

INVESTING DEVELOPING GROWING



2024

Annual
Report



VOLUME 2



Contents

Independent Auditor's Report	2
Consolidated Financial Statements	12
Consolidated Statement of Financial Position	14
Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Consolidated Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Notes to the Consolidated Financial Statements	20
Samruk-Energy Group and Its Operations	22
Basis of Preparation and Material Accounting Policy Information	23
New Accounting Pronouncements	34
Critical Accounting Estimates, and Judgements in Applying Accounting Policies	35
Segment Information	44
Balances and Transactions with Related Parties	48
Property, Plant and Equipment	52
Investments in Joint Ventures and Associates	53
Other Non-Current Assets	56
Inventories	56
Trade and Other Receivables	57
Other Current Assets	58
Cash and Cash Equivalents	58
Equity	59
Provision for Asset Restoration	60
Borrowings	61
Trade and Other Payables	66
Taxes Payable and Other Payables to Budget	67
Revenue	67
Cost of Sales	68
Selling Expenses	68
General and Administrative Expenses	69
Finance Income	69
Finance Costs	69
Income Tax	70
Contingencies, Commitments and Operating Risks	72
Non-Controlling Interest	78
Principal Subsidiaries, Associates and Joint Venture	79
Financial Risk Management	80
Fair Value Disclosures	89
Events after the Reporting Period	90
Earnings per Share and Carrying Amount of one Share	90

INDEPENDENT AUDITOR'S REPORT



IFRS Accounting Standards Consolidated Financial Statements and Independent Auditor's Report

31 December 2024



Independent Auditor's Report

To the Shareholder and Board of Directors of Samruk-Energy JSC

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Samruk-Energy JSC (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Kazakhstan that are relevant to our audit of the consolidated financial statements.



Independent auditor's report (Continued)

Page 2

Our audit approach

Overview



- Overall Group materiality: Tenge 5,569,000 thousand, which represents approximately 1% of the Group's revenue for the year ended 31 December 2024.
- The Group audit scope included the Company, seven subsidiaries and two joint ventures located in the Republic of Kazakhstan.
- The Group engagement team visited all locations of the entities subject to audit procedures.
- Our audit scope addressed 96% of total assets, 99% of total revenue and 97% of absolute value of profit before tax of the Group.
- Impairment of property, plant and equipment and intangible assets.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.



Independent auditor's report (Continued)

Page 3

Overall Group materiality	Tenge 5,569,000 thousand
How we determined it	approximately 1% of total revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark for materiality determination. We did not use profit before tax due to its fluctuation. Instead, we used revenue, which is less volatile and is also used by the Shareholder to assess the Group's performance. We believe that revenue aligns with the principal considerations of the users of consolidated financial statements. We determined materiality as approximately 1% of total revenue, which based on our professional judgment, is within the range of acceptable quantitative materiality thresholds.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of long-term assets <i>See Note 4 of the consolidated financial statements.</i> The Group performed impairment indicator analysis of long-term assets as at 31 December 2024. Based on the assessment performed, the Group's management has not identified any indicators of impairment for power generating and transmission companies. However, the Group has identified individual impairment indicators due to delays in the realisation of construction-in-progress project of the Group's joint venture, Station Ekibastuzskaya GRES-2 JSC, for which impairment was recognized. The costs incurred were impaired, including expenses related to construction and installation work, foundation preparation, and other construction-related expenses for Power Unit No. 3, except for the carrying value of the equipment.	Our procedures in respect of management's assessment of the impairment indicators of long-term assets included: understanding of internal processes and controls, methodology analysis implemented by management in the assessment of long-term asset impairment in accordance with IAS 36; <ul style="list-style-type: none">analysis of identifying identifiable groups of assets that generate cash inflows independent of cash flows generated by other assets;verification of mathematical accuracy of impairment test;review of relevance of key assumptions used by management;consideration of economic and market trends in the energy sector;conducting a series of inquiries with management on key assumptions;



Independent auditor's report (Continued)

Page 4

The impact on the carrying value of the investment in the joint venture as at 31 December 2024 was Tenge 9,262,171 thousand. We have paid special attention to the issue of impairment due to the significance of their carrying value, as well as since the process of assessing by management of impairment indicators and estimating values in use is complex as it is based on the use of significant estimates and judgments with respect to future market and economic conditions and the results of operations of the Group.	<ul style="list-style-type: none">reviewing other inputs and reconciling them with supporting documents, such as the Development Plan, and comparing the Development Plan with actual results, where appropriate. For individual asset impairment, we also assessed the key assumptions used in the analysis, ensuring their consistency with external information and the management plan for the "Construction of GRES-3 based on clean coal technology" project and transfer of the equipment at carrying value to the new power plant. We also paid attention to the adequacy of disclosures in Note 4 to the consolidated financial statements in accordance with the requirements of IAS 36 "Impairment of Assets".
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How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, or component auditors, including other audit firms operating under our instructions. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group consolidated financial statements as a whole.

The assets and operations of the Group are spread amongst 28 subjects (components), including associated companies and jointly ventures. Out of these, we have identified ten components as significant, including the Company, its seven subsidiaries and two joint ventures.

For ten significant components we or other independent auditors, carried out a full scope audit of the financial information of the components, which the Group uses for the preparation of the consolidated financial statements. We have reviewed the working documents of other independent auditors, and discussed with them the key assumptions and methodology, received independence and compliance with IESBA Code requirements confirmations. We also discussed the key audit matters with management and the Audit Committee.

We have identified other companies of the Group as non-significant components, for which we carried out audit procedures for the most material line items of the financial information and general analytical procedures.

In general, the scope of our audit covered 96% of total assets, 99% of total revenue and 97% of the absolute value of net profit of the Group. The procedures performed have enabled us to obtain sufficient appropriate audit evidence in relation to the consolidated financial statements of the Group and provide a basis for our audit opinion on it.



Independent auditor’s report (Continued)

Page 5

Other information

Management is responsible for the other information. The other information comprises annual report but does not include the consolidated financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after our audit report date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it will be provided, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.



Independent auditor’s report (Continued)

Page 6

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent auditor's report (Continued)

Page 7

The engagement partner on the audit resulting in this independent auditor's report is Kumarbek Berdikulov.

On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers



Approved by:

Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of
Finance of the Republic of Kazakhstan
#0000005 dated 21 October 1999)

Signed by:

Kumarbek Berdikulov
Auditor in charge
(Qualified Auditor's Certificate
#МФ-0000188 dated 6 August 2014)

5 March 2025
Almaty, Kazakhstan



CONSOLIDATED FINANCIAL STATEMENTS





Consolidated Statement of Financial Position

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023*
ASSETS			
Non-current assets			
Property, plant and equipment	7	942,767,009	807,305,400
Investment property		110,460	101,634
Intangible assets		5,545,328	3,873,844
Right-of-use assets		2,989,995	3,287,300
Investments in joint ventures and associates	8	86,870,510	90,636,503
Other non-current assets	9	137,821,244	87,565,678
Total non-current assets		1,176,104,546	992,770,359
Current assets			
Inventories	10	29,035,568	24,375,011
Trade and other receivables	11	74,709,533	66,637,094
Other current assets	12	29,493,131	15,683,819
Income tax prepaid		9,991,326	4,389,702
Cash and cash equivalents	13	94,952,295	43,662,456
Total current assets		238,181,853	154,748,082
TOTAL ASSETS		1,414,286,399	1,147,518,441

* Comparative information has been restated for business combination under common control (Note 2).

Signed and approved on behalf of management on 5 March 2025.

Almasbi N. Kamalov
Managing Director on Economics and
Finance



Saule B. Tulekova
Head of Accounting and Tax
Department – Chief Accountant

Consolidated Statement of Financial Position (continued)

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023*
EQUITY			
Share capital	14	507,435,225	443,567,998
Other reserves	14	135,136,936	167,372,454
Retained earnings		127,401,285	78,607,607
Equity attributable to the Group's shareholders		769,973,446	689,548,059
Non-controlling interest	27	2,829,134	2,368,160
TOTAL EQUITY		772,802,580	691,916,219
LIABILITIES			
Long-term liabilities			
Asset restoration provision	15	26,900,279	22,889,811
Other reserves	14	4,030,672	-
Employee benefit obligations		2,689,601	2,041,793
Borrowings	16	289,404,650	218,207,129
Other long-term liabilities		2,364,069	74,169
Long-term lease liabilities		1,347,020	1,504,522
Deferred income tax liabilities	25	75,713,682	69,244,143
Total long-term liabilities		402,449,973	313,961,567
Short-term liabilities			
Asset restoration provision	15	908,290	1,064,605
Borrowings	16	83,693,750	51,986,950
Employee benefit obligations		348,190	267,402
Trade and other payables	17	138,857,112	73,523,643
Taxes payable and other payables to budget	18	8,684,278	10,736,129
Other reserves	14	4,843,000	-
Short-term lease liabilities		859,584	1,028,595
Income tax payable		839,642	3,033,331
Total short-term liabilities		239,033,846	141,640,655
TOTAL LIABILITIES		641,483,819	455,602,222
TOTAL LIABILITIES AND EQUITY		1,414,286,399	1,147,518,441
Carrying amount of an ordinary share (in Tenge)	32	110,361	109,006

* Comparative information has been restated for business combination under common control (Note 2).

Signed and approved on behalf of management on 5 March 2025.

Almasbi N. Kamalov
Managing Director on Economics and
Finance



Saule B. Tulekova
Head of Accounting and Tax
Department – Chief Accountant



Consolidated Statement of Profit or Loss and Other Comprehensive Income

In thousands of Kazakhstani Tenge	Note	2024	2023*
Revenue	19	573,489,841	464,722,871
Cost of sales	20	(371,644,629)	(340,403,237)
Gross profit		201,845,212	124,319,634
Selling expense	21	(8,845,348)	(8,931,004)
General and administrative expenses	22	(20,013,339)	(14,350,022)
Share of results of joint ventures and associates	8	(5,855,910)	3,121,404
Reversal of impairment/(impairment losses) on non-financial assets	4	41,326	(9,748,090)
(Impairment losses)/Reversal of impairment on financial assets		(182,047)	2,250,509
Other income		3,033,056	2,666,488
Other expense		(765,775)	(1,204,766)
Finance income	23	9,589,058	7,288,192
Finance cost	24	(31,322,325)	(25,254,563)
Profit before tax		147,523,908	80,157,782
Income tax expense	25	(34,555,095)	(22,773,349)
Profit for the year		112,968,813	57,384,433
Other comprehensive (loss)/income (Items that will not be reclassified to profit or loss)			
Remeasurements of post-employment benefit obligations		(152,327)	135,881
Total comprehensive income for the year		112,816,486	57,520,314
Profit attributable to:			
Shareholders of the Group		112,507,839	56,734,968
Non-controlling interest	27	460,974	649,465
PROFIT FOR THE YEAR		112,968,813	57,384,433
Total comprehensive income attributable to:			
Shareholders of the Group		112,355,512	56,870,849
Non-controlling interest	27	460,974	649,465
Total comprehensive income for the year		112,816,486	57,520,314
Earnings per share attributable to Shareholders of the Group for the year (in Tenge per share)			
Basic and diluted	32	16,701	9,699

* Comparative information has been restated for business combination under common control (Note 2).

Signed and approved on behalf of management on 5 March 2025.

