Letter from the Chairman of the Management Board KEGOC JSC key events in 2023 Industry review

About the Company

Reliability and development of NPG Sustainable

development

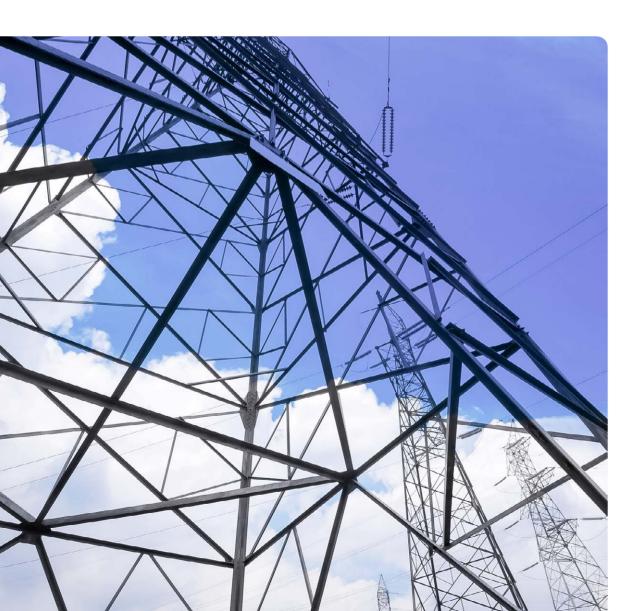
Development Plan (Strategy)

THE ACTIVITIES OF KEGOC JSC ARE OF STRATEGIC IMPORTANCE FOR THE DEVELOPMENT OF THE ENTIRE ECONOMY OF THE REPUBLIC OF KAZAKHSTAN AND AFFECT THE INTERESTS OF A WIDE RANGE OF STAKEHOLDERS.

The company takes this into account when making decisions and building a long-term strategy. Our focus is on attentive attitude to the interests of society, ensuring the reliable functioning of the UPS of the Republic of Kazakhstan, advancing the development of the NPG of the Republic of Kazakhstan, ensuring decent working conditions and well-being of people, caring for the environment. This is reflected in the Development Plan (Strategy) of KEGOC JSC for 2023-2032, approved by the Board of Directors of KEGOC JSC.

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The status of the system operator of the UPS of the Republic of Kazakhstan defines the functions of KEGOC JSC to ensure parallel operation with the power systems of other states, maintain a balance in the power system, provide system services and purchase auxiliary services from subjects of the wholesale electricity market, as well as to ensure the transmission of electric energy through the NPG of the Republic of Kazakhstan, its maintenance and maintenance in operational readiness.

Important factors of successful development are:

- improving the efficiency of the Company's activities and introducing a portfolio approach to asset management and investment projects;
- taking into account the impact of ongoing changes in the electric power industry, which have a significant impact on the development of the electric power industry (energy transition and decarbonization of the economy, development of renewable energy sources, digitalization of business, automation of processes and information security, etc.);
- transformation of people's consciousness.

The results of the latest strategic analysis of the current state of KEGOC JSC and SWOT analysis showed that the main Challenges for the Company affecting the effectiveness of its activities and which should be taken into account when determining strategic goals and objectives in the Development Plan (Strategy) are:

- insufficient capacity of the NPG of the Republic of Kazakhstan, taking into account the projected increase in loads;
- shortage of electric energy and capacity in the country in the medium term due to increased consumer loads;
- the development of renewable energy sources, which has an impact on the reliable operation of the electric grid;
- digitalization and automation of power system management, as well as ensuring cybersecurity;
- an increase in the degree of deterioration of electrical networks and the associated risks of asset failure;
- an updated portfolio of investment projects, taking into account new approaches in investment planning and project management;
- introduction of a balancing market;
- the need for the Company's active participation in the formation of new approaches in the management of the electric power industry and the model (design) of the market that ensures the development of the electric power industry as a whole.

In this regard, the Company's Development Plan (Strategy) for 2023-2032 defines three strategic Goals:

Strategic goals of KEGOC JSC

GOAL 1

ENSURING RELIABLE OPERATION OF THE UPS OF KAZAKHSTAN IN THE CONDITIONS OF ENERGY TRANSITION

- 1. performing the functions of the system operator of the UPS of the Republic of Kazakhstan;
- 2. advanced development of the NPG of the Republic of Kazakhstan, effective integration of renewable energy at the level of 19%;
- 3. introduction of modern innovative and digital technologies, Smart Grid.

Key indicators of achievement of goals



GOAL 2

ENSURE SUSTAINABLE DEVELOPMENT IN ACCORDANCE WITH THE PRINCIPLES OF ESG

- 1. Reducing the carbon footprint;
- 2. Developing human capital;
- 3. improvement of corporate governance;
- 4. improvement of the professional security system.

Key indicators of achievement of goals

LTIFR — ESG rating

GOAL 3

INCREASE THE VALUE OF NET ASSETS

- 1. Strengthening financial sustainability;
- 2. The development of international cooperation.

Key indicators of achievement of goals



When developing the Development Plan, the following were taken into account: the legislation of the Republic of Kazakhstan, national priorities, state programs, international obligations, including human rights and environmental protection, as well as obligations to stakeholders, etc.

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