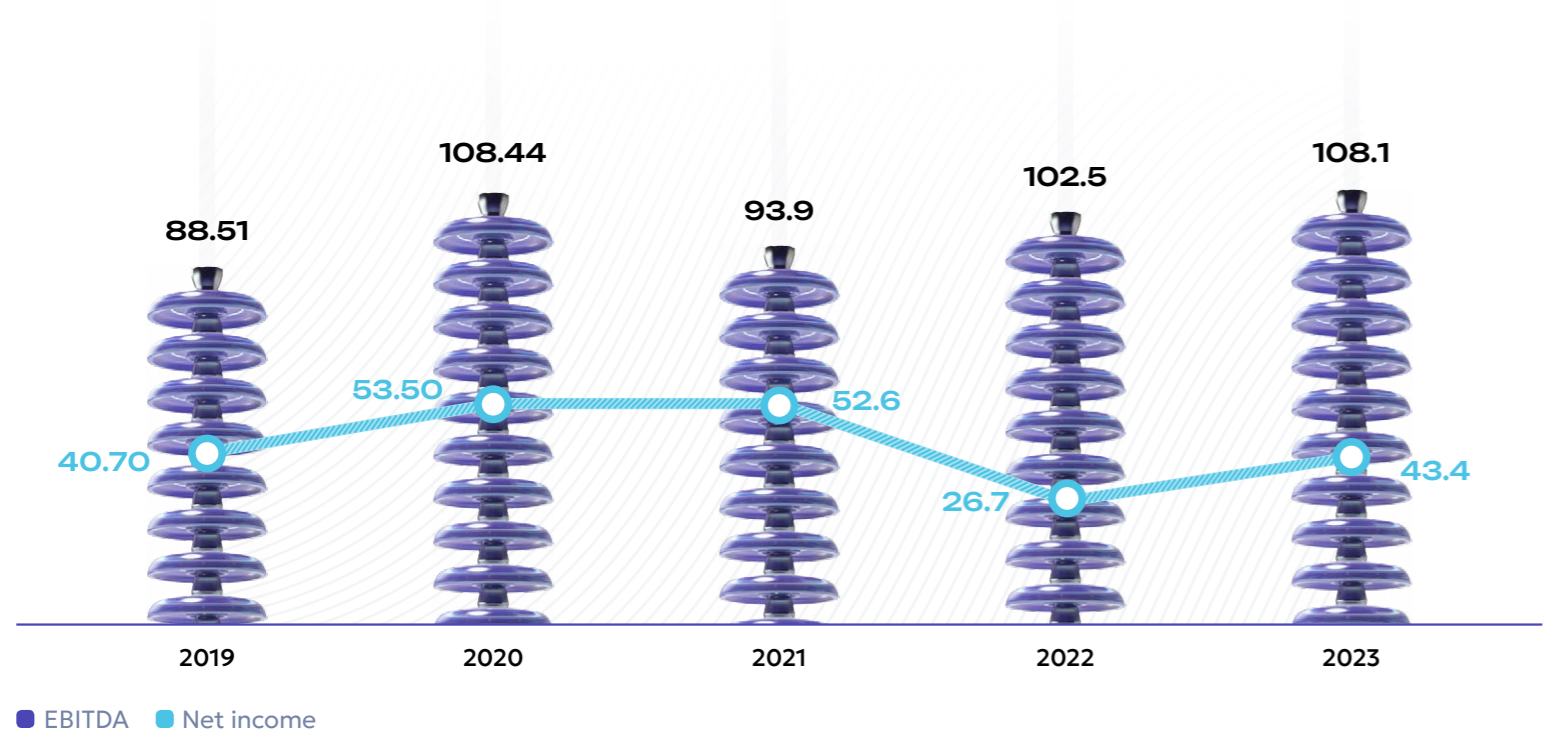
a decrease in liabilities on loans due to partial early repayment of part of the loan of the International Bank for Reconstruction and Development in the amount of USD 10,000.00 thousand, a decrease in deferred tax liability on income tax by KZT 4,328.6 million. At the same time there was an increase in long-term liabilities due to attraction of 'green' bonds for the amount of KZT 16,000 million on 30 March 2023.

In order to reduce currency risk, debt burden and expenses on servicing loans in foreign currency, in September 2023 KEGOC JSC made an early full repayment of the International Bank for Reconstruction and Development loan in the amount of USD 1,010.0 million. Funds under the credit line in the amount of USD 48,000 thousand were attracted in 2009 for the implementation of the investment project 'Scheme of power output of Moynak HPP' for a period of 25 years. The effect is a decrease in net foreign currency liabilities from USD 26,836 million to USD 14,599 million, as well as a decrease in foreign exchange loss due to changes in foreign currency positions.

Stable its financial performance allows the Company to fulfill in a timely manner and in full its obligations to the main stakeholders:

- on payment of wages to employees and provision of social support;
- on payment of dividends to shareholders;
- on implementation of investment projects and improvement of the quality and reliability of NPG functioning;
- on timely settlements with suppliers;
- on payment of taxes.

Profitability indicators of KEGOC JSC, KZT billion



Indicators for the implementation of Goal 3

Name of KPI	2019 actual	2020 actual	2021 actual	2022 actual	2023 plan*	2023 actual
TSR (total shareholder return), %	indicator is defined in December 2021			-10.7	7.06	3.44
EBITDA, KZT billion	88.5	108.4	93.9	102.5	102.6	108.1

* planned values set by the Business Plan for 2023-2027

The actual value of TSR was affected by a decrease in the Company's share price in 2023 to KZT 1,482 per share against a target of KZT 1,552 per share, with the Company paying KZT 193.76 in dividends per share against a target of KZT 182.23 per share. EBITDA growth was influenced by the factors of transmission volume growth and an increase in tariffs for regulated services.