Consolidated Statement of Changes in Equity

In thousands of Kazakhstani Tenge	Attributable to the shareholders of the Group					Non-controlling interest	Total Equity
	Note	Share capital	Other reserves	Retained earnings	Total		
Balance at 1 January 2023		378,531,570	124,850,717	28,012,639	531,394,926	1,718,695	533,113,621
Effect of business combination under common control*	2	-	42,385,856	-	42,385,856	-	42,385,856
Balance as of 1 January 2023 (restated)*		378,531,570	167,236,573	28,012,639	573,780,782	1,718,695	575,499,477
Profit for the year		-	-	56,734,968	56,734,968	649,465	57,384,433
Other comprehensive income		-	135,881	-	135,881	-	135,881
Total comprehensive income		-	135,881	56,734,968	56,870,849	649,465	57,520,314
Emission of shares	14	65,036,428	-	-	65,036,428	-	65,036,428
Dividends	14	-	-	(6,140,000)	(6,140,000)	-	(6,140,000)
Balance at 31 December 2023		443,567,998	167,372,454	78,607,607	689,548,059	2,368,160	691,916,219
Profit for the year		-	-	112,507,839	112,507,839	460,974	112,968,813
Other comprehensive income		-	(152,327)	-	(152,327)	-	(152,327)
Total comprehensive income		-	(152,327)	112,507,839	112,355,512	460,974	112,816,486
Emission of shares	14	4,137,000	-	-	4,137,000	-	4,137,000
Emission of shares for business combination under common control	14	59,730,227	(33,428,805)	(26,301,422)	-	-	-
Discount on borrowings from the Shareholder		-	1,345,614	-	1,345,614	-	1,345,614
Dividends	14	-	-	(24,815,869)	(24,815,869)	-	(24,815,869)
Other transactions with the Shareholder	14	-	-	(12,596,870)	(12,596,870)	-	(12,596,870)
Balance at 31 December 2024		507,435,225	135,136,936	127,401,285	769,973,446	2,829,134	772,802,580

* Comparative information has been restated for business combination under common control (Note 2).



Consolidated Statement of Cash Flows

In thousands of Kazakhstani Tenge	Note	2024	2023*
Cash flows from operating activities			
Profit before income		147,523,908	80,157,782
Adjustments for:			
Depreciation and amortisation		59,161,013	66,008,675
Loss on disposal of property, plant and equipment and intangible assets		308,793	400,939
(Reversal of impairment)/losses on impairment of non-financial assets	4	(41,326)	9,748,090
Losses on impairment/(reversal of impairment) of financial assets		182,047	(2,250,509)
Finance costs		31,322,325	25,254,563
Finance income		(9,589,058)	(7,288,192)
Share in profit of joint ventures and associates	8	5,855,910	(3,121,404)
Provision for quotes	18	(1,573,555)	(1,830,201)
Income on property, plant and equipment received free of charge		(862,382)	-
Other provisions and adjustments		(265,572)	634,585
Operating cash flows before working capital changes		232,022,103	167,714,328
Change in trade and other receivables and other current assets		295,310	(19,203,599)
Change in inventories		(5,037,144)	(9,140,213)
Change in trade and other payables and other non-current liabilities		4,222,893	1,868,890
Change in employee benefits payable		338,545	(243,495)
Change in taxes payable		(11,522,280)	(4,660,671)
Cash flows from operating activities		220,319,427	136,335,240
Income tax paid		(35,824,586)	(27,104,347)
Interest paid		(15,525,932)	(13,456,812)
Dividends received		-	1,803,645
Net cash from operating activities		168,968,909	97,577,726
Cash flows from investing activities			
Purchase of property, plant and equipment		(176,436,546)	(154,368,988)
Purchase of intangible assets		(2,037,954)	(305,042)
Purchase of debt instruments		(139,632,837)	(69,180,465)
Proceeds from sale of debt instruments		126,472,886	65,580,140
Interest income received		8,504,032	4,870,067

In thousands of Kazakhstani Tenge	Note	2024	2023*
Proceeds from sale of subsidiaries, excluding cash and cash equivalents transferred		-	7,901,055
Change in the balance of restricted bank deposits and cash, net		-	1,383,293
Contributions to the share capital of associates without increase in ownership interest		(2,094,000)	-
Purchase of other non-current assets		-	(717,228)
Other proceeds		131,791	238,360
Net cash used in investing activities		(185,092,628)	(144,598,808)
Cash flows from financing activities			
Proceeds from borrowings	16	224,101,574	85,588,737
Proceeds from issuance of shares	14	4,137,000	62,746,343
Repayment of borrowings and payment of principal on bonds	16	(131,137,015)	(89,663,811)
Payment of principal on financial lease		(1,002,369)	(895,033)
Dividends paid to shareholders	14	(24,815,868)	(2,041,000)
Other payments		(3,933,598)	(4,255,773)
Net cash from financing activities		67,349,724	51,479,463
Foreign exchange effect on cash and cash equivalents		61,670	60,347
Less provision for cash impairment		2,164	5,154
Net change in cash and cash equivalents		51,289,839	4,523,882
Cash and cash equivalents at the beginning of the year		43,662,456	39,138,574
Cash and cash equivalents at the end of the year	13	94,952,295	43,662,456

* Comparative information has been restated for business combination under common control (Note 2).

Cash outflows for purchase of property, plant and equipment include capitalised interest paid in the amount of Tenge 11,781,462 thousand (2023: Tenge 10,355,729 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024



1. Samruk-Energy Group and Its Operations

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2024 for Samruk-Energy JSC (the “Company”) and its subsidiaries (together referred to as the “Group”).

The Company was incorporated on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company and was set up in accordance with regulations of the Republic of Kazakhstan. The Group was established for the purpose of consolidation of entities in power and utilities industry of the Republic of Kazakhstan (“RoK”).

As at 31 December 2024 and 2023 the Company’s sole shareholder is Samruk-Kazyna National Welfare Fund JSC (“Samruk-Kazyna”). The Company’s ultimate controlling party is the Government of the RoK.

Principal activity

The Group’s principal activities are production of electricity, heating energy, hot water on the basis of coal, hydrocarbons and water resources, and renewable energy sources (“RES”), and then subsequently the sale to households and industrial enterprises, the transmission of electricity and technical distribution of electricity within the network, as well as leasing of property of hydro power plants.

The operations of the Group’s subsidiaries and joint ventures are regulated by the Law of the Republic of Kazakhstan On Electric Power Industry, the Law On Natural Monopolies, the Law On Support of the Use of Renewable Energy Sources, and the Commercial Code of the RoK. Tariffs, based on the type of activities of a company, are regulated by the Committee on Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan (“Committee”) or by the relevant ministry – Ministry of Energy of the Republic of Kazakhstan (“ME”).

Electricity tariffs for energy producers are approved by order of the Minister of Energy of the Republic of Kazakhstan No.160 On Approval of Cap Tariffs for Electricity for a Group of Energy Producing Organizations dated 27 February 2015 and subsequent amendments to it. Tariffs for the supply of electricity produced by renewable energy sources are fixed and approved by the Decree of the Government of the Republic of Kazakhstan dated 12 June 2014 No.645 On Approval of Fixed Tariffs, according to the Renewable Energy technology used (separately for wind, solar and other sources), and are subject to annual indexation. In addition, Settlement and Financial Center for Support of Renewable Energy Sources LLP (“RFC”) acts as a buyer, and the power producer acts as a seller. Tariffs for electric power transmission and distribution for energy transmission companies, heating energy production and power supply (“PSE”) are regulated by the Committee. Regulation and control by the Committee are performed strictly in accordance with the legislation and regulations of the Republic of Kazakhstan.

The tariff related decisions are significantly exposed to social and political issues. Economic, social and other policies of the Government of the Republic of Kazakhstan may have a significant effect on the Group’s operations.

Registered address and place of business

The registered address and place of Company’s Head Office is: Block B, 15A, Kabanbay Batyr Avenue, Astana, Republic of Kazakhstan.

2. Basis of Preparation and Material Accounting Policy Information

Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards under the historical cost convention. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Going concern

Management prepared these consolidated financial statements on a going concern basis.

Changes in presentation of financial statements

On 2 May 2024 Samruk-Kazyna transferred to the Group shares of NPS Shulbinskaya HPS LLP and NPS Ust-Kamenogorskaya HPS LLP (hereinafter “Shulbinskaya HPS” and “UK HPS”) for the issuance of shares (Note 14). These transactions represent business combinations under common control and are accounted for retrospectively under the pooling of interest method based on the carrying value of assets and liabilities of Shulbinskaya HPS and UK HPS in predecessor’s accounting books, i.e. Samruk-Kazyna. Accordingly, these consolidated financial statements were presented as if the shares of Shulbinskaya HPS and UK HPS were transferred at the beginning of the earliest presented period. As a result, the comparative information was restated. The carrying amount of the net assets of Shulbinskaya HPS and UK HPS was presented as of 31 December 2023 and 1 January 2023 as part of Other reserves. As a result of these transactions, the Group’s Share capital was increased in 2024 by Tenge 59,730,227 thousand. The difference between the nominal value of the shares issued and the carrying value of the net assets of Shulbinskaya HPS and UK HPS was recognized as part of Retained earnings in these consolidated financial statements.



Impact on comparative information due to acquisition of Shulbinskaya HPS and UK HPS is presented below:

Consolidated Statement of Financial Position

In thousands of Kazakhstani Tenge	31 December 2023
Increase in non-current assets	
Increase in property, plant and equipment	48,878,203
Increase in intangible assets	459,377
Increase in other non-current assets	1,641,393
Total increase in non-current assets	50,978,973
Increase in current assets	
Increase in inventories	340,221
Increase in trade and other receivables	2,392,113
Increase in other current assets	4,170,797
Increase in income tax prepaid	70,502
Increase in cash and cash equivalents	1,470,004
Total increase in current assets	8,443,637
TOTAL INCREASE IN ASSETS	59,422,610
Increase in equity	
Increase in other reserves	42,385,856
Increase in retained earnings	9,555,668
Increase in equity attributable to the Group's shareholders	51,941,524
TOTAL INCREASE IN EQUITY	51,941,524
Increase in long-term liabilities	
Increase in employee benefit obligations	104,432
Increase in deferred tax liabilities	6,724,038
Total increase in long-term liabilities	6,828,470
Increase in short-term liabilities	
Increase in employee benefit obligations	12,853
Increase in trade and other payables	329,348
Increase in taxes payable and other payables to budget	237,376
Increase in income tax payable	73,039
Total increase in short-term liabilities	652,616
TOTAL INCREASE IN LIABILITIES	7,481,086
TOTAL INCREASE IN LIABILITIES AND EQUITY	59,422,610

Consolidated Statement of Profit or Loss and Other Comprehensive Income

In thousands of Kazakhstani Tenge	2023
Revenue	19,763,243
Cost of Sales	(10,727,604)
Gross Profit	9,035,639
General and administrative expenses	(824,942)
Reversal of impairment on non-financial assets, net	8,057,283
Other income	51,892
Other expenses	(16,571)
Finance income	782,919
Finance cost	(10,560)
Profit before income tax	17,075,660
Income tax expense	(3,420,992)
Profit for the year	13,654,668

Consolidated Statement of Cash Flows

The net cash flows effect for the year ended 31 December 2023 were as follows:

In thousands of Kazakhstani Tenge	2023
Cash and cash equivalents received from operating activities	8,602,066
Investing activities	(7,555,055)
Financing activities	(4,098,945)
Less: impairment provisions on cash	124
Net decrease in cash and cash equivalents	(3,051,810)

Consolidated financial statements

(i) Subsidiaries

Subsidiaries are consolidated from the date on which control is transferred to the Company (acquisition date) and are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree.

Non-controlling interests that are not present ownership interests are measured at fair value.

The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

(ii) Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Investments in associates

Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

Foreign currency translation

(i) Functional and presentation currency of consolidated financial statements

All amounts in these consolidated financial statements are presented in thousands Tenge, unless otherwise stated.

Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of subsidiaries, joint ventures, associates and the parent is Tenge.

(ii) Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of transactions.



Foreign exchange gains and losses resulting from the settlement of such transactions or from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

At 31 December 2024, the principal rate of exchange used for translating foreign currency balances was US Dollar per Tenge 523.54 (31 December 2023: US Dollar per Tenge 454.56). Exchange restrictions and currency controls exist relating to converting the Tenge into other currencies. Currently, Tenge is not freely convertible in most countries outside of the Republic of Kazakhstan.

Financial instruments

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes transaction costs. Measurement at cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by, delivery of such unquoted equity instruments.

(i) Financial assets

As at 31 December 2024 and 31 December 2023 the Group's financial assets were carried at amortised cost.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL.

