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“Joint Stock Company “Samruk-Energy””

OFFER DOCUMENT
relating to issue Green unsecured coupon bonds
in an aggregate amount of KZT19,000,000,000
due 25 May 2028

This document is an Offer Document (“**Offer Document**”) that has been prepared in connection with the offering (“**Offering**”) by Joint Stock Company “Samruk-Energy” (“**Issuer**” or “**Company**”) of Green unsecured coupon Bonds to Accredited investors in accordance with 1.1.2 (2) (a) of the AIFC Market Rules for an aggregate amount KZT19,000,000,000 due May 25, 2028 (“**Securities**”)

In connection with the Offering, applications have been made to the Astana International Exchange (the “**AIX**”) to: (i) admit the Securities, issued and to be issued, to the Official List of the AIX; and (ii) admit the Securities to trading on the AIX (together, “**Admission**”).

Warnings:

1. Any decision to invest in the Securities should be based on a consideration of the Offer Document by the investor (“**you**” or “**your**”).
2. You could lose all or part of the amount invested.

Responsibility Statement:

The following persons are responsible for the following parts of this Offer Document:

- **Joint Stock Company “Samruk-Energy”** registered at Republic of Kazakhstan, 010000, Nur-Sultan, Esil district, 15A Kabanbay Batyr and its **chairman of the Management Board** Mr Yessimkhanov Sungat Kuatovich in relation to all of this Offer Document;
- **AIFC Green Finance Centre Ltd** registered at Mangilik El, bldg 55/18 C3.3, Nur-Sultan city, The Republic of Kazakhstan in relation to the Second Party Opinion and its content included in the Offer Document.

Each such person confirms (having taken all reasonable care to ensure that such is the case) that the information contained in the relevant parts of the Offer Document is, to the best of their knowledge, in accordance with the facts, and the Offer Document omits no information likely to affect its import.

SECTION 1. INTRODUCTION	
Issuer	Joint Stock Company “Samruk-Energy”
Contact details of the Issuer	Republic of Kazakhstan, 010000, Nur-Sultan, Esil district, 15A Kabanbay Batyr, +7 7172 55 31 08; https://samruk-energy.kz info@samruk-energy.kz; legal entity identifier (LEI) -n/a
Domicile, legal form, country and date of incorporation	The Issuer has been incorporated as a Joint Stock Company on May 10, 2007 and is operating under the laws of the Republic of Kazakhstan
Advisors to the Issuer	Financial advisor and Underwriter: Joint Stock Company “Halyk Finance” :
Purpose of the Offer	Proceeds from the Bond placement are to be used for financing or refinancing (partially or fully), eligible “green” projects pursuant to the Issuer’s Green Finance Framework that contribute to achieving the sustainable development goals of ESG (Environmental, Social, and Governance) in accordance with the AIFC law, as well as the criteria and structure of recognized green bond principles, including the Principles of Green Bonds of the International Association of Capital Markets (Green Bond Principles, ICMA)
SECTION 2. INFORMATION ABOUT THE ISSUER	
Principal activities and business	<p>JSC “Samruk-Energy” holding company, which manages energy assets in the Republic of Kazakhstan, was established on May 10, 2007 to implement a long-term state policy on retrofit of existing and commissioning of new generating facilities. The core businesses of the Issuer’s group of companies are production of electricity, heat and hot water using coal, hydrocarbons and water resources and sale of electricity to the public and industrial enterprises, transportation and distribution of electricity in grid, construction and operation of hydropower plants and thermal power plants, renewable energy facilities, coal mining, as well as rental of property complexes of hydropower plants. The Issuer’s group of companies include the largest generating companies, including plants of national importance, such as “ Ekibastuz SDPP-1” and “SDPP-2”, hydropower plants in the southern regions of the country – “Shardarinsk” and “Moynak HPP”, the largest coal mining enterprise in Kazakhstan “Bogatyr Komir” LLP, renewable energy generating facilities – wind and solar power plants, as well as regional distribution network and a sales company.</p> <p>The Issuer does not have any new products, services or activities that have been introduced since the publication of the latest audited financial statements.</p>

<p>Major shareholders, including whether it is directly or indirectly owned or controlled and by whom</p>	<p>The Sole shareholder “Sovereign Wealth Fund “Samruk-Kazyna” JSC holds 100% of the Issuer’s shares (www.sk.kz).</p> <p>The relationship with the Sole Shareholder involves ensuring protection and respect for its rights and legitimate interests and is based on honesty, accountability, responsibility and transparency. The Sole Shareholder ensures the management of the Company by setting priorities and strategic directions of business. The rights of the Sole Shareholder are exercised in accordance with the Law of the Republic of Kazakhstan “On joint-stock company” and the Issuer’s Charter. The rights of shareholders include, but are not limited to timely receipt of information sufficient for making a decision, in the manner prescribed by the legislation of the Republic of Kazakhstan, the charter and internal documents of the Company in the field of information disclosure; voting on issues of their competence; participation in determining the number of members, the term of office of the Board of Directors, election of its members and termination of their powers, as well as determining the amount and terms of payment of remuneration; receiving dividends based on a clear and transparent dividend policy. The Sole Shareholder ensures the management of the Company by setting priorities and strategic directions of business.</p>
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<p>Current and proposed directors and senior managers of the Issuer</p>	<p>1. The composition of the Board of Directors of the Issuer is as follows:</p> <ol style="list-style-type: none"> 1) Chairman of the Board and representative of the sole shareholder – Akchulakov Bolat Uralovich 2) Member of the Board of Directors, Chairman of the Board – Yessimkhanov Sungat Kuatovich 3) Member of the Board of Directors and representative of the sole shareholder – Kravchenko Andrey Nikolaevich 4) Member of the Board of Directors (Senior Independent Director) – Andreas Stoerzel 5) Member of the Board of Directors (Independent Director) – Joaquin Galindo Velez <p>The Board of Directors provides strategic management of the Issuer and controls over the performance of an executive body. The Board always considers its obligations to the Issuer in accordance with the Legislation and the Corporate Governance Code, in particular the obligation to contribute to the success of a business when making decisions that, in its opinion, are in the best interests of shareholders and the long-term sustainable development of the Issuer.</p> <p>2. The composition of the Management Board of the Issuer is as follows:</p> <ol style="list-style-type: none"> 1) Chairman of the Board – Yessimkhanov Sungat Kuatovich He is the chief executive officer of the Issuer and carries out general management of the executive body. 2) Member of the Management Board (Deputy Chairman of the Board) – Zhatkanbay Ruslan Kazbekuly Within the framework of the approved strategic priorities of the Issuer, he works on improvement of the model of the electricity market in Kazakhstan, manages procurement processes, provides marketing support, coordinates legal support in accordance with the legislation of the Republic of Kazakhstan, the Charter and the Development Strategy of the Company, and also ensures the improvement of risk management systems, corporate governance and sustainable development processes in order to ensure the efficient use of funds and increase the issuer’s profitability. 3) Member of the Management Board (Managing director for production and asset management) – Tutebayev Serik Suinbekovich Coordinates and supervises activities across the Issuer’s group of companies: production and technical of the group of companies, coordination and control over the targeted use of state budget funds by the Company’s group and the quality and timeliness of the performance of scope of work; addresses issues related to the Program for retrofit and technical re-equipment of existing production and capital construction; control over the timely conduct of the tariff campaign at Issuer’s group of companies, controls the activities in the field of energy conservation and energy efficiency. 4) Member of the Management Board (Managing director for economy and finance) – Ryskulov Aidar Kairatovich He coordinates the Issuer’s operations in financial and economic matters, asset and liability management, fund raising, accounting and reporting issues, monitors the implementation of the Development Strategy.
<p>Auditors</p>	<p>“PricewaterhouseCoopers” Ltd. Address: Republic of Kazakhstan, Almaty, A25D5F6, Al-Farabi str., 34, AFD Business center, A building, 4 floor State License to conduct audit # 0000005 dated 21 October 1999 issued by the Ministry of Finance of the Republic of Kazakhstan</p>

Key financial information covering last financial year

The Issuer's financial statements are published on the corporate web site: <https://samruk-energy.kz/en/shareholders-and-investors/annual-financial-statements>

Key audited financial information for the last completed financial year and for six months.

