

Letter from the Chairman of the Management Board

2-22

DEAR COLLEAGUES, SHAREHOLDERS, PARTNERS, INVESTORS AND STAKEHOLDERS!

We present to your attention the Annual report of KEGOC JSC for 2023, which reflects the Company's commitment to sustainable development, innovation and increasing shareholder value.

The past year has been a time of significant challenges, achievements and new opportunities for KEGOC JSC. It is gratifying that our team continued to demonstrate high professionalism, dedication to their work and the goals of the Company.

The key results of the past year were the completion of a major investment project to strengthen the electric networks of the Western Power Hub, SPO, market reform and the emergence of a new service for the use of NPG, as well as the launch of a project to strengthen the Southern zone of the UPS of the Republic of Kazakhstan and other events.

Nabi Aitzhanov

The Chairman of the Management
Board of KEGOC JSC

Net income of the Company
for 2023

43.4 KZT
billion

In the reporting period, KEGOC JSC, as a system operator, continued to ensure the high-quality operation of the UPS of the Republic of Kazakhstan and reliable power supply to consumers of the country. Electricity consumption in the country in 2023 amounted to 115.1 billion kWh, which is 1.9% more than in 2022. This affected the Company's net profit at the level of KZT 43.4 billion, which is KZT 16.7 billion or 62.6% higher than in 2022.

KEGOC JSC conducted an SPO on two domestic stock markets, as a result, the share of shares owned by Samruk-Kazyna JSC decreased to 85%. During the SPO, demand exceeded the planned volume of placement by more than 1.5 times, which indicates a high interest and trust in the Company from investors.

In order to ensure the reliability of power supply to consumers of the UPS of the Republic of Kazakhstan, KEGOC JSC continued to implement a number of investment projects for the development of the NPG.

In November 2023, the Company successfully completed a project to strengthen the electric grid of the Western zone of the UPS of the Republic of Kazakhstan, the capacity of the lines along the route 'West Kazakhstan Power Hub — Atyrau — Mangystau' has more than doubled. Due to timely measures taken, the reliability of energy supply in the region has significantly increased, and the foundation has been laid for further unification of the Western Zone with the UPS of the Republic of Kazakhstan.

The modernization of 220-500 kV lines in three of the nine branches of KEGOC JSC has been completed. The reconstruction is ongoing and will cover power transmission lines in all production branches of KEGOC JSC. In the next eight years, power transmission lines with long service lives will be updated and resource life will be extended for at least 30 years.

We have started the implementation of the project 'Strengthening the electric grid of the Southern zone of the UPS of the Republic of Kazakhstan'. The project is aimed at improving the reliability of power supply to consumers of the southern energy zone by strengthening the 500 kV electric networks of Zhambyl and Turkestan regions, including the construction of a 500 kV Shu — Zhambyl — Shymkent overhead line with the corresponding expansion of 3 substations.

On June 7, 2023, within the framework of the Astana Finance Days conference, at the Green Finance Awards 2023 award

ceremony, KEGOC JSC received an award in the nomination 'Largest Non-financial Corporate Green Bond' for the largest issue of green bonds in 2022. This award was a high assessment of the Company's work in financing the transition to a green economy and respect for natural resources. The bond program allows our Company to place 'green' bonds on the capital market in order to attract additional investments for the implementation of strategic projects, such as the development of network infrastructure for the transportation of energy from renewable energy sources and improving the efficiency of electricity transmission.

Our priority is not only sustainable financial development, but also the creation of a favorable working environment where each member of our team can reach their potential and contribute to the overall success.

In 2023, significant work was carried out to improve the well-being of the Company's employees, with an emphasis on supporting production staff. Salaries have been increased, the next stage of preferential loans for the purchase of housing has been implemented, and a number of benefits and privileges for social support of employees have been provided.

As measures to create an intelligent energy system 'Smart Grid', the Company systematically implements modern intelligent digital technologies. Within the framework of the strategic goal 'Ensuring reliable operation of the UPS of the Republic of Kazakhstan in the conditions of energy transition', projects are being implemented to modernize the SCADA/EMS system and expand the WAMS system, which will improve the management efficiency of the UPS of the Republic of Kazakhstan. Also in the reporting year, as part of the automation and digitalization of business processes, robotization and BI systems were successfully implemented, and the automated HR management portal HCM was launched.

Optimization of processes, improvement of working conditions, as well as strict control over labor protection processes have improved the indicators of industrial safety and personal efficiency of KEGOC employees.

I would like to express my gratitude for the trust and support you have shown us. We are also grateful to our partners for fruitful cooperation and to the team for their dedication and professionalism.