The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

(ii) Financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a

cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and provision for impairment, where required.

Asset retirement obligation is capitalised to the cost of property, plant and equipment.

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Useful lives in years
Buildings and constructions	8 - 100
Machinery and equipment and vehicles	2 - 50
Other	3 - 20

The residual value of an asset set equal to zero, if the Group intends to use the object till the end of its physical useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets

All of the Group's intangible assets have definite useful lives and primarily include capitalised computer software and licenses. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring it to use.

All intangible assets are amortised using the straight-line method over their useful lives, estimated by the management as from 2 to 25 years.

Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Investment property

Investment properties are stated in the consolidated financial statements at cost less accumulated depreciation and provision for impairment, where required.

Depreciation on investment property is calculated using the straight-line method to allocate its cost to its residual values over their estimated useful lives, as follows:

	Useful lives in years
Dam and hydraulic constructions	100
Other	5 - 20

Earned rental income is recorded in profit or loss for the year within revenue.



Right-of-use assets

The Group leases various offices, equipment and vehicles. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

	Useful lives in years
Land	34 – 63
Buildings and constructions	5 – 50

Inventories

Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the first-in, first-out basis.

Trade and other receivables

Trade and other receivables, except for prepaid taxes and advances to supplies, are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Advances to suppliers are carried at cost less provision for impairment. Advances are classified as non-current when the goods or services relating to the advances are expected to be obtained after one year, or when advances relate to an asset which will itself be classified as non-current upon initial recognition. Advances to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other advances are written off to profit or loss when the goods or services relating to the advances are received. If there is an indication that the assets, goods or services relating to advances will not be received, the carrying value of the advances is written down accordingly, and a corresponding impairment loss is recognised in the profit or loss for the year. Prepaid taxes are stated at actual amounts paid less impairment provision

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at current bank accounts and purchase and repurchase agreements ("reverse repo") with other banks with an original maturity of less than ten days (secured debt instruments). Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows until maturity and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Restricted balances are excluded from cash and cash equivalents for the purposes of the consolidated cash flow statement.

Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period are included in other non-current assets; balances restricted for more than three months but less than twelve months after the reporting period are included in other current assets.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. The Board of Directors of the Company determines value per share and a number of shares to be issued on each individual share issue based on the statutory rules. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

Other reserves

Other reserve capital includes business combination reserve, result of transactions with shareholder and other comprehensive income/loss.

The accrual of expenses or the distribution of assets at the discretion of the shareholder, including fixed assets, business combinations, interests in other entities and disposal groups, cash and other, are recognised within the equity as "Other reserves". Other reserves also include gain on initial recognition of loans received from the shareholder with non-market terms.

Earnings per share and carrying amount of one share

Basic earnings per share are calculated by dividing the profit or loss attributable to owners of the Group by the weighted average number of ordinary shares in issue during the year. The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share equals the basic earnings per share (Note 32).

In accordance with the decision of the Exchange Council of Kazakhstan Stock Exchange JSC (hereinafter referred to as the "KASE") dated 4 October 2010, the consolidated financial statements must contain data on the book value of one share (common and preferred) as of the reporting date, calculated in accordance with the approved KASE rules.

Value added tax

Value-added tax ("VAT") related to sales is payable to the tax authorities when goods are shipped, or services are rendered. Input VAT can be offset against output VAT upon the receipt of a tax invoice from a supplier.

Tax legislation allows the settlement of VAT on a net basis. Accordingly, VAT related to sales and purchases is stated in the statement of financial position on a net basis. Recoverable VAT is classified as non-current if its settlement is not expected within one year after the reporting period.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Asset retirement obligation

Asset retirement obligation, including ash dump restoration provision is recognised when there is a high certainty of incurring the costs and those costs can be measured reliably. Estimated restoration costs are added to the cost of an item of property plant and equipment when incurred in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs. Asset retirement obligation does not include any additional obligations which are expected to arise from future disturbance.

Ash dump restoration costs include dismantling and demolition of ash dump infrastructure, environmental clean-up and discharge monitoring.

The costs are estimated on the basis of a restoration plan. The cost estimates are calculated annually during the operating life to reflect known developments, such as updated cost estimates and revisions to the estimated lives of operation and are subject to formal review at regular intervals.



Although the ultimate cost to be incurred is uncertain, the Group estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques for conducting works on restoration and remediation of waste polygons. The amortisation or “unwinding” of the discount applied in establishing the net present value of provisions is charged to profit and loss in each accounting period. The amortisation of the discount is shown as finance costs.

Employee benefits

(i) Long-term employee benefits

The Group companies provide the long-term employee benefits to employees before, on and after retirement, in accordance with a Collective Labour Agreement. The agreement provides for one-off retirement payments, financial aid for employees' disability, significant anniversaries and funeral aid to the Group's employees. The entitlement to some benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period.

The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for the defined post-employment benefit plan. The Group does not have any funded pension plans. The liability recognised for the end of each reporting period represents the present value of defined benefit obligations. Actuarial gains and losses arising in the year are taken to other comprehensive income for the year. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred.

The main assumptions used in accounting for defined benefit obligations are the discount rate and the personnel turnover assumptions. All movements in post-employment benefit obligations when incurred are accounted for as follows: (i) cost of services and net interest costs are included in profit or loss; and (ii) restatements are recorded in other comprehensive income.

These obligations are valued annually by independent qualified actuaries.

(ii) Staff costs and related contributions

Wages, salaries, contributions to pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group.

On behalf of its employees, the Group withholds and transfer those statutory pension and post-employment benefit amounts prescribed by the legal requirements of the Republic of Kazakhstan to Unified Accumulative Pension Fund JSC (“Fund”). For those employees, not covered by the Collective Labour Agreement payments, upon retirement, the financial obligations of the Group cease and all subsequent payments to retired employees are administered by the Fund.

Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis.

Extension and termination options are included in a number of property lease agreements across the Group. These terms are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

Lease payments are allocated between principal and finance costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortised cost using the effective interest method.

In accounting for loans from the shareholders with off market terms, the Group records gain/(loss) on origination in equity as a capital contribution/(distribution). The method used reflects the transaction's economic substance and is applied consistently to all similar transactions and is disclosed in the consolidated financial statements.

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

Trade and other payables

Trade and other payables are accrued when the counterparty performed its obligations under the contract. Trade and other payables, except for advances received, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Advances received are stated at actual amounts received from the third parties.

Revenue recognition

Revenue is income arising in the course of the Group's ordinary activities.

Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is shown net of value-added tax and discounts. Revenue from sale of energy is recognised over the period.

Consolidated revenue of the Group is mainly attributed to sale and transmission of electric and heating power, and hot water production. The Group recognizes revenue from contracts with customers over the period.

According to the contracts for sale and transmission of electric and heating power of the Group, obligations to be performed are identified when concluding the relevant contract. Contracts for sale and transmission of electric and heating power do not include related and/or additional services.

The Group does not assume concluding contracts which provide for a period between transfer of the promised goods or services to the customer and payment by the customer to be more than one year. Accordingly, the Group does not adjust transaction prices for time value for money.

According to the contracts for sale and transmission of electric and heating power, the contract amount is the price for sold or transmitted amount of electric or heating power, which is a separate performance obligation.

Electric and heating power generation and sale

Revenues are recognised based on the actual amount of electric and heating power sold by the Group's power plants.

Revenue is determined based on tariffs approved by the authorised agency.

Sales of electric and heating power are recognised based on readings of metering devices on a monthly basis. These devices installed at connection point of the Group's power plant to the transmission networks.

A receivable is recognised when electric and heating power is delivered at the connection point of the Group's power plant to the transmission networks, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Actual volume of electric and heating power transmitted for the accounting period is supported by the act of electric power supply/reconciliation report on heating power. Invoices are issued to customers on a monthly basis.



Electric power transmission and distribution

The Group provides services under fixed-price contracts per 1 kWh of transmitted and distributed power based on the tariffs approved by the authorised agency.

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the actual volume of electric power transmitted over the reporting period because the customer receives and uses the benefits simultaneously.

The actual volume of electric power transmitted and distributed for the reporting period is supported by relevant reconciliation reports to be monthly executed and signed with customers based on readings of metering devices. Customers are billed on a monthly basis on the last day of each month, and consideration is payable within 5 working days after billing.

A receivable is recognised when an invoice is issued, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from services to maintain the electric power capacity

Also, the Group provides a service to maintain the electric power capacity. Revenues from the provision of services to maintain the electric power capacity are recognized in the reporting period when these services were provided. Revenue is determined on the basis of the actual electric power capacity, on the basis of monthly reports on the available electric power capacity from a unified purchaser in accordance with the Rules of the power capacity market.

The contract provides for payment for 1 kW of available power per month, and revenue is recognized in the amount to which the Group has the right to invoice.

Pursuant to the certificate signed for the reporting month, the Group issues invoices to the Unified Purchaser on a monthly basis.

Sale of electric power

The Group sells electric power under agreements with individuals and legal entities based on the tariffs approved by the authorised agency.

Sales to legal entities are recognised monthly in the reporting period in which electric power is consumed, according to readings of the metering devices. A legal entity agreement requires payment within 5 working days after billing. An agreement of publicly-funded legal entities provides for payment until 15th day of the month following the billing month.

Sales to individuals are recognised monthly in the reporting period in which electric power is consumed. Revenues from agreements with individuals include revenues for the last few days of the month after reading of the metering devices, which are recognised as a proportion of the total electric power sold for the billing month. An agreement with individuals provides for payment until the 25th day of the month following the billing month, based on the payment document to be issued by the Company. The billing period is one calendar month.

Income taxes

Income taxes have been provided for in these consolidated financial statements in accordance with legislation of the Republic of Kazakhstan enacted or substantively enacted by the end of the reporting period.

Current tax is the amount expected to be paid to or recovered from the state budget in respect of taxable profits or losses for the current and prior periods.

Deferred tax assets and liabilities are netted only within the individual companies of the Group.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Deferred tax liability is recognised in respect of the taxable temporary difference on the restoration and closure costs added to the cost of property plant and equipment and, subject to recognition criteria mentioned above, a deferred tax asset is recognised in respect of the deductible temporary difference on the provision for asset retirement obligation.

Uncertain tax positions

Management at the end of each reporting period evaluates the Group's uncertain tax positions. Liabilities reported in respect of income tax positions are taken into account when management believes that the likelihood of emergence of additional tax liabilities, in case the tax authorities challenge the tax position of the Group, is higher than the probability of their absence.

Such an assessment is conducted based on the interpretation of tax laws that are in force or in effect at the end of the reporting period, as well as any known court decisions or other decisions on such matters. Liabilities for fines, penalties and taxes, other than income tax, are presented on the basis of management's best estimate of the costs required to settle the obligations at the end of the reporting period. Adjustments to uncertain income tax positions are reported within income tax expense.

3. New Accounting Pronouncements

The following amended standards and interpretations became effective from 1 January 2024, but didn't have material impact on the Group:

- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 (initially issued on 23 January 2020, and subsequently amended on 15 July 2020, and 31 October 2022, with final adoption for annual periods beginning on or after 1 January 2024). According to these amendments, liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities are considered non-current if the organization has a substantial right to defer settlement for at least twelve months from the end of the reporting period. Management is no longer required to ensure that this right is unconditional. The amendment made in October 2022 clarified that contractual conditions, i.e., covenants that must be adhered to after the reporting date, do not affect the classification of debt as current or non-current at the reporting date. Management's expectations regarding whether it will later exercise its right to defer settlement do not impact the classification of liabilities. A liability is classified as current if the condition was breached on or before the reporting date, even if, after the reporting period, the creditor grants a waiver of the breach. Conversely, debt is classified as non-current if the breach of the loan agreement condition occurs only after the reporting date. Additionally, the amendments clarify the requirements for classifying debt that can be settled by converting it into equity. The term "settlement" is defined as the termination of a liability through payment in cash, other resources containing economic benefits, or the organization's own instruments. There is an exception for convertible instruments that may be converted into equity, but only for instruments where the conversion option is classified as equity instruments as a separate component of the combined financial instrument.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).