In thousands of tenge

	For the 6M ended 30 June 2021	For the year ended 31 December 2020
Total Assets	902,437,963	885,705,149
Cash And Cash Equivalents	14,535,969	9,893,878
Total Liabilities	394,856,818	395,129,513
Total Equity	507,581,145	490,575,636
Revenue	156,352,756	283,010,448
Cost of sales	(114,245,614)	(225,184,593)
Profit before tax	25,796,550	13,738,790
Total comprehensive income for the year	20,247,652	7,744,660
Net cash from operating activities	40,064,454	58,393,841

Significant factors affecting income/operations

The Company faces a number of key external and internal challenges, which are a consequence of the current situation of the Issuer, the characteristics of the external environment and trends in its development.

Capacity market

It is planned to ensure the construction of new and retrofit, reconstruction of existing facilities by attracting investments. Expectations on reducing the deterioration level of generating equipment for uninterrupted operation of existing power plants of the Issuer.

Establishment of the EEU common electricity market

As a result of the formation of the common electricity market of the EEU, the Republic of Kazakhstan will not only have simplified access to the markets of the member countries of the Union, but will also increase the openness of the domestic market for external electricity suppliers.

Decrease in coal sales volumes

The decrease in loading of own stations operating on Ekibastuz coal negatively affects coal sales volumes. The growth potential of Ekibastuz coal consumption by third-party consumers in Kazakhstan is little. The volumes of supplies to the Russian Federation are variable in nature and this is because of an increase in electricity consumption in the RF. At the same time, Russia continues pursuing its policy regarding the partial conversion of Russian coal-fired power plants to domestic producers' coal or natural gas.

Toughening of environmental legislation requirements

Currently, there is a steady trend in the world to reduce the level of environmental pollution. The commitments made by the Republic of Kazakhstan, as an active participant in international relations in environmental field, and "Samruk-Energy" JSC, as an environmentally and socially responsible company, determine the need for a proactive response to trends in the field of environmental protection.

Changes in the regulatory environment for the development of Renewable Energy Sources. The mechanism of auction tenders for the construction of renewable energy facilities was introduced. Auction are held on the principle of reducing the price of electricity, starting from the established ceiling auction prices, for participation in which it is necessary to provide a collateral.

Business digitization

Currently, there is a trend in the world for digitization of production and operational processes, which contributes to optimization of time costs, increase of operational efficiency and development of analytical data obtained in automated mode.

Risks specific to the Issuer and the Securities

These risk factors are not exhaustive and compiled in accordance with the available information and the market situation at the date of this document.

In the event of one or more of the risks listed below, the Issuer will take all possible measures to minimize the negative consequences. At the same time, the Issuer cannot guarantee that actions aimed at overcoming the negative changes that have arisen can lead to a correction of the situation, since the described factors are beyond the Issuer's control.

The most material risks specific to the Issuer include:

- (1) **The risk of tariff formation** – The Issuer is exposed to the risk of tariff formation: refusal to increase the tariffs by the Committee on regulation of natural monopolies of the Republic of Kazakhstan (restraining the growth of tariffs); imposition of a compensating tariff and a differentiated tariff by the Committee on regulation of natural monopolies; reduction of tariffs at the legislative level; changes in legislation; compulsory reduction or containment of tariffs for electric and heat energy by the Government of the Republic of Kazakhstan in order to implement monetary measures of inflation targeting (curbing inflation) by the National Bank of the Republic of Kazakhstan; postponement of the introduction of tariffs of subsidiaries and affiliates to a later date;
- (2) **The risk of ongoing/prospective investment projects and investment programs** – The Issuer is implementing a number of investment projects. The following factors can have a significant impact on the implementation of investment projects: the volatility of the national currency significantly affects the appreciation of projects; violation of the terms of contracts by suppliers and contractors, conservation of ongoing projects on behalf of higher organizations (due to economic inexpediency);
- (3) **The risk associated with the sale of electricity** – the specificity of the electricity market lies in the fact that the production of electricity is completely dependent on its consumption. Risk factors can be as a decrease in demand due to the financial and economic crisis, a decrease in competitiveness due to the high level of the selling tariff for electricity; surplus in the electricity market, price competition in the RK market;
- (4) **The risk of industrial accidents resulting in damage to the health and life of employees in the process of performing their official duties** – the main value of the Issuer is its employees. The Issuer adheres to the principle of “zero tolerance” for industrial accidents. Systematic work is carried out to improve safety culture, increase the involvement of top management and employees in health and safety issues;
- (5) **Environmental risk** – violation of legal requirements in the field of environmental regulation, excess of quotas for greenhouse gas emissions are the main significant factors of this risk. Limiting the volume of additional quotas for greenhouse gas emissions, natural disasters, as well as changes in the requirements of legislation in the field of environmental regulation can also affect the implementation of environmental risk as external factors. The Issuer takes measures to comply with technical regulations, compulsory environmental insurance, and provides liquidation funds.

Key risks specific to the Bonds

- (1) Delisting of the Bonds from the Official List may result into gains and interests accrued on the Bonds be taxable in the Republic of Kazakhstan.
- (2) The AIX has a relatively short history of operations.
- (3) The market price of the Bonds may be volatile.

	<p>(4) The terms and conditions of the Bond issue may be subject to amendments (modification and waivers), which will be applied in case of the relevant decision of the Bondholders.</p> <p>The Bonds may not be a suitable investment for all investors;</p> <ul style="list-style-type: none"> • Each prospective investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risk inherent in investing in or holding the Bonds; • Each prospective investor must determine the suitability of that investment considering its own circumstances. • Each prospective investor should: <ol style="list-style-type: none"> (I) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated herein; (II) have access to, and knowledge of appropriate analytical tools to evaluate, in the context of its own financial situation, an investment in the Bonds and the impact that any such investment will have on its overall investment portfolio; (III) have sufficient financial resources and liquidity to bear the risks of an investment in the Bonds, including any currency exchange risk; (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets and any relevant indices; <p>be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the risks of such investment; and consult its own advisers as to legal, tax and related aspects of an investment in the Bonds.</p> <p>By the Issuer best knowledge there is no any conflict of interest related to the issue of the Bonds or their admission to trading.</p>
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<p>Description of the principal markets in which the Issuer operates</p>	<p>Power industry is regulated by government agencies. The authorized body represented by the Ministry of Energy of the Republic of Kazakhstan manages power industry on the basis of the Republic of Kazakhstan Law No. 588 dated July 9, 2004 “On Power Industry”. The authorized body represented by the Ministry of Energy of the Republic of Kazakhstan manages renewable energy sources area on the basis of the Law of the Republic of Kazakhstan No. 165-IV dated July 4, 2009 “On Supporting the Use of Renewable Energy Sources”. The state body represented by the Committee for Regulation of Natural Monopolies, Protection of Competition and Consumer Rights of the Ministry of National Economy of the Republic of Kazakhstan implements the state policy in the areas of natural monopolies, including on regulated services for electricity transmission, heat production, transmission, distribution and supply in line with the Republic of Kazakhstan Law dated December 27, 2018 No. 204-VI “On Natural Monopolies”. The Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan is the state agency that manages coal industry in accordance with the Republic of Kazakhstan Code No. 125-VI dated December 27, 2017 “On subsurface and subsurface use”.</p> <p>Electricity balance of Kazakhstan. The installed capacity of Kazakhstan’s power plants in 2020 amounted to 23,547 MW, which is 611 MW more in comparison with the last year. The available capacity of the RK power plants made 20,039.1 MW, which is 710 MW more than last year, incl. an increase in the Northern zone – 336.6 MW, the Western zone – 77.7 MW, the Southern zone – 296.4 MW. Electricity was mainly produced at thermal power plants – 80.2%, the share of hydropower plants accounted for 8.8%, and the share of renewable energy sources was about 3%. The northern zone produced 76.8% of electricity of the country’s overall production. Main coal deposits and water and energy resources are located in the northern zone. Excess electricity is transferred to the southern zone experiencing power shortages and is exported to the Russian Federation. The southern zone is characterized by a shortage of electricity covered owing to supplies from the northern zone, where the share of electricity generation was 10.7%. The western zone – A significant share of electricity consumption is made by oil and gas companies with their own generating sources. There are no electrical connections of the West with the North and South of Kazakhstan through the territory of the country.</p>
<p>Principal assets of the issuer</p>	<p>Generation companies: “APP” JSC – 100% share, “Ekibastuz GRES -1” LLP – 100% share, “Balkhash TTP” JSC – 100% share, “Tegis Munay” LLP – 100% share, “Mangyshlak-Munay” LLP – 100% share; «Ekibastuz GRES -2» LLP – 50% share;</p> <p>Hydropower companies: “Shardarinskaya HPP” JSC – 100% share, “Moynak HPP” JSC – 100% share, “Shulbinskaya HPP” JSC – 92.14% share, “Ust-Kamenogorskaya HPP” JSC – 89.99% share, “Bukhtarminskaya HPP” JSC – 90% share;</p> <p>Renewables companies: “First wind power plant” - 100% share, “Energy Solutions Center” LLP - 100 % share, “Ereymentay Wind Power” LLP- 100% share, “Samruk-Green Energy” LLP – 100% share, “Energya Semirechiya” LLP - 25% share, “Kazgidrotekhenenergo” LLP-100% share, “Teploenergomash” LLP - 95% share;</p> <p>Distribution companies: “Almatyenergosbyt” LLP - 100% share, “Alatau Zharyk Company” - 97,4% share;</p> <p>Coal companies: “Forum Muider B.V.” - 50% share that has 100% share in “Bogatyř Komir” LLP, “Resursenergougol” LLC, Mettlera Corporation Ltd</p>
<p>Capital resources</p>	<p>The Issuer’s capital sources are largely represented by the share capital, which constitutes 42% of the total liabilities and equity (6M2021). The major source of cash flow is generated by operating activities, which amounted to 58,393,841 ths. tenge over the period of 6-months of 2021.</p>

