



Message from the chairman of the management board



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Chairman of the Management Board
of Samruk-Kazyna JSC

Dear colleagues and friends,

The past year for the Fund Group was a period of productive work and impressive results in various areas of activity. The Fund successfully coped with the set tasks and achieved its goals.

2023 was a significant year for the Fund. We celebrated important anniversaries and achievements, such as the Fund's 15th anniversary, the fifth anniversary of NAC Kazatom-prom JSC's IPO, and the successful SPO of the national company KEGOC JSC.

In particular I would like to note a historical moment for the aviation industry in Kazakhstan: Air Astana JSC's listing on three leading stock exchanges in February 2024. This demonstrates investor confidence and recognizes us as a reliable and promising player in the global market. Thus, today, seven companies of the Fund's group are traded on the stock market, with a market capitalization of 32 billion US dollars.

Today, the Fund is a large family that unites more than 267 thousand employees. The Fund has a huge impact on the state of the country's economy, being its driver and leader in business approaches. The Fund's contribution to the sustainable development of Kazakhstan for 2023 is estimated at KZT 10.1 trillion in the following areas.

Strategic approach

At the end of 2023, the net profit attributable to the Shareholder amounted to KZT 1.7 trillion, and EBITDA was at KZT 4.5 trillion, even with a decrease in oil prices by 18% and a decrease in gas exports to meet the needs of the domestic market.

In 2023, the Fund paid the State a record amount in taxes, dividends, and other distributions — KZT 3,461.3 billion.

The investment portfolio of the Fund's group of companies includes over 130 investment projects worth ~ KZT 49 trillion. These projects will become important points of growth for the country's economy and individual industries, ensure energy security, and have high socio-economic value.

In 2023, 15 projects worth KZT 1.1 trillion were implemented. Thus, three new gas fields have been launched, the production of natural gas from which, upon full-scale development, will amount to over 1.1 billion cubic meters of gas per year. To ensure a reliable gas supply to consumers in the west of Kazakhstan, a project to expand the Makat-North Caucasus gas pipeline was implemented, and the throughput of the second line of the Beineu-Zhanaozen gas pipeline was increased.

The gasification project for the Sarsha area and the Warm Beach resort area has been completed. The project will allow the development of rural greenhouse farming in the region and help attract investment in tourism sites and business development. In addition, the project will help solve the water shortage problem in the area. One of the primary consumers of new gas volumes should be a gas-fired desalination plant.

A comprehensive reconstruction of the Astrakhan-Mangyshlak main water pipeline has been completed. This pipeline will provide an additional 60 thousand cubic meters of water for the population, enterprises, and agriculture of the Atyrau and Mangistau regions.

To ensure the reliability of the power supply, a strategically important project was implemented to strengthen the electrical network of the Western zone of the Unified Electric Power System of Kazakhstan, within the framework of which 780 km of power transmission lines were built, which more than doubled the throughput capacity.

An important point was opening a new Kazpost logistics center in Astana, which became one of the largest in Central Asia. This center will improve the quality of postal delivery services and contribute to the development of e-commerce in our country.

We also continue to invest in modern communication technologies. 1,157 5G base stations have been installed, which opens up new opportunities for the population in education, work, and entrepreneurship.

Social contribution

Our social contribution is estimated at KZT 396 billion in 2023, which includes various expenses for social projects, support for employees and regions, charity, and financing various activities aimed at ensuring safety at work.

Adhering to the «Vision Zero» principle of zero injuries, we are convinced that ensuring workplace safety is not only a legal requirement but also our moral obligation to our employees, their families, and Society as a whole. At the end of 2023, the LTIF ratio decreased by 13% compared to 2022, reaching 0.14⁰³.

As part of the initiative to promote inclusion, 34 rehabilitation centers (15 rehabilitation centers, 14 early intervention centers, 5 centers for children with autism) have been opened throughout Kazakhstan since 2021, of which 13 (7 early intervention centers, 5 centers for children with autism and other mental disorders and 1 rehabilitation center) were opened in 2023. Thus, more than 30 thousand children are covered by free rehabilitation.

The plans for the next year are to increase coverage to 35 thousand children and increase the number of centers to 50.

Through a single charitable activity operator, the Fund's group implemented 46 projects worth KZT 7.2 billion in healthcare, education, culture, and sports in 2023, reaching 524 thousand people with assistance.

Contribution to low carbon development and environmental protection

In 2023, we made significant progress in attracting investors and partners into the energy sector to develop renewable energy sources in the country. Agreements were reached with major foreign partners such as Total Eren, Masdar, ACWA Power, and China Power International Holding on 4 GW renewable energy projects, including energy storage systems.

Working to reduce greenhouse gas emissions, we are implementing a project to convert Almaty CHPPs from coal to gas. The Fund's portfolio companies implement the best available technology, install filters to reduce the negative impact on the environment, and automatic emissions monitoring systems.

In 2023, in the energy sector, in order to reduce pollutant emissions, repairs and modernization of dust and gas purification systems were carried out in the amount of KZT 1.6 billion.

Eight of the largest facilities in terms of emissions have been equipped with automated emission monitoring systems, which allow for real-time monitoring of emissions into the environment. Four more facilities will be equipped with such systems next year.

In conclusion, I would like to congratulate the employees of the Fund's group, as well as partners and stakeholders on the Fund's anniversary. I wish you health, energy, prosperity, and new victories! Together, we can continue to deliver impressive results and create value for our shareholders, customers, and Society as a whole.