New standards and interpretations

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

- Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Annual Improvements to IFRS Accounting Standards (issued in July 2024 and effective from 1 January 2026).
- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014).
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024 and effective from 1 January 2026). The Group is currently assessing the impact of the amendments on its financial statements.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

4. Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment of non-financial assets

At each reporting date management assesses whether there is any indication of impairment of separate assets or groups of assets, and whether there is any indication that an impairment loss recognised in prior periods for separate assets or groups of assets other than goodwill may no longer exist or may have decreased.

If such indications exist, management estimates the recoverable amount of an asset, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The calculation of value in use requires the application of the management's estimates and judgments, which are deemed appropriate under the current circumstances.

Assessment of impairment indicators also requires the use of judgments and estimates in determining possible technological obsolescence of fixed assets, discontinuing operations, residual useful lives, and other changes in operating conditions.

Under IAS 36, one of the possible impairment indicators is the presence of significant changes that had negative consequences for the Group that occurred during the period or are expected in the near future in the technological, market, economic or legal environment in which the Group operates or in the market for which the asset is used.

In assessing the recoverable amount of assets, the Group makes estimates and judgments. Estimates and judgments are repeatedly evaluated and based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies.

Analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity

The Group's management performed the analysis of the impairment indicators of property, plant and equipment of subsidiaries JSC "Almaty Electric Stations" ("AIES"), Ekibastuz GRES-1 named after Bulat Nurzhanov LLP ("EGRES-1"), Alatau Zharyk Company JSC ("AZhK") as well as investments in the joint venture JSC "Station Ekibastuzskaya GRES-2" (hereinafter "SEGRES-2") in accordance with IAS 36 "Impairment of Assets".

The principal facts and assumptions used in the analysis of the impairment indicators are:

- Lack of negative changes in the economic efficiency of subsidiaries for the reporting period;
- Increase in marginal tariffs for electricity for power plants from 1 January 2024 for 10-27% from current tariffs and from 1 November 2024 tariff of EGRES-1 for 3% from current tariff in accordance with Order of the Minister of Energy of the RoK with the possibility of adjusting tariffs when major costs increase in accordance with the Rules for approving the marginal tariff for electrical energy;
- A change in interest rates on loans will not have a significant impact on the recoverable amount of assets, since an increase in the debt financing rate will be similarly reflected in the WACC rate when calculating the rate of return, in the next validity period of the cap tariffs, according to the methodology for determining the rate of return taken into account when approving the cap tariffs for electricity, as well as a fixed profit for balancing, taken into account when approving cap tariffs for balancing electricity approved by Order of the Minister of Energy of the RoK dated 22 May 2020 No. 205, the cost part of the tariff also includes interest expenses for the previous period;
- A change in inflation rates will not have a significant impact, since the cost part of the tariff includes costs taking into account actual inflation for the previous year, as well as amendments to the Law "On Natural Monopolies" dated 30 December 2022 No. 177-VII ZRK stipulate additional conditions for adjusting tariffs approved for 5 years for the transmission of electricity before its expiration (change in the approved investment program in connection with the implementation of national projects, receipt on the balance sheet or in trust management of networks, change in the average monthly nominal wage);
- The introduction of a new target model of the electricity sales market from 1 July 2023 (Note 19) did not have a significant impact on the financial results of the Group's power plants. The volume of purchases and sales of imbalances on the balancing electricity market amounted to less than 1% of the total sales volume, which is a minor deviation. The price of purchase and sale of electricity at centralized trading in the event of imbalances also did not have a significant impact on the Group's results. The Group's stations primarily operate in accordance with the declared volumes and accordingly, the plan usually corresponds to the fact, which allows minimizing the volume of transactions on the balancing electricity market.
- Lack of significant changes having adverse consequences for subsidiaries, which occurred during the period or may presumably occur in the nearest future;
- Projected growth in the medium term in demand for electricity in the northern and southern zones of the Republic of Kazakhstan.

Additional facts and assumptions used in the analysis of impairment indicators for AIES:

- Increase in the tariff for heat energy from 1 January and 1 September 2024. In accordance with the Law of RoK "On natural monopolies" there is a possibility to adjust tariffs in case of changes in the type and cost of strategic goods;
- It is planned to modernize the two main power plants of AIES - Almaty CHP-2 and CHP-3 (Note 26). The residual value of the existing assets of the coal-fired power units of these plants, subject to conservation or dismantling, by the time the new combined cycle power units are put into operation will be equal to zero;
- No significant changes that have occurred during the period or are expected to occur in the near future and can have a material effect on the asset's recoverable amount.

Additional facts and assumptions used in the analysis of impairment indicators for AZhK:

- Overfulfillment of the plan in terms of key operational and financial performance indicators at 31 December 2024;
- Projected growth in the medium term in demand for electricity in the Almaty city and the Almaty region;
- Increase in the tariff for electricity transmission from 1 January 2024 for 6.7% and from 1 August 2024 for 28.5% per joint order of the DCRNM of the Ministry of National Economy of the Republic of Kazakhstan for Almaty and Almaty Region;
- Costs of purchased electricity from the Unified Purchaser and on the balancing electricity market (Note 20) are included in the tariff estimate;
- Law of the Republic of Kazakhstan dated 30 December 2022 No. 177-VII amended Law of RoK "On Natural Monopolies" dated 27 December 2018 No. 204-VI ZRK allowing to adjust the tariffs for electricity transmission approved for 5 years before expiration. By the Order of the Republic of Kazakhstan of the Minister of National Economy of the Republic of Kazakhstan dated 8 December 2023, changes were made to the Rules for the formation of tariffs of natural monopoly entities, approved by Order of the Minister of National Economy of the Republic of Kazakhstan dated 19 November 2019 No. 90, which updated the incentive method for regulating the spheres of natural monopoly, allowing the use of 50% the permissible level of profit at the discretion of the natural monopoly entity, upon achieving the performance indicators determined by the specified Rules.

Results of analysis of the impairment indicators of property, plant and equipment – production of electricity and heat based on coal, transmission and distribution of electricity

As a result of the analysis of external and internal impairment indicators, the Group's management concluded that there were no impairment indicators at the date of the analysis. Accordingly, the Group's management has elected not to test for impairment of property, plant and equipment and intangible assets of these subsidiaries and investments in the joint venture at 31 December 2024.

In 2023 the Group has identified an individual impairment indicator of impairment for Ereymentau Wind Power LLP due to the delay in the implementation of the 50 MW wind power plant construction project in Ereymentau and the litigation of Ereymentau Wind Power LLP with the Settlement and Financial Center for Support of Renewable Energy Sources LLP in relation to prolongation of contract on provision of tariff for electricity sales.

The Group recognized a full impairment of construction in progress objects in the amount of Tenge 4,912,900 thousand and prepayments on long-term assets in the amount of Tenge 9,155,825 thousand.

In 2023 Alatau Zharyk Company JSC sent pre-trial claims against Electroremont LLP and ABM-Building 2007 LLP for a compensation of material damage caused due to failure to fulfill its contractual obligations. Due to the low probability of recoverability of the construction in progress project, in 2023 the Group recognised an impairment loss of construction in progress objects of Alatau Zharyk Company JSC in the amount of Tenge 3,659,788 thousand.

Also in 2023, the Group recognized gain from the reversal of impairment of non-financial assets of Shulbinskaya HPS and UK HPS in the amount of Tenge 8,057,283 thousand.

Cost of equipment purchased for the construction of power unit No. 3 at SEGRES-2

In 2008, SEGRES-2 began preparations for the construction of power unit No. 3 with a capacity of 500 MW. Subsequently, the construction plan was revised and until 2016 the Company was at the stage of development of feasibility study, preliminary construction and purchasing the necessary equipment for the new power unit No. 3 with a capacity of 630 MW. On 29 August 2016, SEGRES-2 terminated the general contract for the construction of power unit No. 3, concluded between SEGRES-2 and KVARTZ KZ LLP, due to the postponement of the construction of power unit No. 3.

SEGRES-2 carried out several activities related to the construction of power unit No. 3, including:

- On 14 March 2022, the Market Council Commission for the consideration of investment programs made a unanimous decision to recommend for consideration by the authorized body the investment program of SEGRES-2 JSC "Expansion and reconstruction of SEGRES-2 with the installation of a power unit No.3.
- Measures have been taken to prepare the station for the reception and proper storage of equipment from the People's Republic of China, heated hangar-type buildings have been built and secured storage facilities have been allocated. A significant part of the technological equipment for the power unit has been accepted. At the same time, in order to complete the construction of the power unit, it is necessary to make additional orders for the manufacture of the missing part of the equipment.

Due to the planned increase in the share of renewable energy sources by 2031, according to the forecast balances of the Ministry of Energy of Kazakhstan for the years 2025–2031, there is a need for the construction of additional maneuverable power capacities to ensure the regulation of the energy system. These forecasts include the construction of new generation facilities, including the expansion of SEGRES-2 and the construction of a new GRES-3 station, aimed at reducing the deficit of electricity and maneuverable capacities.

The management of the Group, taking into account the above facts, is considering the possibility of using existing Chinese equipment a) for the further construction of a maneuverable power unit at SEGRES-2, and also b) transfer of equipment to EGRES-3 for the construction of a new station GRES-3.

For the project "Construction of GRES-3 based on clean coal technology"

On 18 April 2024, according to the Minutes of the meeting of the Ministry of Energy regarding the development of the electric power industry it was recommended to make changes to the terms of reference for the pre-feasibility study of the construction project of GRES-3 including an increase in the installed capacity of the plant up to four power units, as

well as to consider the possibility of using equipment purchased in the PRC, which was originally intended for power unit No.3 of SEGRES-2.

On 8 July 2024, amendments were made to the Law of RK "On Electric Power Industry" under the draft law "On Thermal Power Industry" in terms of improving the current tender mechanism for the construction of newly commissioned generating units (in terms of return on investment) for the project "Construction of GRES-3 based on clean coal technology".

According to this law, if in the approved forecast balance of electricity and capacity for the forthcoming seven-year period the forecasted deficit of electricity capacity in the United Energy System of Kazakhstan or in any of its zones during the first five years of the forecast exceeds 100 MW, the authorized body is obliged to hold a tender for the construction of new generating plants producing electricity using solid fuel.

The Group is currently developing a pre-feasibility study for the project "Construction of GRES-3 based on clean coal technology".

In accordance with the current plans of the Government, management considers the most probable scenario to be the implementation of the GRES-3 construction project and transfer of technological equipment purchased in the PRC to a new organization at its carrying value. In this regard, an additional provision of Tenge 18,524,342 thousand as at 31 December 2024 was accrued for other incurred costs, including construction and assembly works, foundation preparation and other construction-related expenses for Ppower unit No. 3 of SEGRES-2, recorded as construction in progress (31 December 2023: Tenge 13,215,512 thousand) (Note 8).

Modernisation of the Almaty CHP-2 and CHP-3 with the minimization of the environmental impact

The projects are being implemented as part of the execution of the President's directive.

The CHP-2 modernization project, which minimizes environmental impact, includes the construction of a new gas-fired power station with a capacity of up to 600 MW at the Almaty CHP-2 site. On 31 December 2024, Investment Agreement No. 52 was signed for the modernization, reconstruction, and/or expansion with the construction of generating units using gas as an alternative fuel for AIES JSC for the 2024-2038 period. This agreement allows for the return of all invested capital through the capacity market mechanism.

The reconstruction of Almaty CHP-3 with the construction of a gas-steam unit (GSU) with a capacity of at least 450 MW involves replacing the existing coal-fired equipment with modern environmentally friendly gas-steam power units, as well as building a new, more powerful CHP on the existing site with a maneuverable mode of operation to partially address the shortage of maneuverable capacity in the southern region of Kazakhstan. On 17 March 2023, a contract was signed for the purchase of a service to maintain the readiness of electrical capacity during the construction of new generating units with a maneuverable generation mode with Settlement and Financial Center for Renewable Energy Support LLP.