Working Capital statement

The table below sets out the Issuer's net working capital position.

Working capital in analysed period is negative mainly due to high level of short-term debt. Consolidated short term debt is high mainly due to term structure of GRES-1 loan agreements. However GRES-1 has already changed part of its short-term debt to longer maturity in amount of 7 bln/tenge, also there is a possibility to change maturity dates in remaining part of short term debt, as well as possibility to make early repayments, in dependence of cash available to cover short term liabilities. Also structure of net working capital of Samruk-Energy is dependent on seasonality of energy business. In order to cover potential cash gap risk the Issuer took the following measures. The Issuer has access to acting revolving credit lines with a limit of 64.0 billion tenge, which can be disbursed promptly and directed to general corporate purposes. Credit funds are not limited by usage purpose and can be used to finance the Issuer's any activity. Additionally, the Issuer's subsidiaries have access to acting credit lines at local banks in the amount of 27.6 billion tenge as of 6-months of 2021.

	For the 6M ended 30 June 2021	For the year ended 31 December 2020
Current Assets	71,560,473	72,831,426
Inventory	11,964,065	11,674,146
Trade and other receivables	29,113,296	37,660,312
Other current assets	14,576,089	12,308,536
Income taxes prepaid	1,371,054	1,294,554
Cash and cash equivalent	14,535,969	9,893,878
Current liabilities	83,296,347	97,356,601
Provision for liquidation for ash dumps	440,070	196,296
Borrowings	47,371,344	55,307,806
Employee benefit obligation	170,141	177,689
Trade and other payables	27,394,349	35,772,454
Taxes payables and other payables to budget	4,840,205	4,557,802
Current lease liabilities	772,905	1,106,004
Income tax payable	2,307,333	238,550
Net working capital	(11,735,874)	(24,525,175)

Ownership structure (group structure)	<p>The Sole shareholder of the Company is JSC “Sovereign Wealth Fund "Samruk-Kazyna”.</p> <p>"Sovereign Wealth Fund “Samruk-Kazyna” was established to improve the competitiveness and sustainability of national economy, as well as to prevent factors of possible adverse changes in the world markets influencing the economic growth in the country.</p> <p>The key purpose of the Sole shareholder is to manage shares (equity stakes) of national development institutions, national companies and other legal entities that belong to it on the right of ownership to maximize their long-term value and competitiveness in the world markets.</p> <p>The sole shareholder of JSC “Sovereign Wealth Fund "Samruk-Kazyna” is the Government of Kazakhstan represented by the Government Agency “Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan”.</p>
Ultimate Holding Company	The Issuer is ultimately controlled by the Government of the Republic of Kazakhstan.
Share capital	<p>At 30 June 2021, 5,601,812 issued ordinary shares were fully paid (31 December 2020: 5,601,812 shares).</p> <p>The shares have no par value. There is no any outstanding option or convertible financial product.</p>
SECTION 3. INFORMATION ON SECURITIES	
Class, type	Green Unsecured coupon bonds.
ISIN	KZX000000914
Currency	Kazakhstani Tenge
Denomination	KZT 100,000,000
Par value	The face value KZT 100,000,000 (one hundred million)
Number of Securities issued	190 Bonds.
Coupon Rate	To be determined in the Pricing statement based on the results of the first subscription conducted through bookbuilding process on the AIX.
The maturity date and arrangements:	<p>25 May 2028</p> <p>Repayment of the principal debt on the Bonds are made simultaneously with the coupon payment on the last coupon period within 15 (fifteen) Calendar Days following 25 May (Coupon payment periods). If the last day of the Coupon payment periods is holiday/weekend, then the coupon date should be moved to the next business day. Repayment of the principal debt will be carried out by transferring money to the bank accounts of the Bondholders, who have the right to receive the specified payment and have been registered as the Bondholders by AIX Registrar as of 23:59:59 (according to the time of Nur-Sultan) on the Record Date</p>

Provisions related to interest payable:	<p>Coupon interest payments on the Bonds shall be paid to the Person shown on the register that the Issuer shall procure to be kept by AIX Registrar in accordance with AIX Registrar’s regulations at 23:59:59 on the day preceding each Coupon payment periods (the “Record Date”).</p> <p>The coupon payment (fixed Rate per annum payable semi-annually in arrear) will be made within 15 (fifteen) Calendar Days following 25 November and 25 May of each year of the Bonds’ circulation. If the last day of the Coupon payment periods is holiday/weekend, then the coupon date should be moved to the next business day.</p> <p>The first coupon payment will be made within 15 (fifteen) Calendar Days following 25 May 2022. If the last day of the Coupon payment periods is holiday/weekend, then the coupon date should be moved to the next business day. Coupon payment for the last coupon period is made simultaneously with the payment of the principal debt on the Bonds</p> <p>The amount of the interest payable to each Bondholder at the payment date is calculated as the product of the face value of the placed Bonds owned by the respective Bondholder and the semi-annually coupon rate (the Coupon Rate divided by two).</p>
Rights attached to the Securities	<ol style="list-style-type: none"> 1) the right to receive a face value upon redemption of the Bonds in the manner and terms provided for by this Offer Document; 2) the right to receive a fixed interest on the Bonds from their face value in the time and amount stipulated by this Offer Document; 3) the right to receive information about the Issuer’s activities and its financial condition in accordance with and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan; 4) the right to satisfy their claims in respect of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan; 5) the right to demand repurchase of the Bonds by the Issuer in cases established by this Offer Document; 6) the right to freely sell and otherwise dispose of the Bonds; 7) other rights arising from the ownership of the Bonds in cases and in the manner prescribed by AIFC and AIX Rules and legislation of the Republic of Kazakhstan.
Relative seniority of the Securities in the event of insolvency	<p>The relative priority of the Bonds in the Issuer’s capital structure in the event of insolvency - all Bonds rank equally. The Bonds shall constitute direct, general and unconditional obligations of the Issuer which will rank <i>pari passu</i> among themselves and rank <i>pari passu</i>, in terms of payment rights, with all other current or future unsubordinated unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.</p>
Restrictions on free transferability	<p>The Bonds are freely transferable and, once admitted to the Official List of the AIX, shall be transferable only in whole in accordance with the applicable rules and regulations of the AIX amended from time to time.</p>
Day count fraction	<p>30/360; Coupon payments on the Bonds shall be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each</p>
Penalty	<p>The Issuer shall pay a penalty to the Bondholders for each day, on which any amount payable under the Bonds remains due and unpaid (the “Unpaid Amount”), at the rate equal to the Coupon Rate. The amount of penalty payable per any Unpaid Amount in respect of any Bonds shall be equal to the product of the Coupon Rate, the Unpaid Amount and the number of calendar days on which any such Unpaid Amount remains due and unpaid divided by 360, rounding the resultant figure to the nearest cent, half of any such cent being rounded upwards.</p>

<p>Other obligations</p>	<p>As long as any Bonds are outstanding:</p> <ol style="list-style-type: none"> 1) The Issuer shall not sell its assets involving aggregate consideration equal to or greater than 25% (twenty-five per cent) of the Issuer's total assets; 2) The Issuer shall not allow default on its obligations not related to the Bonds exceeding 10% (ten per cent) of the total value of the Issuer's assets as of the date of this Offer Document; 3) The Issuer shall procure that no substantial change is made to the general nature of its business from that carried on at the date of this Offer Document; 4) The Issuer shall not change its legal form; 5) The Issuer shall not amend, modify, supersede or change terms and conditions of the Bonds, unless when it is permitted by applicable laws and agreed upon in writing with the Bondholders of at least three-fourth in principal amount of the Bonds outstanding. 6) The Issuer shall maintain the listing of the Bonds in the AIX Official List. 7) The Issuer shall make relevant disclosure of significant events affecting Bondholder's rights in accordance with AIX Business Rules. All disclosures shall be published through AIX Regulatory Announcement Service.
<p>Event of Default</p>	<p>If any one or more of the below events (each an "Event of Default") shall occur, the Bondholder may give not less than 15 days and not more than 30 days written notice to the Issuer at its registered office that such Bonds are immediately repurchased, at its principal amount together with accrued interest (if any) to the date of payment.</p> <ol style="list-style-type: none"> (a) Nonpayment: the Issuer fails to pay the principal debt of any of the Bonds when the same becomes due and payable either at maturity, by declaration or otherwise or the Issuer is in default with respect to the coupon payment or additional amounts on any of the Bonds and such default in respect of interest or additional amounts continues for a period of five calendar days. (b) Breach of other obligations: the Issuer defaults in the performance or observance of, or compliance with, any of its other obligations or undertakings in respect of any of the Bonds and either such default is not capable of remedy or such default (if capable of remedy) is not remedied within 30 calendar days.

Meetings of Bondholders

The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of this Prospectus require the approval of a Bondholders' meeting.

A meeting of the Bondholders shall be called by the Issuer by giving all Bondholders listed on the register of the Bondholders and the Representative of the Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the terms of the Bonds that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of the Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the provisions of and/ or conditions contained in this Securities Note, or in any other part of the Prospectus related to the terms of the Bonds, may only be made with the approval of the Issuer and of the Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of the Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% of the principal debt on the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Issuer to the Bondholders present at that meeting. The Issuer shall within 2 days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than 7 days, and not later than 15 days, following the original meeting. At an adjourned meeting: the number of the Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the Company's representative.

The proposal placed before a meeting of Bondholders shall only be considered approved if the Bondholders in person or by proxy, representing at least 75% of the principal debt on the Bonds then outstanding, present at the meeting at

	<p>the time when the vote is being taken and shall have voted in favor of the proposal.</p> <p>If the proposal placed before a meeting of Bondholders relate to any of the items indicated below, in this case an Extraordinary Resolution is required:</p> <ul style="list-style-type: none">(i) interest rate, methods of payment on the Bonds;(ii) the conditions and procedure redemption, repurchasing of the Bonds;(iii) Events of Default, covenants;(iv) the Security;(v) use of proceeds;(vi) rights of the Bondholders.
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Terms and conditions of the Bonds repurchase

(1) repurchase of the Bonds at the option of the Issuer

The Issuer is obliged to announce the repurchase of Bonds in the organized or unorganized markets within within 3 (three) business days following the date of the decision of the Issuer's Board of Directors to repurchase the Bonds .

Bonds repurchase price determined by the Issuer's Board of Directors' decision.

The Issuer is obliged to inform the Bondholders about the repurchase date, price, and other terms by posting the appropriate information message through AIX Regulatory Announcement Service. Published information should contain the following information:

- the number of repurchasing Bonds;
- the date of repurchase of the Bonds;
- method of repurchasing of the Bonds including market (organized or unorganized);
- method of submitting applications by the Bondholders who wish to sell their Bonds to the Issuer.

Repurchase of the placed Bonds by the Issuer is carried out on the day determined in the Issuer's announcement.

Bonds repurchase in organized and/ or unorganized markets will not be deemed redeemed and the Issuer is entitled to sell back its repurchased Bonds in organized and unorganized securities markets during the entire term of their circulation.

(2) repurchase of the Bonds in case of the Event of Default

The Issuer, within 3 (three) Business Days following the day of any of the Events of Default, is obliged to inform the Bondholders about this Event of Default with a detailed description of the reasons for the announcement of the Event of Default. Bringing this information to the notice of the Bondholders is carried out by posting the corresponding information message through AIX Regulatory Announcement Service.

The Bondholders have the right to submit to the Issuer, and the Issuer is obliged to accept written claims for the repurchasing of their Bonds indicating the number of Bonds declared for repurchasing within 30 (thirty) calendar days following the first publication of information about the violation by the Issuer of any of the obligation.

The Issuer must make relevant corporate decisions and take necessary actions to execute received claims within 30 (thirty) calendar days following the last day of the period of acceptance of the written repurchasing claims in the event that at least one written claim for the repurchasing of the Bonds is received.

The Issuer is obliged at the request of the Bondholders to redeem the Bonds at the highest of the following prices:

- the price corresponding to the face value of the Bonds, plus the accumulated interest;
- fair market price of the Bonds.

Bondholders who have not submitted a claim for repurchase are entitled to redeem their Bonds at the end of their circulation period specified in this Offer Document.

Notices	<p><i>To the Bondholders</i></p> <p>All notices to the Bondholders shall be deemed to have been duly given if, so long as the Bonds are in the Official List and so long as the rules of the AIX so require, by publication (i) on the internet website of the AIX at www.aix.kz through AIX Regulatory Announcement Service or (ii) otherwise in accordance with the regulations of the AIX. If the Bonds are excluded from the Official List, any notice shall be sent to the Bondholders by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the register, and any such notice shall be deemed to have been given on the fourth day after the date of mailing.</p> <p><i>To the Issuer</i></p> <p>Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at Kazakhstan, 010000, Nur-Sultan, Esil district, 15A Kabanbay Batyr street</p>
SECTION 4. TERMS AND CONDITIONS OF THE OFFER	
Number of Securities offered	190 Bonds
Price or price range of the Securities	100.00% of face value.
Offer Period	On 25 November 2021 or/and on other date in accordance with the relevant Market Notice
Proposed date for allotment of Securities	On 25 November 2021 or/and on other date in accordance with the relevant Market Notice
Conditions	No
Plan for distribution	The Bonds may be offered or sold to Accredited Investor(s) only in accordance with MLR 16-1.1 AIX Business Rules.
Use and estimated amount of the proceeds	<p>Proceeds from the Bond placement are to be used for financing or refinancing (partially or fully), eligible "green" projects pursuant to the Issuer's Green Finance Framework (Green_Financing_Policy) that contribute to achieving the sustainable development goals of ESG (Environmental, Social, and Governance) in accordance with the AIFC law, as well as the criteria and structure of recognized green bond principles, including the Principles of Green Bonds of the International Association of Capital Markets (Green Bond Principles, ICMA). Pursuant to the Issuer's Green Finance Framework (Green_Financing_Policy) proceeds from the issuance of Bonds will be used exclusively to finance or refinance, in part or in full, eligible projects/assets that contribute to environmental goals such as: renewable energy, energy efficiency, pollution prevention and control, sustainable natural resource management and land use, clean transport, green buildings.</p> <p>According to the results of the Bonds placement the Issuer provides through AIX Regulatory Announcement Service reports the aggregate amounts allocated to each of the eligible "green" projects (as set forth in Appendix 1 of the Issuer's Green Finance Framework (Green_Financing_Policy).</p> <p>Estimated Net amount of proceeds: the net proceeds from the issuance subject to market interest and are expected to be approximately equal the issued amount KZT19,000,000,000 less fees and expenses related to the issue which are not exceed 1% of the issued amount.</p>
Green Projects	Eligible "green" projects pursuant to the Issuer's Green Finance Framework (Green_Financing_Policy) shall meet eligible "green" projects the eligibility criteria under Appendix 1 of the Issuer's Green Finance Framework (Green_Financing_Policy).