According to the management's estimates, the residual value of the existing assets of CHP-3 and CHP-2 that will be replaced will be zero by the time the new gas-steam power units are put into operation.

To finance the projects, the Group entered into loan agreements with various financial institutions (Note 16).

As a result of the competitive bidding, EPC contracts were signed with suppliers for the implementation of the projects.

Status of Completed Works:

Modernisation of the Almaty CHP-2

As of 31 December 2024, the Group decided to capitalise the cost of equipment delivered for CHP-2 under the EPC contract in the amount of Tenge 18,574,198 thousand. Additionally, as of 31 December 2024, the cost of work-in-progress equipment for CHP-2 was capitalised in the amount of Tenge 23,412,629 thousand. Construction and installation work under the EPC contract amounting to Tenge 7,345,497 thousand, completed in 2024, was also capitalized. The estimated of the work-in-progress equipment was based on the percentage of completion indicated in the weekly equipment status reports provided by the EPC contractor. Prices were determined according to the price schedule attached to the EPC contract.



Modernisation of the Almaty CHP-3

Construction and installation works for CHP-3 under the EPC contract amounting to Tenge 2,212,400 thousand, completed in 2024, were capitalised. The estimate of obligations was carried out based on the design and estimate documentation. Additionally, as of 31 December 2024, the cost of work-in-progress equipment for CHP-3 was capitalised in the amount of Tenge 22,135,105 thousand. The cost of the work-in-progress equipment was recognised according to the percentage of completion indicated in the progress table provided by the EPC contractor. Prices were determined based on approved price lists and commercial offers related to the project.

Capitalisation was carried out in accordance with the requirements of IAS 16 Property, Plant and Equipment, as the costs are associated with preparing the asset for its intended use, and there is a high probability of obtaining future economic benefits, with costs that can be reliably measured.

In cases where an asset is created under a long-term EPC contract and the asset has no alternative use for the contractor, and the terms of the EPC contract provide the contractor with the right to receive payment for the work actually performed even if the contract is terminated, the costs may be capitalised.

Insurance

Under the voluntary insurance agreement for construction and installation risks and project cargo, including delays in commissioning and civil liability to third parties for harm caused, in 2024 the insurance premium was paid in the total amount of Tenge 10,388,767 thousand. These insurance expenses are mandatory as they are required by the investor banks and are considered an integral part of the project costs that cannot be avoided. In accordance with IFRS, specifically IAS 23 Borrowing Costs and IAS 16 Property, Plant, and Equipment, the total insurance premium of Tenge 10,388,767 thousand was capitalized and included in the cost of the Almaty CHP-2 modernization project. The capitalization of the insurance premium is due to its direct link to bringing the asset to a state of readiness and protecting against financial losses that may impact the future economic benefits of the project.

Accounting for property, plant and equipment of Renewable Energy Sources

Property, plant and equipment with a carrying value of Tenge 14,026,839 thousand represent the assets of the First Wind Power Plant (PVES) of Tenge 12,918,858 thousand and Samruk-Green Energy LLP of Tenge 1,107,981 thousand (2023: Tenge 14,653,228 thousand, Tenge 13,554,452 thousand and Tenge 1,098,776 thousand).

Settlement and Financial Center for Support of Renewable Energy Sources LLP (“RFC”), a governmental organization, acts as an agent that buys the entire volume of electricity generated by RES companies and resells it to stations powered by coal and hydrocarbons. The total volume of electricity is purchased from the power plants at a specified tariff above the market one, which is annually adjusted to the inflation rate.

According to IFRS 16, arrangements of this nature may contain a lease. Upon review of IFRS 16 criteria, management concluded that this arrangement is an operating lease, whereby PVES and Samruk-Green Energy LLP act as lessors. Accordingly, revenue from electricity of these stations was included in lease income from these power plants. Lease income is disclosed in Note 19. Future lease payments are disclosed in Note 26.

Useful lives of property, plant and equipment

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group.

The following primary factors are considered: (a) expected usage of the assets; (b) expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) technical or commercial obsolescence arising from changes in market conditions. If the estimated useful lives were different by 10% from management's estimates, the depreciation for the year ended 31 December 2024 would have been higher/lower by Tenge 6,037,439 thousand (31 December 2023: higher/lower by Tenge 6,523,910 thousand).

Balkhash Thermal Power Plant (hereinafter – “BTTP”)

On 29 October 2019, the Group acquired 50% + 1 share of BTTP from Samsung C&T and became the owner of 100% interest in BTTP. As of the acquisition date, BTTP was on the brink of bankruptcy and did not actually perform any significant activities. Since 2017, creditors and suppliers have repeatedly sued due to the insolvency of BTTP, which in turn led to the seizure of property, and also significantly limited the activities of BTTP. On 6 December 2019, a temporary administrator was appointed by the court to control and conduct the bankruptcy process.

On 20 April 2022, following the petition of Bank CenterCredit JSC, the Specialized Interdistrict Court of Almaty Region (“SIEC”) initiated a civil case to declare BTTP bankrupt. By the decision of SIEC of the Almaty region dated 27 June 2022, the BTTP was refused to be declared bankrupt. By the decision of the Judicial Chamber for Civil Cases of the Almaty Regional Court, the decision of SIEC was upheld, the appeal of Bank CenterCredit JSC was not satisfied. According to the courts, the recognition of BTTP as a bankrupt is premature due to the absence of a decision on the part of the state on the future fate of the Project and is based on arguments about the presence of assets and property, plant and equipment in BTTP, the cost of which may be the subject of fulfilment of obligations if the Government of the RoK makes a negative conclusion regarding the project, as well as a prospect for resuming the Project and restoring the financial position of the debtor with the possibility of repaying debts to creditors.

In turn, the operations of the BTTP were completely suspended as of 31 December 2024. BTTP's property was fully distrained and arrested by bailiffs on the applications of creditors and tax authorities for subsequent sale through an auction to pay off the debt to creditors. Therefore, management believes that the Group has no control and the investments in BTTP are fully impaired.

Asset retirement obligations

In accordance with the requirements of the Environmental Code of the Republic of Kazakhstan after the cessation of operation of facilities that have a negative impact on the environment, facility operators are required to ensure the elimination of the consequences of the operation of such facilities per the requirements of the legislation of the Republic of Kazakhstan. In accordance with the provisions of the Environmental Code, liquidation measures depend on the nature of facilities and the degree of their impact on the environment, in particular, the code regulates the classification of facilities into categories that reflect the degree of impact on the environment.

The provisions were determined based on the interpretation of the group of the current environmental legislation of the Republic of Kazakhstan, supported by a feasibility study and/or engineering studies per the current standards and methods of liquidation (dismantling), reclamation work, the level of technology and prices.

The following judgments were applied by the Group in determining the amount of the obligation to eliminate the consequences of the operation of the facilities as at 31 December 2024 and 31 December 2023:

- calculation of obligations to eliminate the consequences of the operation of the facilities was performed by the Group based on the results of assessments carried out by independent and internal specialists. The scope of work provided for by law and included in the calculation included the dismantling and disposal of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures intended for removal of combustion products, as well as equipment of fuel oil facilities and chemical reagents warehouse, which have a negative impact on the environment and the safety of life and/or health of people;
- there are assets (administrative buildings and other structures) on the balance sheet of facility operators in the Group, which in the future are very likely to be converted, and also have a minimal adverse impact on the environment, for which there is no need to recognize obligations to eliminate the consequences of their operation;
- for thermal power plants, referred to the I category, the amount of reserves is determined based on the expected costs that will be incurred by the facilities during the liquidation of the main equipment and mechanisms directly involved in the production of electrical and thermal energy (steam boilers, turbines, generators, fuel supply, etc.), engineering systems and structures designed to remove combustion products, as well as equipment for fuel oil facilities and a chemical reagents warehouse, as well as facilities and equipment of the fuel oil economy, which really have an adverse impact on the environment;
- the Group's management applied the judgment that the deadline for the liquidation of category I facilities of Ekibastuzskaya GRES-1 and Ekibastuzskaya GRES-2, which have a negative impact on the environment, is in 2055 and 2053, respectively, based on the useful lives of the assets. These useful lives are justified by the fact that the residual

fleet life of the main and auxiliary equipment and engineering structures of the main equipment will be extended through major repairs or reconstruction until the end of filling the existing ash dumps. Deadlines for closing ash dumps are applied in accordance with the approved working projects for closing ash dumps per the "Rules for the formation of liquidation funds for waste disposal sites" approved by Decree of the Government of the RoK dated 10 July 2007 No.591. Coal reserves are sufficient to continue the work on these stations. These periods were determined based on the need to ensure the country's energy security in response to a predicted shortage of electricity in the RoK.

- for Almaty Electric Stations JSC, the deadlines for the liquidation of CHPP-2 and CHPP-3 facilities were applied taking into account the timing of implementation, commissioning and technical parameters of the projects "Modernization of Almaty CHPP-2 with minimization of environmental impact" and "Reconstruction of Almaty CHPP-3".
- hydroelectric power plants of the Group belong to category II facilities. the Shardara hydroelectric power station, as a strategic complex structure, which is an integral part of the hydrotechnical complex of the Shardara hydroelectric complex on the Syrdarya River, which has a direct purpose for flood control and irrigation, due to the specifics of its activity, does not eliminate embankments / dams and adjacent hydraulic structures; at the same time, in the opinion of the station's management, the liquidation work of the Company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision to cover them is not significant at the reporting date;
- for the Moinak hydroelectric power plant, in accordance with the legislation, the Group's management applied the judgment that the useful lives of the main hydraulic structures, as structures of I and II classes, in the conditions of timely overhauls amount to 60 years. After the expiration of useful lives of the main building of the hydroelectric power plant, the diversion tunnel and the halfway, in accordance with the norms of the "Methodological recommendations on the procedure for extending the life of the safe operation of technical devices, equipment and structures at hazardous production facilities," further use of these structures as a hydrological post and mudflow holders during the flood period is expected on the Sharyn River. At the same time, in the opinion of the plant's management, the liquidation work of the Company may be limited to the dismantling of the equipment of hydroelectric units and some surface utility facilities, and the provision for their coverage is not material at the reporting date;
- AZhK facilities in III and IV categories. Due to the fact that AZhK's production facilities have an insignificant minimum negative impact on the environment, the Group has not accrued obligations for liquidation of the consequences of activities in these consolidated financial statements, as there is currently no reasonable calculation method for these types of assets, and the Group has received confirmation from government authorities on the absence of obligations to eliminate the consequences for the environment;
- wind and solar power plants recognize provisions for dismantling and removal of generating and technological equipment, further, the liquidation terms are determined by the technical specifications of equipment and structures.

Key assumptions in making such estimates include estimates of the discount rate, amount and timing of future cash flows. The discount rate is based on the risk-free rate defined as the yield on government bonds with maturities that coincide with the liquidation of the facilities.

As of 31 December 2024, provision on obligations for liquidation of the consequences of operating the facilities were recalculated taking into account the updating of the costs for the liquidation of facilities based on the revision of inflation rates and the discount rate as of the reporting date.

The table below presents carrying amount of provision on obligations for liquidation of the consequences of operating the facilities by the Group's subsidiaries and joint ventures as at 31 December:

In thousands of Kazakhstani Tenge	Liquidation term	31 December 2024	31 December 2023
Subsidiaries			
Ekibastuzskaya GRES-1 named after Bulat Nurzhanov LLP	2055	8,522,546	7,821,736
Almaty Electric Stations JSC	2026-2065	14,096,301	11,492,892
First Wind Power Plant LLP	2035	1,212,933	1,318,276
Samruk-Green Energy LLP	2042-205	205,432	152,533
Moynak HPP	2082	32,008	25,540
Total for subsidiaries		24,069,220	20,810,977
Joint ventures and associates			
Ekibastuzskaya GRES-2 JSC	2053	5,408,194	4,071,691





Changes in provision on obligations for liquidation of the consequences of operating the facilities were recorded in the cost of property plant and equipment (Note 7).