Information about the Issuer's Green Finance Framework	<p>The Issuer's Green Finance Framework (Green_Financing_Policy approved by the Resolution of the Management Board No. 31 as of 10st November, 2021) is developed in accordance with ICMA Green Bond Principles for the purpose of the issuance and placement of Bonds on AIX which is available under the following link: https://www.samruk-energy.kz/images/Corporate_documents/Green_Financing_Policy_EN_1.pdf.</p> <p>All documents that the Green Finance Framework (Green_Financing_Policy) referred to, could be requested by the Bondholder(s) at the Issuer's office Republic of Kazakhstan, 010000, Nur-Sultan, Esil district, 15A Kabanbay Batyr street.</p> <p>According to the Green Finance Framework, the Issuer intends to disclose information about the use of proceeds from the placement of Bonds and also about general impact of these investments on the sustainability indicators indicated in the annual ecological report.</p>
Information about third-party expert provided Securities' external review	<p>AIFC Green Finance Centre Ltd has provided an external review in the format of the Second Party Opinion, which is based on the assessment of the alignment of the Issuer's Green Finance Framework (Green_Financing_Policy) with the ICMA Green Bond Principles. AIFC Green Finance Centre Ltd, branch organization of AIFC Administration, has licence on performance of services in "green" finance and sustainable development fields, as also support, research and monitoring of "green" projects. License No. AFSA-A-LA-2019-0060 is issued by AIFC Committee for financial services regulation dated 19 December 2019.</p> <p>AIFC Green Finance Centre Ltd address: Mangilik El, bldg 55/18 C3.3, Nur-Sultan city, The Republic of Kazakhstan.</p> <p>The Second Party Opinion was prepared by AIFC Green Finance Centre Ltd. in accordance with the AIX Green Bond Rules (GRN 4.1) and is disclosed in Attachment No. 1 with consent of AIFC Green Finance Centre Ltd.</p> <p>The AIFC Green Finance Centre Ltd. is an independent party. There are not any material interests of the AIFC Green Finance Centre Ltd. in the Issuer such as any benefit or fees paid to the AIFC Green Finance Centre Ltd. by the Issuer or a related company, positions held or to be held by the AIFC Green Finance Centre Ltd. in the Issuer or a related company, investments held or to be held by the AIFC Green Finance Centre Ltd. in the Issuer or a related company, fees and commissions paid or to be paid to the AIFC Green Finance Centre Ltd. or Persons associated with the AIFC Green Finance Centre Ltd.</p>
Litigation	<p>The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of the AIFC. The Issuer has agreed herein the conditions in favour of the Bondholder(s) that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claim, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with the Bonds) shall be brought to, and finally resolved by the Court of the AIFC in accordance with the Rules of the AIFC.</p>
The effect the issuance of the Securities will have on the capital structure of the Issuer	<p>The issuance and placement of the Bonds shall diversify the Issuer's funding sources and contribute achieving the sustainable development goals of ESG (Environmental, Social, and Governance).</p>
Underwriter	<p>The Issuer appointed JSC "Halyk Finance" as a financial consultant and underwriter in connection with this offering.</p>
SECTION 5. KEY INFORMATION ON THE ADMISSION TO TRADING	



GFC Green
Finance
Centre

**EXTERNAL REVIEW
IN THE FORMAT OF
SECOND PARTY OPINION**

NOVEMBER · 11 · 2021

EXTERNAL REVIEW IN THE FORMAT OF SECOND PARTY OPINION

ON COMPLIANCE OF THE GREEN FINANCE FRAMEWORK OF THE SAMRUK-ENERGY JSC WITH THE GREEN BOND PRINCIPLES OF THE INTERNATIONAL CAPITAL MARKET ASSOCIATION

November 11, 2021

EXECUTIVE SUMMARY

Opinion on compliance / non-compliance of the Issuer's Green Finance Framework with the Green Bond Principles



We believe that the Green Finance Framework of the Samruk-Energy JSC complies with the Green Bond Principles of the International Capital Market Association.

Opinion on assigning a degree of alignment with the Green Bond Principles ranging from "Excellent" (High) to "Poor" (Low).



In accordance with the results of the assessment, as well as in accordance with the Grading Scale for the Level of Alignment with the Green Bond Principles, we assigned the degree of compliance "Excellent" meaning that Samruk-Energy JSC demonstrates an excellent level of proceeds management and allocation, eligible project selection, quality of proceeds administration, as well as reporting and disclosure on ongoing projects of environmental significance.

Samruk-Energy joint-stock company (hereinafter referred to as "the Samruk-Energy JSC", "the Company" or "the Issuer") is a holding company, which manages energy assets in the Republic of Kazakhstan, was established on May 10, 2007, to implement a long-term state policy on retrofit of existing and commissioning of new generating facilities. The sole shareholder of the Company as of August 2018 is the Sovereign Wealth Fund "Samruk-Kazyna" JSC.

The core businesses of the Samruk-Energy JSC group of companies are production of electricity, heat and hot water using coal, hydrocarbons and water resources and sale of electricity to the public and industrial enterprises, transportation and distribution of electricity in grid, construction and operation of hydropower plants and thermal power plants, renewable energy facilities, coal mining, as well as rental of property complexes of hydropower plants.

Samruk-Energy JSC group of companies include the largest generating companies, including plants of national importance, such as Ekibastuz SDPP-1 and SDPP-2, hydropower plants in the southern regions of the country – Shardarinsk and Moynak HPP, the largest coal mining enterprise in Kazakhstan Bogatyr Komir LLP, renewable energy generating facilities – wind and solar power plants, as well as regional distribution network and a sales company.

Its mission is to create shareholder value, meet the growing demand through reliable supplies of energy resources, high-tech development, while relying on the principles of sustainable development.

Vision is an efficient high-tech operating energy company – the leader of Kazakhstan power industry.

Achievement of the mission and vision of the company will be ensured through the implementation of three strategic goals, including:

1. Ensuring reliable competitive energy supply in the markets of presence;
2. Increase of cost of the share capital;
3. Sustainable development.

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1. METHODOLOGY OF THE AIFC GREEN FINANCE CENTRE LTD. ON PREPARATION OF AN EXTERNAL REVIEW

Methodology of the AIFC Green Finance Center Ltd. (hereinafter referred to as “the GFC”) shall be employed for the preparation of an External Review (Second Party Opinion) for compliance of Green Bonds, including the Issuer's Green Bond Framework, with the Green Bond Principles (hereinafter referred to as “the GBP”, or “the Principles”). The Principles are formulated by the International Capital Market Association (hereinafter referred to as “the ICMA”).

The preparation of the External Review includes the study of the Issuer's relevant documentation, regulatory documents, reports and presentations, if any, as well as other publicly available information that may provide a description, details on and confirmation of compliance of processes involved in the implementation of the Company's policies for Green Bonds and environmental, social and sustainability issues in general. The information used for these purposes is obtained through direct interaction with the Issuer and/or from any open sources that the GFC considers reliable.

In the External Review the GFC expresses its opinion according to criteria-based assessments in the following order:

1. Opinion on compliance/non-compliance of the Issuer's Green Bond Framework with the GBP. *Minimum threshold levels for all assessment criteria need to be met all at once for us to confirm that the Issuer's Green Bond Framework is in line with the GBP.*
2. Opinion on assigning a degree of alignment with the GBP ranging from “Excellent” (High) to “Poor” (Low). *Here, the assessment is carried out by calculating a weighted criterial grade depending on the significance of criteria. This opinion serves as additional information and is aimed at establishing a degree of alignment with the GBP. According to this methodology, any degree of alignment other than “Poor” (Low) should be considered consistent with the GBP.*

In preparing the External Review, four criteria are assessed:

1. Use of Proceeds;
2. Process for Project Evaluation and Selection;
3. Management of Proceeds;
4. Reporting and Disclosure.

For a positive opinion to be provided regarding the compliance of the Issuer's Green Bond Framework with the GBP, this methodology establishes a grade threshold for each assessed criterion at “3” at the least. If these requirements are met, in our opinion, the Issuer's Green Bond Framework will comply with the GBP. If these conditions are not met, we shall conclude that the Issuer's Green Bond Framework does not comply with the GBP and issue a respective opinion.

The assessment of Green bonds in terms of their level of alignment with the GBP can vary from “Excellent” (High) to “Poor” (Low). If minimum grade conditions are not met for the criteria, the grade is set as “Poor” (Low).

Grading Scale for the Level of Alignment with the GBP

<i>Threshold Grade</i>	<i>Degree</i>	<i>Definition</i>
High > 4.5	Excellent	Proceeds from the issuance of Green Bonds are most likely to be used for the implementation of Green Projects. The Green Bonds Issuer demonstrates an excellent level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance
Average 3,5 – 4,5	Good	Proceeds from the issuance of Green Bonds are very likely to be used for the implementation of Green Projects. The Green Bonds Issuer demonstrates a good level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance
Satisfactory 3 – 3,5	Satisfactory	The likelihood that proceeds from the issuance of Green Bonds will be directed to the implementation of Green Projects, is at an average level. The Green Bonds Issuer demonstrates a satisfactory level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance
Low < 3	Poor	The likelihood that proceeds from the issuance of Green Bonds will be directed to the implementation of Green Projects, is at a low level. The Green Bonds Issuer demonstrates a poor level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance

The prepared External Review is submitted to the Issuer, after which it is to be publicly disclosed. Public disclosure is carried out through the publication of the External Review on the website of the AIFC Green Finance Center Ltd. - <https://gfc.aifc.kz/>, and can also be communicated through a press release via news services and/or relevant web sources.

2. BRIEF DESCRIPTION OF THE GREEN FINANCE FRAMEWORK AND OTHER STRATEGIC DOCUMENTS OF THE COMPANY

BUSINESS OVERVIEW

Samruk-Energy JSC is a holding company, which manages energy assets in the Republic of Kazakhstan, was established on May 10, 2007, to implement a long-term state policy on retrofit of existing and commissioning of new generating facilities. The sole shareholder of the Company as of August 2018 is the Sovereign Wealth Fund “Samruk-Kazyna” JSC.

The core businesses of the Samruk-Energy JSC group of companies are production of electricity, heat and hot water using coal, hydrocarbons and water resources and sale of electricity to the public and industrial enterprises, transportation and distribution of electricity in grid, construction and operation of hydropower plants and thermal power plants, renewable energy facilities, coal mining, as well as rental of property complexes of hydropower plants.

Samruk-Energy JSC group of companies include the largest generating companies, including plants of national importance, such as Ekibastuz SDPP-1 and SDPP-2, hydropower plants in the southern regions of the country – Shardarinsk and Moynak HPP, the largest coal mining enterprise in Kazakhstan Bogatyr Komir LLP, renewable energy generating facilities – wind and solar power plants, as well as regional distribution network and a sales company.

The Company's mission is to create value for shareholders, to meet the growing demand through reliable supplies of energy resources, high-tech development, guided by the principles of sustainable development, whereas a vision is to become an efficient high-tech operating energy company – the energy leader of Kazakhstan.

Achievement of the mission and vision of the company will be ensured through the implementation of three strategic goals, including:

1. Ensuring reliable competitive energy supply in the markets of presence;
2. Increase of cost of the share capital;
3. Sustainable development.

To fulfill Company's strategic goals, the Company will focus on the implementation of four strategic initiatives, such as:

1. Increase the profitability of sales;
2. Increasing the efficiency of activities;
3. Effective implementation of investment programs;
4. Corporate governance and sustainable development.

Moreover, the Guide in the field of sustainable development of Samruk-Energy JSC was developed as of June 26, 2019 and approved by the decision of the Board of Directors (Protocol №06/19) in order to implement a system of planned and continuous adherence to the principles of sustainable development, to develop an effective system of interaction with stakeholders, to confirm the Company's commitment to follow standards in the field of sustainable development, as well as to ensure a long-term sustainable trend of improving key indicators, observing the balance of interests of stakeholders.

According to this Guide, the principles of sustainable development should be implemented in the context of three levels:

- Strategic integration – the principles of sustainable development are implemented in Strategy (mission, values and strategic goals);
- Operation integration – all corporate decisions are made by the Company's management based on the criteria of compliance with the principles and goals in the field of sustainable development;

- Cultural integration is implemented within the framework of training, posting articles on the corporate portal of the Company, as well as within the framework of the Code of Conduct.

The Company will implement sustainable development initiatives in different areas, including environmental sustainability, which is described as:

- the search for and implementation of the best environmental and economic technologies, improvement of production processes, implementation of projects using RES, the identification and prevention of potential emergencies. The company will ensure adherence to the principles of the "green" economy and implement activities and indicators of the Concept for transition of the Republic of Kazakhstan to "green economy".

Moreover, to implement the long-term development strategy of the Company in the field of environmental protection as one of the three directions of sustainable development, the Company developed and approved by the decision of the Board of Directors (Protocol №13/19) as of December 25, 2019, the Environmental Policy of Samruk-Energy JSC. Mainly, the purpose of the Environmental Policy is to ensure environmental safety by minimizing the impact on biological and physical nature systems, the optimal use of limited resources, the use of eco-friendly, energy- and material-saving technologies, creating environmentally friendly goods, minimization, recycling and waste disposal.

The Company determines the main priorities of the Environmental Policy as follows:

1. priority of environmental safety as an integral part of the national security;
2. responsibility for ensuring the protection of the environment in the development of electricity in the regions of the Republic of Kazakhstan;
3. priority of preventive measures to eliminate the negative environmental impacts;
4. priority to the implementation of the best available technologies in comparison with efforts to minimize the environmental damage from existing equipment.

For the implementation of the priorities of the Environmental Policy, the Company intends to provide:

1. openness and accessibility of environmental information, immediate notification of all interested parties of accidents, their environmental consequences and measures to eliminate them;
2. an assessment of the environmental impact of any planned economic activity, considering the alternatives and selecting the best projects from the environmental and economic point of view;
3. creation of conditions for the progressive reduction of the negative impact of production processes and products on the climate, air, water and soil, improving the health of personnel and the population living in the zone of influence of the Company's S&As to preserve the economic potential, employment and social security of personnel;
4. reduction of the impact on the environment by finding and implementing the best from an environmental and economic point of view, technologies, optimization of production processes, identifying and preventing potential accidents;

5. implementation of investment projects to minimize the risk of negative impact on the environment at all stages, including natural objects and objects of increased vulnerability, protection and preservation of which is of particular importance;
6. reduction of energy consumption and emissions volume per unit of output;
7. insurance of high environmental risks;
8. conducting staff trainings under the programs, which contribute to the strengthening of the level of their environmental consciousness and awareness.
9. International cooperation in the use of clean and energy-efficient technologies and the promotion of research of influence of energy facilities on the environment and climate change.

ABOUT THE COMPANY'S GREEN FINANCE FRAMEWORK

With the aim to ensure transparency of investment attraction processes through green financing instruments, such as Green Bonds and Green Loans the Company developed the Green Finance Framework (hereinafter referred to as "the GFF") in accordance with the GBP of the ICMA and the Green Loan Principles (hereinafter referred to as "the GLP") of the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association.