In thousands of Kazakhstani Tenge	(Decrease)/increase in material assumptions	(Decrease)/increase in obligation to eliminate the consequences of operation of facilities
Inflation rates	-1%	(3,088,530)
	+1%	3,886,207
Discount rates	-1%	3,378,641
	+1%	(2,602,743)
Liquidation period	-10%	2,163,515
	+10%	(1,867,473)

Since the actual costs of eliminating the consequences of operating the facilities may differ from their estimates due to changes in relevant legislation, interpretation of regulations, technologies, prices and other conditions, and these costs will be incurred in the distant future, the carrying amount of the provisions is subject to regular review and adjustment to take into account such changes.

Accounting for repurchase agreements with the Single Power Purchaser from 1 July 2023

From 1 July 2023, a new model of power market was introduced with the implementation of a Single Power Purchaser, Settlement and Financial Center for Support of Renewable Energy Sources LLP (“RFC”) and a real time balancing electricity market (“BEM”) (Note 19). The Group conducted an analysis to assess the impact of changes on the revenue recognition process in accordance with IFRS 15 Revenue from Contracts with Customers.

As a result, the Group determined that for Group consolidated financial statements, the electricity sales contracts of power plants and purchase contracts of distribution and trade entities of the Group are considered as repurchase agreements in accordance with IFRS15. Accordingly, the Group eliminated the cost of purchasing electricity and revenue from sales of electricity by power plants at the consolidation level of the Group.

To calculate the amount of elimination, the Group used the actual electricity volume purchased by Alatau Zharyk Company JSC and AlmatyEnergoSbyt LLP from the RFC and weighted average selling price of electricity in accordance with the approved cap tariffs of the Group's power plants. The calculation was carried out monthly.

The elimination amount for 2024 amounted to 93,778,408 thousand tenge (2023: 35,516,055 thousand tenge). This adjustment is reflected for the purpose of presenting the revenue and costs of sales of the Group from a single economic unit perspective and does not affect the financial results of the Group.

Apart from the above, the new model of power market, which came into force on 1 July 2023, did not have a significant impact on the revenue recognition.

If the estimated weighted average selling price had differed by 10% from management's estimates, the elimination amount for the year ended 31 December 2023, revenue and cost of sales would have increased/decreased by Tenge 9,377,841 thousand (2023: Tenge 3,551,606 thousand).

Payable to the Akimat

In 2009 AZhK was involved in litigation with the Akimat of Almaty city (“Akimat”) related to the settlement of AZhK payables to Akimat. On 14 February 2014 AZhK and Akimat signed an amicable agreement for the settlement of AZhK liabilities. To settle the liabilities, among other procedures, AZhK shall accept power lines, being in the communal ownership and under trust management of the Akimat, and Akimat assumes to write-off the liabilities of AZhK. The amount of liabilities of the AZhK to Akimat, after deduction of all payments made during the previous years as part of the amicable agreement, as of 31 December 2024 is Tenge 5,841,514 thousand (31 December 2023: Tenge 5,841,514 thousand). As of 31 December 2024 the transfer of ownership over power lines has not been completed. The Group will derecognise this liability when it is exempted from payments, i.e., at the time of implementation of all actions by the parties to the amicable

agreement, particularly at the time of the assuming the ownership over power lines from the Akimat. At the same time, the Group recognises a gain from write-off of the liability in the amount of Tenge 5,841,514 thousand.

ECL measurement

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 29. The following components have a major impact on the credit loss allowance: definition of default, SICR, probability of default (“PD”), exposure at default (“EAD”), and loss given default (“LGD”), as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs for the models to reduce any differences between expected credit loss estimates and actual losses in respect of receivables.

Other Distributions to the Shareholder

The Group accounts for the obligations related to the capital repair of the Ekibastuzteploenergo LLP, as instructed by the ultimate shareholder of the Group, in equity as other distributions to the shareholder (Note 14).

5. Segment Information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, segment operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the management board of the Group.

CODM monitors the revenue and operating profit. CODM also monitors the EBITDA, which is calculated as profit/(loss) for the period before accounting for finance income and finance expense, income tax expenses, depreciation of property, plant and equipment and amortisation of intangible assets, impairment of property plant and equipment and investment property, impairment of goodwill, share of profit/(loss) of associates and joint ventures and effects, related to acquisition and other similar effects. Sequence for identification of adjusted EBITDA by Group might be different from sequence used by other companies.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of three main business segments:

- Production of electric and heating energy.
- Transmission and distribution of electricity.
- Sale of electricity.

(b) Performance of operating segments

The CODM evaluates performance of each segment based on a measure of revenue and pre-tax profit.



In thousands of Kazakhstani Tenge	Production of electric and heating energy		Electricity transmission and distribution			Sale of electricity		Other		Total	
	12 months ended		12 months ended			12 months ended		12 months ended		12 months ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023		31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Total segment revenue – Sales of electricity	295,998,555	270,643,190	-	-		247,127,180	168,309,159	-	-	543,125,735	438,952,349
Inter-segment revenue	(93,778,408)	(77,820,000)	-	-		(3,428)	(1,779)	-	-	(93,781,836)	(77,821,779)
External revenue – Sales of electricity	202,220,147	192,823,190	-	-		247,123,752	168,307,380	-	-	449,343,899	361,130,570
Sales of heating energy	33,992,515	23,285,275	-	-		-	-	-	-	33,992,515	23,285,275
Revenue from the service on maintaining electric power capacity	58,076,148	35,478,333	-	-		-	-	-	-	58,076,148	35,478,333
Rental income from renewable energy sources	6,982,393	6,470,409	-	-		-	-	-	-	6,982,393	6,470,409
Total segment revenue – Transmission of electricity	-	-	93,846,945	66,721,625		-	-	-	-	93,846,945	66,721,625
Inter-segment revenue	-	-	(87,872,205)	(55,038,232)		-	-	-	-	(87,872,205)	(55,038,232)
External revenue –Transmission of electricity	-	-	5,974,740	11,683,393		-	-	-	-	5,974,740	11,683,393
Rental income from investment property	-	-	-	-		-	-	16,520,037	21,835,269	16,520,037	21,835,269
Sales of chemically purified water	2,079,711	1,844,241	-	-		-	-	-	-	2,079,711	1,844,241
Total other	590,669	3,833,828	-	-		-	-	1,964,731	1,595,033	2,555,400	5,428,861
Inter-segment revenue – other	(50,464)	(838,447)	-	-		-	-	(1,984,538)	(1,595,033)	(2,035,002)	(2,433,480)
External revenue – other	540,205	2,995,381	-	-		-	-	(19,807)	-	520,398	2,995,381
Total revenue	397,719,991	341,555,276	93,846,945	66,721,625		247,127,180	168,309,159	18,484,768	23,430,302	757,178,884	600,016,362
Total inter-segment revenue	(93,828,872)	(78,658,447)	(87,872,205)	(55,038,232)		(3,428)	(1,779)	(1,984,538)	(1,595,033)	(183,689,043)	(135,293,491)
Total external revenue	303,891,119	262,896,829	5,974,740	11,683,393		247,123,752	168,307,380	16,500,230	21,835,269	573,489,841	464,722,871

In thousands of Kazakhstani Tenge	Production of electric and heating energy		Electricity transmission and distribution		Sale of electricity			Other		Inter-segment transactions		Total	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023		31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cost of sales	(242,747,574)	(249,297,999)	(68,104,063)	(54,703,100)	(242,878,499)	(170,277,716)		(1,443,124)	(1,206,475)	183,528,631	135,082,053	(371,644,629)	(340,403,237)
Less depreciation and amortization	48,507,841	56,061,596	9,777,585	9,107,651	233,136	273,774		642,451	565,654	-	-	59,161,013	66,008,675
Selling expenses	(8,845,348)	(8,931,004)	-	-	-	-		-	-	-	-	(8,845,348)	(8,931,004)
Finance costs	(16,208,905)	(12,315,777)	(1,246,542)	(1,092,334)	(1,294,152)	(755,389)		(22,405,971)	(19,815,981)	9,833,245	8,724,918	(31,322,325)	(25,254,563)
Less interest expenses	11,546,223	5,938,734	442,102	375,780	1,238,303	704,806		12,797,642	11,331,163	(7,052,740)	(3,874,057)	18,971,530	14,476,426
Finance income	3,270,310	3,440,795	1,258,840	390,433	550,446	313,515		16,327,443	11,719,565	(11,817,981)	(8,576,116)	9,589,058	7,288,192
Share in profit of joint venture and associates	-	-	-	-	-	-		(5,855,910)	3,121,404	-	-	(5,855,910)	3,121,404
Capital expenditures	(150,838,171)	(140,214,844)	(25,320,504)	(10,938,501)	(117,537)	(90,216)		(204,188)	(132,686)	43,854	-	(176,436,546)	(151,376,247)
Reportable segment assets	1,068,601,682	854,291,570	185,541,239	162,726,904	32,952,850	23,313,733		921,358,820	193,730,307	(794,168,192)	(86,544,073)	1,414,286,399	1,147,518,441
Reportable segment liabilities	430,009,439	273,161,258	52,066,740	49,677,249	42,614,869	35,816,961		264,986,011	167,136,312	(148,193,240)	(70,189,558)	641,483,819	455,602,222



In thousands of Kazakhstani Tenge	Production of electric and heating energy		Electricity transmission and distribution		Sale of electricity		Other	Inter-segment transactions		Total	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Total consolidated adjusted EBITDA	184,883,349	142,085,971	35,086,173	17,332,157	4,103,317	(2,557,068)	59,094,977	38,749,232	(48,935,044)	234,232,772	170,759,514
Amortization and depreciation	(48,507,841)	(56,061,596)	(9,777,585)	(9,107,651)	(233,136)	(273,774)	(642,451)	(565,654)	-	(59,161,013)	(66,008,675)
Finance income	3,270,310	3,440,795	1,258,840	390,433	550,446	313,515	16,327,443	11,719,565	(11,817,981)	9,589,058	7,288,192
Finance cost	(16,208,905)	(12,315,777)	(1,246,542)	(1,092,334)	(1,294,152)	(755,389)	(22,405,971)	(19,815,981)	9,833,245	(31,322,325)	(25,254,563)
Impairment of non-financial assets	-	(9,748,090)	-	-	-	-	-	-	41,326	41,326	(9,748,090)
Share in profit of joint ventures and associates	-	-	-	-	-	-	(5,855,910)	3,121,404	-	(5,855,910)	3,121,404
Profit for the year before income tax	123,436,913	67,401,303	25,320,886	7,522,605	3,126,475	(3,272,716)	46,518,088	33,208,566	(50,878,454)	147,523,908	80,157,782

(c) Major customers

The Group's revenues are analysed by products and services in Note 19 (revenue from principal activities). Majority of sales of the Group are within Kazakhstan.

In 2024 and 2023, more than 10% of the total revenues were derived from sales to the companies under control of Samruk-Kazyna (Note 6).

The Group's revenues are recorded during the period when obligations are performed, in accordance with IFRS 15.

6. Balances and Transactions with Related Parties

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's parent entity and ultimate controlling party are disclosed in Note 1.

The related parties include the companies under control of Samruk-Kazyna. Transactions with government-run companies are not disclosed if they are carried out in the ordinary course of business in accordance with conditions consistent with all public and private companies i) when they are not individually significant; ii) if the Group's services are provided on standard terms available to all consumers, or iii) provided there is no choice of providers of services such as electricity transmission services, telecommunications services, etc.

The Group purchases from and sells goods to a large number of government related entities. Such purchases and sales are individually insignificant and are generally entered into on an arm's length basis. Transactions with the state also include taxes which are detailed in Note 25.

As part of "Operations under government control", balances and transactions with the state utility company Almaty SU Holding, Almaty Heat Networks LLP, Settlement and Financial Center for Support of Renewable Energy Sources LLP (hereinafter referred to as "SFC for RES" LLP) and KOREM JSC were disclosed.