The GFF is based on the four core components of the GBP and the GLP:

1. Use of Proceeds;
2. Process for Project Evaluation and Selection;
3. Management of Proceeds;
4. Reporting.

The GFF also describes how the Company supports and contributed to the achievement of the United Nations Sustainable Development Goals (SDGs).

USE OF PROCEEDS

The Company declares that the proceeds or an equivalent amount from Green Bonds or Green Loans will be exclusively applied to finance or re-finance, in part or in full, eligible Green Projects, and provide clear environmental benefits, which will be assessed, and where feasible quantified by the Company. All eligible Green Projects categories are described in the GFF. In case if Green Projects corresponds to eligible Green Projects categories, but not included in the GFF, additional Second Party Opinion for such Green Projects will be provided, if necessary. Additional categories of eligible Green Projects and eligibility criteria can be described in the legal documentation of the security as well as in finance documents.

The Company also stipulated in its GFF exclusionary criteria, according to which the proceeds from the issue of Green Bonds or from attracted Green Loan will not be directed for activities prohibited by the legislation of the Republic of Kazakhstan.

PROCESS FOR PROJECT EVALUATION AND SELECTION

With the aim of Green Projects evaluation and selection the Company created a Working Group on Green Finance (hereinafter referred to as “the Working Group”). The Working Group consist of representatives from the following structural units of the Company:

- Treasury and Corporate Finance Department;
- Corporate Governance and Sustainable Development Department;
- Project Portfolio Management Office (depending on the project);
- Capital Construction and Overhaul Management Department (depending on the project);
- Investment Analysis Department (depending on the project);
- RES and Distribution Department (depending on the project);
- Generation and Fuel Department (depending on the project);
- Production Efficiency Department (depending on the project);
- Strategic Planning and Economic Analysis Department;
- Labor Safety and Environmental Protection Department.

Other structural units and external experts may also be included in the Working Group, if necessary.

Thus, the Working Group is responsible for Green Projects evaluation and selection process, and recommendations prepared by the Working Group are subject to approval by the authorized body of the Company. Moreover, the Working Group will carry out quarterly control of the total volume of assets in the portfolio of Green Bonds and Green Loans of the Company, as well as overseeing the implementation of the GFF.

The Company may have a single portfolio of eligible Green Projects within the Green Bonds issues or attracted Green Loans.

MANAGEMENT OF PROCEEDS

The net proceeds from the issue of Green Bonds or from attracted Green Loans are reflected in the Company’s management reports for the purpose of separate accounting and control of the use of proceeds from green financing. All eligible Green Projects will be moved to a separate asset portfolio and labelled as Green Bonds and Green Loans of the Company. The Company’s portfolio of Green Bonds and Green Loans is dynamic with the repayment of eligible Green Projects and the addition of new ones.

The Working Group will quarterly monitor the total amount of assets in the Company’s Green Bonds and Green Loans asset portfolio to ensure that it is equal to or exceeds the total amount of proceeds received from the issuance of Green Bonds and attracted Green Loans.

If for any reason the total amount in the portfolio of assets of Green Bonds and Green Loans is less than the total amount of outstanding issued Green Bonds or attracted Green Loans of the Company, the Company will retain the undistributed amount in accordance with the Instructions for the Placement and Accounting of Temporarily Free Funds of Samruk-Energy JSC approved by the decision of the Management Board as of August 15, 2016 (Protocol

№15) until the amount is transferred to the portfolio of assets of Green Bonds and Green Loans.

The Company has the right to involve external auditors to confirm the reliability of revenue recognition and the reliability of cash flows within the proceeds management process at the stages of submitting annual financial statements.

REPORTING

The Company intends to provide and keep publicly available annual updated reports on issued Green Bonds and attracted Green Loans from the date of issue or attraction until full repayment and in case of any significant changes. These reports will be published on the official website of the Company: <https://samruk-energy.kz/ru/> and may include but not limited to:

- Use of Proceeds Report:
 - a. Net proceeds received from each Green Bond or from each attracted Green Loan;
 - b. Total amounts of funds allocated for each eligible Green Projects category;
 - c. Balance of retained earnings at the end of the reporting period.
- Impact Report.

Where possible, the Company will provide additional information and examples of eligible Green Projects financed or refinanced through Green Bonds and/or Green Loans, including quantitative performance indicators. Disclosure of information related to the use of proceed, impact reporting, as well as projects financed or refinanced, is subject to review in accordance with the Company's obligations regarding confidentiality and availability of such information.

The Company retains the right to provide any type of external review: Second Party Opinion, Verification, Certification and Rating.

The first annual report on use and management of proceeds will be reviewed and signed by an independent auditor to confirm the green status of the Green Bonds or Green Loans. This may be done in the form of a letter signed by an independent reviewer and may also include a statement from the independent auditor regarding the use of proceeds.

External reviews and annual reports on issued Green Bonds or attracted Green Loans will be published on the Company's website from the moment of issue / attraction until the maturity of Green Bonds or Green Loans.

3. EVALUATION OF THE COMPANY'S GREEN FINANCE FRAMEWORK AND OTHER DOCUMENTS

In this section, we describe the assessment of the GFF and other relevant documents of the Company for compliance with the GBP in accordance with the Methodology for preparing an external assessment of the AIFC Green Finance Centre Ltd. The information used for these purposes was obtained by means of direct interaction with the Issuer.

GENERAL ASSESSMENT AND DETERMINATION OF THE DEGREE OF COMPLIANCE

The Issuer confirmed that the funds raised from the placement of Green Bonds will be used for financing or refinancing, in part or in full, eligible Green Projects. The categories of eligible Green Projects correspond to the GBP and contribute to environmental objectives. The project evaluation and selection process and the management of proceeds also correspond to a core component of the GBP. Reporting and disclosure of information on the use of proceeds and on the expected impact of the implemented projects will be provided on an annual basis and are subject to publication on the official website of the Company for public access.

1. Opinion on compliance/non-compliance of the Issuer's Green Finance Framework with the GBP. Based on the evaluation for meeting the minimum threshold levels for all assessment criteria, we determined that the Issuer's GFF meets the mandatory and partially additional values of the criteria, and accordingly we believe that the Green Finance Framework of the Samruk-Energy JSC complies with the Green Bond Principles of the International Capital Market Association.
2. Opinion on assigning a degree of alignment with the GBP ranging from "Excellent" (High) to "Poor" (Low). In accordance with the results of the assessment, as well as in accordance with the Grading Scale for the Level of Alignment with the GBP we assigned the degree of compliance "Excellent" meaning that Samruk-Energy JSC demonstrates an excellent level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance.

Grading Scale for the Level of Alignment with the GBP

<i>Threshold Grade</i>	<i>Degree</i>	<i>Definition</i>
High > 4.5	Excellent	Proceeds from the issuance of Green Bonds are most likely to be used for the implementation of Green Projects. The Green Bond Issuer demonstrates an excellent level of proceeds management and allocation, eligible project selection, quality of proceeds administration, as well as reporting and disclosure on ongoing projects of environmental significance

EVALUATION OF THE CRITERION – USE OF PROCEEDS

In the Company's GFF and offer document is defined that proceeds from the placement of Green Bonds will be used for financing or refinancing, partially or fully, eligible Green Projects, which contribute to environmental objectives. Eligible Green Project categories are consistent with the GBP.

The indicators listed below reflect our assessment of the criterion "Use of Proceeds".

Indicators of the “Use of Proceeds” criterion:

<i>Indicator</i>	<i>Characteristic of the indicator (permissible, mandatory indicator, not recommended)*</i>	<i>Grade</i>
1. 100% of raised funds are allocated to implementing and financing/refinancing of Green Projects that bring environmental benefits and are evaluated by the Issuer for compliance with the eligible project categories in line with the GBP with regard to their qualitative and/or quantitative characteristics	Permissible	5

* - the fulfillment of the minimum requirement for the criterion "Use of Proceeds" is the fulfillment of the indicators "mandatory" or permissible.