For the purposes of the Group's consolidated financial statements, agreements for the sale of electrical energy of energy-producing organizations and agreements for the purchase of electrical energy of the Group's distribution and sales companies with the SFC for RES are repurchase agreements in accordance with from IFRS 15 (Note 4).

At 31 December 2024, the outstanding balances with related parties were as follows:

In thousands of Kazakhstani Tenge	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholder	Government related entities
Trade and other receivables	234,253	20,975	2,672,642	-	42,003,545
Cash and cash equivalents	2,092,062	-	-	-	486
Other short term assets	958,036	15,355	-	-	1,973,081
Financial assets	-	-	-	17,803,646	-
Borrowings	-	15,613,063	2,632	120,043,610	10,635,485
Finance lease liabilities	8,773	-	-	-	-
Trade and other payables	6,571,443	4,622,482	1,857	20,270	16,357,672
Other payables	-	15	800	-	5,841,513



At 31 December 2023, the outstanding balances with related parties were as follows:

In thousands of Kazakhstani Tenge	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholder	Government related entities
Trade and other receivables	279,731	9,254	20,858,673	-	25,462,652
Cash and cash equivalents	109	-	-	-	-
Other short term assets	778,090	481	-	-	826,501
Borrowings	-	15,489,216	3,008	79,746,328	6,865,626
Finance lease liabilities	14,352	-	-	-	-
Trade and other payables	6,223,161	4,677,730	249,632	25,235	12,121,466
Other payables	-	2,142	800	-	5,841,513

Share of emissions is disclosed in Note 14.

The income and expense items with related parties for the year ended 31 December 2024 were as follows:

In thousands of Kazakhstani Tenge	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholder	Government related entities
Revenue	3,438,251	19,813	16,756,103	-	276,525,914
Cost of sales	(54,909,927)	(53,580,907)	(572,959)	-	(64,481,971)
General and administrative expenses	(770,417)	-	-	-	-
Selling expense	(8,613,601)	-	-	-	-
Other expenses	(1,632)	-	-	(3,632)	(2,272,521)
Other income	4,908	80	2,901,874	-	-
Finance income	164,358	-	-	807,278	948,796
Finance costs	(76,898)	(2,060,614)	-	(10,890,932)	(1,264,340)

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

In thousands of Kazakhstani Tenge	Companies under common control	JVs and associates of Samruk-Energy	JVs and associates of Samruk-Kazyna	Shareholder	Government related entities
Revenue	26,595,779	1,061,003	22,157,553	-	198,963,729
Cost of sales	(47,825,384)	(48,655,128)	(254,487)	-	(102,921,734)
General and administrative expenses	(542,540)	-	-	-	-
Selling expense	(8,767,069)	-	-	-	-
Other expenses	(11,312)	-	-	-	(813,727)
Other income	12,491	19	29	-	140,140
Finance income	13,740	-	-	-	341,823
Finance costs	(10,029)	(2,174,579)	-	(8,384,810)	-

At 31 December 2024, the Group has following outstanding guarantees from related parties:

- Corporate guarantee from Samruk-Kazyna in the amount of Tenge 12,285,000 thousand for outstanding loan to Development Bank of Kazakhstan JSC (2023: Tenge 12,285,000 thousand);
- Corporate guarantee of Samruk-Kazyna in the amount of Tenge 130,000,000 thousand under the loan agreement of AIES JSC with the EBRD (European Bank for Reconstruction and Development), purpose is to finance the project on transfer of Almaty CHP-2 to gas. The Group also signed a guarantee agreement with Samruk-Kazyna in the amount of Tenge 130,000,000 thousand within the guarantee provided by Samruk-Kazyna to EBRD as a collateral on loan agreement between AIES and EBRD.
- Corporate guarantee of Samruk-Kazyna in the amount of Tenge 98,000,000 thousand under the loan agreement of AIES JSC with the ADB (Asian Development Bank), purpose is to finance the project on transfer of Almaty CHP-2 to gas. The Group also signed a guarantee agreement with Samruk-Kazyna in the amount of Tenge 98,000,000 thousand within the guarantee provided by Samruk-Kazyna to ADB as a collateral on loan agreement between AIES and ADB.
- Corporate guarantee from Samruk-Energy to Samruk-Kazyna in the amount of Tenge 117,000,000 thousand within the guarantee provided by Samruk-Kazyna to Development Bank of Kazakhstan as a collateral. This loan has not yet been drawdown.

Key management compensation is presented below:

In thousands of Kazakhstani Tenge	2024	2023
Key management compensation - expense	337,311	358,801
Independent directors – members of the Board of Directors – expense	47,281	41,686
Independent directors – members of the Board of Directors – liability	8,667	12,017

Company's key management personnel compensation represents the salaries, bonuses and other short-term employee benefits. Key management personnel as at 31 December 2024 include 7 persons (31 December 2023: 5 persons). Independent directors - members of the Board of Directors at 31 December 2024 – 4 persons (31 December 2023 - 4 persons).

Transactions with related parties are made on terms agreed between the parties that do not necessarily correspond to market rates, with the exception of regulated services that are provided on the basis of the tariffs approved by the Order of the Minister of Energy On Approval of Cap rates for Electricity for a Group of Energy-Producing Companies.



7. Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

In thousands of Kazakhstani Tenge	Buildings and constructions	Machinery and equipment	Other	Construction in progress	Total
Cost at 1 January 2023	315,926,847	743,426,298	20,781,045	177,900,610	1,239,693,267
Accumulated depreciation and impairment	(115,555,807)	(368,107,499)	(9,236,560)	(3,105,899)	(477,664,232)
Carrying amount at 1 January 2023	200,371,040	375,318,799	11,544,485	174,794,711	762,029,035
Additions	17,732	3,423,018	2,191,392	106,806,951	112,439,093
Change in accounting estimates of asset retirement obligations	134,666	(358,792)	-	-	(224,126)
Transfers	(25,956,805)	59,908,154	496,712	(34,448,061)	-
Disposal	(287,065)	(1,459,635)	(252,699)	(1,225,399)	(3,224,798)
Depreciation	(13,493,248)	(49,984,962)	(1,408,980)	-	(64,887,190)
Depreciation on disposal	190,165	1,315,675	226,949	-	1,732,789
(Accrual)/reversal of impairment (Note 4)	3,217,681	4,769,128	95,735	(8,641,947)	(559,403)
Cost at 31 December 2023	289,835,375	804,939,043	23,216,450	249,034,101	1,367,024,969
Accumulated depreciation and impairment	(125,641,209)	(412,007,658)	(10,322,856)	(11,747,846)	(559,719,569)
Carrying amount at 31 December 2023	164,194,166	392,931,385	12,893,594	237,286,255	807,305,400
Additions	159,224	3,549,117	1,930,508	186,548,118	192,186,967
Change in accounting estimates of asset retirement obligations	135,483	1,084,133	-	-	1,219,616
Transfers	16,440,730	218,779,337	3,190,514	(238,410,581)	-
Disposal	(222,206)	(1,121,248)	(359,410)	(29,935)	(1,732,799)
Depreciation	(14,213,264)	(41,738,382)	(1,720,943)	-	(57,672,589)
Depreciation on disposal	105,425	1,027,574	296,935	-	1,429,934
(Accrual)/reversal of impairment (Note 4)	39,130	3,689	355	(12,694)	30,480
Cost at 31 December 2024	306,348,606	1,027,230,382	27,978,062	197,141,703	1,558,698,753
Accumulated depreciation and impairment	(139,709,918)	(452,714,777)	(11,746,509)	(11,760,540)	(615,931,744)
Carrying amount at 31 December 2024	166,638,688	574,515,605	16,231,553	185,381,163	942,767,009

Additions include capitalised borrowing costs of Tenge 12,767,766 thousand (2023: Tenge 11,169,836 thousand). The average capitalization rate on interest expenses was 17.13% (2023: 15.77%).

In 2023 the Group reclassified the assets of hydro power plant Shardara HPS JSC in the amount of Tenge 29,407,848 thousand from buildings and construction to machinery and equipment in accordance with clarifications received from State Revenue Committee of the Ministry of Finance of the RoK and the Ministry of Energy of the RoK.

As at 31 December 2024 buildings and constructions include carrying value of windmills, solar panels and other related infrastructure in the amount of Tenge 13,218,676 thousand (31 December 2023: Tenge 13,680,639 thousand) that earn rental income from renewable energy power plants on a monthly basis (Note 4, 19).

As at 31 December 2024 and 31 December 2023 property, plant and equipment have not been pledged as collateral for borrowings (Note 16).

Depreciation charge is allocated to the following items of profit and loss for the year:

In thousands of Kazakhstani Tenge	2024	2023
Cost of sales	57,405,600	64,522,548
General and administrative expenses	202,393	284,001
Other operating expenses	57,432	74,045
Capitalized to construction in progress	7,164	6,596
Total depreciation charges	57,672,589	64,887,190

8. Investments in Joint Ventures and Associates

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures and associates.

In thousands of Kazakhstani Tenge	Joint ventures			Associates		Total
	SEGRES-2	Forum Muider	Kokshetau CHPP	Semirechya Energy	Altyn Dala	
Balance at 1 January 2023	20,408,582	68,158,762	-	1	-	88,567,345
Share of profit/(loss) for the year	(8,660,877)	11,782,281	-	-	-	3,121,404
Dividends	(1,052,246)	-	-	-	-	(1,052,246)
Balance at 31 December 2023	10,695,459	79,941,043	-	1	-	90,636,503
Contribution to the capital	-	-	2,069,000	-	25,000	2,094,000
Share of profit/(loss) for the year	(5,363,967)	(456,103)	(15,821)	-	(20,019)	(5,855,910)
Share of other comprehensive in-come/(loss)	79,210	(83,293)	-	-	-	(4,083)
Balance at 31 December 2024	5,410,702	79,401,647	2,053,179	1	4,981	86,870,510

At 31 December 2024, the Group has interests in the following jointly controlled entities:

- SEGRES-2 – 50%. The remaining 50% interest is owned by National Welfare Fund Samruk-Kazyna JSC (Note 4).
- Forum Muider – 50%. The remaining 50% is owned by UC RUSAL.
- Kokshetau CHPP - 50%. The remaining 50% interest is owned by National Welfare Fund Samruk-Kazyna JSC.

On 24 June 2024 based on Decision of the Board of the Fund dated 6 June 2024 and Decisions of the Board of Directors of the Fund dated 20 May 2024 as part of the implementation of projects of construction of coal-fired thermal power plants in the cities of Semey, Ust-Kamenogorsk, the Group and Samruk-Kazyna established jointly controlled enterprises Semey Energy LLP, Uskemen Energy LLP.

As of 31 December 2024, the Group has ownership interests in the following associates:

- Energy Semirechya LLP - 25%. Energy Semirechya plans to build a renewable energy station. The shareholders of Energy Semirechya LLP are Hydrochina Corporation (50% share), Samruk-Energy JSC (25% share through Qazaq Green Power PLC), Powerchina Chegdu Engineering Corporation (15% share), and Powerchina Resources Ltd (10% share).
- Private company “Altyn Dala Energy Ltd.” - 25%. The remaining 75% ownership share belongs to TUMAR COMMERCE LLP.

The only difference at reconciliation of the amounts below and carrying values of investments in associates and joint ventures is the excluded share of other investors in these associates and joint ventures.



The Group's management believes that the Group's share in net assets in associates and joint ventures is limited to the investment in the associate.

Impairment loss of SEGRES-2 includes the amount of recognised provision on construction in progress (Note 4).

Contingencies related to the Group's share in joint ventures are disclosed in Note 26. Related party balances and transactions are presented in Note 6.