EVALUATION OF THE CRITERION – PROCESS FOR PROJECT EVALUATION AND SELECTION

The strategy, policies and objectives of the Issuer corresponds to the GBP and allow assessing the decision-making process in the Company.

The Company created a Working Group on Green Finance responsible for Green Projects evaluation and selection process, which consists of permanent and non-permanent members of corresponding structural units depending on the project needs. Moreover, the Working group will prepare recommendations, which are subject to approval by the authorized body of the Company.

Additionally, the Green Projects planned for financing will also undergo other internal evaluation and selection procedures established in the Company.

Within the Investment Policy of the Samruk-Energy JSC approved by the decision of the Board of Directors as of June 26, 2019 (Protocol №06/19) the Issuer implements risk management procedures, in particular, the Company uses such instruments as Risk Appetite Statement, benchmarking, KPI system, risk coefficients, scenario analysis, target portfolio of investment projects, investment criteria, modelling by the Monte Carlo, PESTEL, SWOT methods and others.

The indicators listed below reflect our assessment of the criterion “Process for Project Evaluation and Selection”.

Indicators of the “Process for Project Evaluation and Selection” criterion are listed below:

<i>Indicator (Subfactor)</i>	<i>Score</i>
1. Disclosure by the issuer of information in the context of its goals, policies, strategies and processes related to sustainable development in environmental aspects, including goals to achieve improvements in the ecological environment, as well as the issuer’s participation in various activities and initiatives that indicate commitment to the principles of sustainable development and improvements in the ecological environment	1

2. Disclosure by the issuer of the goals of issuing green bonds/projects with directions, terms, indicators of environmental effect	1
3. The issuer has an internal document defining criteria for the selection of projects of environmental orientation and the procedure of their assessment, selection and coordination with the issuer's governing bodies	1
4. Disclosure of the main methodologies and assumptions used in determining the compliance of projects with the categories of environmental projects, clear qualification criteria for selection, exclusion criteria or other procedures for identifying and managing significant environmental and social risks	0
5. The issuer has quality certificates for ongoing environmental projects or conclusions from leading international or independent Kazakhstani verifiers confirming the compliance of projects with the required environmental standards, including conclusions on compliance with the current regulatory requirements for infrastructure facilities prepared within the framework of the project documentation. The leading verifiers are those who have certificates and licenses to conduct expertise or proven experience in assessing environmental projects and / or compliance with investment requirements in the field of sustainable development	0
6. The Issuer has created a special subdivision, which, among other things, controls the selection and implementation of projects. The division's employees generally understand the tasks assigned to them, while some of them have experience in supporting green projects	0,5
7. Engaging an independent qualified party to make a decision on the selection of projects corresponding to the categories of environmental projects	0
8. The issuer has a policy for determining environmental risks either in the project documentation or in the policy for determining environmental risks, which discloses qualification criteria for determining environmental risks associated with the implementation of projects	0,5
Sum of scores	4
Final score	4

EVALUATION OF THE CRITERION – MANAGEMENT OF PROCEEDS

The Issuer's GFF provides that the management of proceeds raised from the Green Bonds issuance will be carried out following the GBP.

This implies that the net proceeds from the issue of Green Bonds will be moved to a separate asset portfolio and labelled as Green Bonds. So long as the Green Bond is outstanding, the balance of tracked net proceeds will be periodically adjusted to match allocations to eligible Green Projects.

In addition, the placement of unallocated net proceeds of Green Bonds will be carried out in accordance with the Instructions for the Placement and Accounting of Temporarily Free Funds of the Samruk-Energy JSC.

The indicators listed below reflect our assessment of the “Management of Proceeds” criterion.

Indicators of the “Management of Proceeds” criterion are listed below:

<i>Indicator (subfactor)</i>	<i>Score</i>
1. The net proceeds from the issuance of Green Bonds are credited to a sub-account or moved to a different portfolio or otherwise tracked by the issuer in an appropriate manner	1
2. The separate accounting method for the Green Bonds proceeds is clearly defined in the issuer’s documentation	1
3. The issuer, while the Green Bonds are outstanding, monitors the sub-account on an ongoing basis, and there is a procedure in place for excluding projects that become unfit from the portfolio	1
4. The issuer informs investors about the suggested instruments for temporary placement of unused Green Bonds proceeds	0,5
5. Clear rules in place for investing temporarily unused Green Bonds proceeds	0,5
6. Engaging an auditor or another third party to check the method for internal tracking of the intended use of Green Bonds proceeds	0,5
Sum of scores	4,5
Final score	5

EVALUATION OF THE CRITERION – REPORTING

The Information Policy of Samruk-Energy JSC was approved by the decision of the Board of Directors dated March 15, 2019, with the aim to increase the efficiency of the Company’s activities, strengthen trust between the Company and stakeholders, to create and increase the investment attractiveness of the Company by increasing its information openness and transparency. Thus, the Company confirms its continued readiness to follow the best standards of corporate governance in the field of information disclosure, adheres to such principles as reliability, openness, completeness, materiality, efficiency, responsiveness, regularity, confidentiality of information, accessibility and equality.

Adhering to its information policy, as well as in accordance with the GBP, the Issuer intends to provide and keep publicly available annual updated reports on use of proceeds and expected impact of projects until full allocation and in the case of any material developments. These reports will be published on the official website of the Company <https://www.samruk-energy.kz/ru/>.

Where feasible, the Company will provide information on list of the projects to which Green Bond proceeds will be allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.

The indicators listed below reflect our assessment of the “Reporting” criterion.

Indicators of the “Reporting” criterion are listed below:

<i>Indicator (subfactor)</i>	<i>Score</i>
1. The issuer provides a detailed report (with a list of projects) and disclosures after issuance in relation to the use of proceeds from the placement of Green Bonds*	1
2. Reporting includes the disclosure of information on the nature of investments and the expected environmental impact	1
3. The disclosed reports are to be issued at least once a year, and there is also a procedure for monitoring data accuracy	1
4. The issuer discloses information on the projects to which funds have been allocated, with a detailed breakdown by area (category), as well as on the environmental effect and implementation progress of individual projects	0,5
5. Methodologies in effect (or their drafts) and assumptions used to calculate environmental performance indicators are available	0
6. The issuer undertakes to engage independent qualified parties to evaluate its reporting on the implementation of the Green Bond Framework	0,5
Sum of scores	4
Final score	5

* Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information may be presented by the Issuer in generic terms or on an aggregated portfolio basis

OPINION OF THE AIFC GREEN FINANCE CENTRE LTD.

1. We believe that the Green Finance Framework of Samruk-Energy JSC corresponds to the Green Bond Principles of the International Capital Market Association.
2. In accordance with the results of the assessment (the final weighted grade at the level of “4,8”), as well as the Grading Scale for the Level of Alignment with the GBP we assigned the degree of compliance “Excellent” meaning that Samruk-Energy JSC demonstrates an excellent level of proceeds management and allocation, eligible project selection, quality of proceeds administration, as well as reporting and disclosure on ongoing projects of environmental significance.

Grading Scale for the Level of Alignment with the GBP

<i>Threshold Grade</i>	<i>Degree</i>	<i>Definition</i>
High > 4.5	Excellent	Proceeds from the issuance of Green Bonds are most likely to be used for the implementation of Green Projects. The Green Bond Issuer demonstrates an excellent level of proceeds management and allocation, eligible project selection, quality of proceeds administration, as well as reporting and disclosure on ongoing projects of environmental significance

DISCLOSURE AND LIMITATIONS

An External Review (Second Party Opinion) reflects our opinion on the expected results from the issuance of Green Bonds and on the compliance of the Issuer's Green Bond Framework with the GPB. There is a likelihood of an inaccuracy in the final conclusion due to unforeseen changes in the economic environment and the financial market.

An External Review is an independent assessment carried out based on the information provided by the Issuer in line with the GFC's methodology, it does not disclose the Issuer's confidential information and is not an indication for any investment decisions.

An External Review may be updated after publication, with the reasons for such an update disclosed.

Aidar Kazybayev
CEO
AIFC Green Finance Centre Ltd.



11.11.2021