Presented below is summarised financial information of joint ventures and associates as at 31 December 2024 and 31 December 2023 and for the years then ended:

In thousands of Kazakhstani Tenge	SEGRES-2		Forum Muider			Kokshetau CHPP		Semirechya Energy		Altyn Dala	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023		31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Current assets, including	23,952,139	18,694,573	90,157,073	87,470,063		4,037,983	-	3,915,822	4,529,450	6,919	-
Cash and cash equivalents	3,375,496	2,276,795	4,486,155	5,196,189		4,012,934	-	2,192,263	2,399,478	4,139	-
Non-current assets	107,874,141	116,171,943	195,986,986	191,625,293		90,160	-	26,739,494	30,888,080	94,804	-
Current liabilities, including	(20,199,616)	(15,575,686)	(113,334,578)	(107,993,367)		(19,274)	-	(34,848,584)	(30,199,133)	(59,250)	-
Current financial liabilities (excluding trade and other payables and provisions)	(14,283,731)	(9,667,550)	(96,017,139)	(93,780,914)		(10,508)	-	(34,196,292)	(28,903,714)	(40,588)	-
Non-current liabilities, including	(100,805,260)	(97,899,912)	(14,006,187)	(11,219,903)		(2,511)	-	-	-	(22,549)	-
Non-current financial liabilities (excluding trade and other payables and provisions)	(95,041,994)	(93,433,002)	(10,875,373)	(8,958,776)		(2,511)	-	-	-	-	-
Net assets	10,821,404	21,390,918	158,803,294	159,882,086		4,106,358	-	(4,193,268)	5,218,397	19,924	-
Share of the Group	50%	50%	50%	50%		50%	50%	25%	25%	25%	25%
Group's share in net assets	5,410,702	10,695,459	79,401,647	79,941,043		2,053,179	-	1	1	4,981	-
Revenue	79,525,179	66,183,823	138,480,813	131,225,354		-	-	6,276,575	5,333,215	-	-
Depreciation and amortization of property, plant and equipment and intangible as-sets	(3,876,899)	(3,689,579)	(12,466,332)	(9,395,295)		(1,195)	-	(2,940,593)	(3,244,648)	(16,337)	-
Impairment of non-financial assets	(18,524,342)	(14,540,335)	-	-		-	-	-	-	-	-
Interest income	449,356	1,955,050	5,630,117	9,330,531		-	-	66,668	5,635	-	-
Interest expense	(12,368,152)	(12,154,083)	(11,520,690)	(1,083,068)		(99,869)	-	(2,052,092)	(1,434,552)	(6,645)	-
Income tax	(6,679,839)	(2,271,496)	(20,679)	(7,139,284)		(2,511)	-	-	-	-	-
Profit/(loss) for the year	(10,727,933)	(17,239,876)	(912,206)	23,759,925		(31,642)	-	(9,411,663)	(338,959)	(80,075)	-
Other comprehensive income/(loss)	158,419	(81,878)	(166,586)	(195,363)		-	-	-	-	-	-
Total comprehensive income/(loss)	(10,569,514)	(17,321,754)	(1,078,792)	23,564,562		(31,642)	-	(9,411,663)	(338,959)	(80,075)	-



9. Other Non-Current Assets

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Bonds		485,919	420,062
Restricted cash		270,955	241,806
Other non-current financial assets		10,609	19,754
Long-term receivables		-	424,293
Less: impairment provision		(7,398)	(106,418)
Total other non-current financial assets		760,085	999,497
Prepayments for non-current assets		148,544,769	98,623,665
Non-current VAT recoverable		54,754	54,754
Other non-current assets		3,974,175	3,400,301
Provision for impairments	4	(15,512,539)	(15,512,539)
Total other non-current assets		137,821,244	87,565,678

As at 31 December 2024 prepayments for Construction of a 50 MW wind farm in Ereymentau in the amount of Tenge 15,376,102 thousand was fully impaired (Note 4). In 2023 the Group recognised impairment loss on this prepayment in the amount of Tenge 9,155,825 thousand and in 2022 in the amount of Tenge 6,220,277 thousand.

Gross amount of other non-current assets includes advances and prepayments for the following types of construction and property, plant and equipment:

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Modernisation of Almaty CHP-2 with the minimization of the environmental impact	56,143,800	32,491,297
Reconstruction and modernization of fuel supply of Ekibastuz GRES-1 named after B. Nurzhanov LLP	38,857,777	-
Reconstruction of Almaty CHP-3	33,445,459	38,545,229
Construction of 50 MW WPP in Ereymentau city	15,376,102	15,376,102
Construction and reconstruction of substations in Almaty and Almaty region	374,777	374,575
Restoration of unit Ekibastuz GRES-1 named after B. Nurzhanov LLP with the installation of electrostatic precipitators	301,311	7,193,085
Overhaul of power units of Ekibastuz GRES-1 named after B. Nurzhanov LLP	-	4,482,914
Other	4,045,543	160,463
Total prepayments for non-current assets	148,544,769	98,623,665

10. Inventories

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Auxiliary production materials	14,970,125	11,027,880
Fuel	11,301,585	9,967,550
Spare parts	3,812,679	4,193,988
Raw materials	49,208	45,899
Other materials	940,417	801,554
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(2,038,446)	(1,661,860)
Total inventories	29,035,568	24,375,011

As at 31 December 2024 and 31 December 2023 inventories have not been pledged as collateral for borrowings.

Presented below are movements in the Group's inventory provision:

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Provision at 1 January	1,661,860	1,176,812
Reversal of provision	(203,559)	(135,773)
Accrual for provision	580,145	534,909
Change in accounting estimate	-	85,912
Provision at 31 December	2,038,446	1,661,860

11. Trade and Other Receivables

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Trade receivables		75,933,591	48,738,733
Operating lease receivables	19	1,563,444	19,903,764
Less: impairment provision		(2,836,594)	(2,300,916)
Total financial trade receivables		74,660,441	66,341,581
Other receivables		1,547,626	2,309,969
Less: impairment provision		(1,498,534)	(2,014,456)
Total trade and other receivables		74,709,533	66,637,094

Carrying amount of financial receivables approximates fair value due to its short-term nature.

Financial receivables are denominated in Tenge. Movement in the impairment provision for trade and other receivables are as follows:

In thousands of Kazakhstani Tenge	2024		2023	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Provision for impairment at 1 January	2,300,916	2,014,456	2,916,480	2,879,299
Accrual for impairment provision	1,648,376	3,339,794	589,373	15,169
Reversal of provision during the year	(580,651)	(3,853,821)	(1,194,339)	(880,012)
Amounts written off during the year	(532,047)	(1,895)	(10,598)	-
Provision for impairment at 31 December	2,836,594	1,498,534	2,300,916	2,014,456

The levels of default and calculation of loss allowance are disclosed in Note 29.



12. Other Current Assets

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Bonds and debt securities	18,083,266	4,115,507
Other trade receivables	547,915	416,625
Restricted cash	305,005	307,929
Other financial current assets	139,339	120,368
Term deposits	3,270	1,673
Less: impairment provision	(612,810)	(514,938)
Total other current financial assets	18,465,985	4,447,164
Advances to suppliers	5,152,018	4,940,567
VAT recoverable and prepaid taxes	3,515,276	3,318,835
Other non-financial current assets	2,778,584	3,395,985
Less: impairment provision	(418,732)	(418,732)
Total other current assets	29,493,131	15,683,819

Bonds and debt securities as at 31 December 2024 include bonds of Samruk-Kazyna in the amount of Tenge 17,807,278 thousand and Notes of the National Bank of Kazakhstan in the amount of Tenge 259,950 thousand. The nominal value of one Samruk-Kazyna bond is Tenge 1,000 and the term is up to 1 year. The coupon interest rate is calculated as the average of the prime rates set by the NBRK during the coupon period less a fixed margin of 0.75%. As at 31 December 2023, bonds and securities included Notes of the National Bank of Kazakhstan in the amount of Tenge 4,100,000 thousand.

13. Cash and Cash Equivalents

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Purchase and repurchase agreements ("reverse repo") with other banks with an original maturity of less than three months	81,545,661	37,217,680
Term deposits	11,121,513	5,175,994
Cash at current bank accounts	2,265,040	1,252,264
Cash on hand	20,081	16,518
Total cash and cash equivalents	94,952,295	43,662,456

As at the reporting date for portfolio diversification purposes the Group has used purchase and repurchase agreements ("reverse repo") which are presented by transactions on placement of cash for a short period of time (1-7 days) at stock exchange and collateralised by securities.

Term deposits and current deposits have contractual maturity terms less than three months or are available on demand.

Cash and cash equivalents balances are denominated in the following currencies:

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Kazakhstani Tenge	94,951,744	43,661,984
US Dollar	551	1
Euro	-	471
Total cash and cash equivalents	94,952,295	43,662,456

14. Equity

Authorised capital

As at 31 December 2024, 6,952,267 of issued ordinary shares were fully paid in the amount of Tenge 507,435,225 thousand (31 December 2023: 6,311,967 shares in the amount of Tenge 443,567,998). Each ordinary share equals to one vote. The Company has no preferred shares. There are 8,602,187 authorised shares (31 December 2023: 8,602,187 authorised shares). As at 31 December 2024 Samruk-Kazyna NWF JSC is a 100% shareholder of the Company (2023: 100%).

On 2 May 2024 Samruk-Kazyna transferred to the Group 100% stake in NPS Shulbinskaya HPS LLP and NPS Ust-Kamenogorskaya HPS LLP in payment for the issue of shares of the Company worth Tenge 36,224,485 thousand and Tenge 23,505,742 thousand in the amount of 375,500 and 260,000 shares. The fair value of the participation interests was determined as of 30 April 2024 by engaging independent appraisers by the Company in accordance with the Law on joint stock companies. The difference between the fair value of the acquisition and the value of the shares issued in the amount of Tenge 8,957,051 thousand was recorded as an increase in Other reserves (Note 2).

On 25 April 2024 the Group declared dividends payment to the Sole Shareholder in the amount of Tenge 20,565,904 thousand – Tenge 3,258.24 per share. On 11 April 2024 Shulbinskaya HPS and UK HPS declared dividends to Samruk-Kazyna in the amount of Tenge 3,249,965 and Tenge 1,000,000 thousand.

On 4 September 2024 Samruk-Kazyna purchased 4,800 of the Company shares at price of 861,875 Tenge per share and were fully paid in cash in the amount Tenge 4,137,000 thousand in accordance with the preferred right to purchase shares in order to replenish the authorized capital of Kokshetau CHPP LLP.

On 1 July 2023 Samruk Kazyna purchased 253,500 of the Group shares at price of 95,468 Tenge per share and were fully paid in cash in the amount Tenge 24,201,138 thousand in accordance with the preferred right to purchase shares, for the purposes of contribution to equity capital of AIES JSC as part of implementation of the project of Modernisation of Almaty CHP-2 with the minimization of the environmental impact (Note 9, 26).

On 11 August 2023 Samruk Kazyna purchased 22,180 of the Group shares at price of 103,250 Tenge per share in the total amount Tenge 2,290,085 thousand by transferring on 14 November 2023 electrical grid facilities located in Almaty region.

On 19 October 2023 Samruk Kazyna purchased 403,750 of the Group shares at price of 95,468 Tenge per share and were fully paid in cash in the amount Tenge 38,545,205 thousand in accordance with the preferred right to purchase shares, for the purposes of contribution to equity capital of AIES JSC as part of implementation of the project of Reconstruction of Almaty CHP-3 (Note 9, 26).

In 2024, Samruk-Energy fully paid the declared dividends to the Sole Shareholder in the amount of Tenge 24,815,869 thousand.

The reconciliation of issued and declared common shares is presented below:

In thousands of Kazakhstani Tenge	Number of issued common shares [pieces]	Number of declared common shares [pieces]
Balance at 1 January 2023	5,632,537	8,602,187
Share issue	679,430	-
Balance at 31 December 2023	6,311,967	8,602,187
Share issue	4,800	-
Share issue on acquisition of entities under common control	635,500	-
Balance at 31 December 2024	6,952,267	8,602,187



Other operations with Shareholder

In accordance with the order of the Government of the Republic of Kazakhstan, following the emergency failure of heat supply in the city of Ekibastuz, the issue of the capital modernization Ekibastuz CHPP was considered. At the same time, given the lack of financial and technical capabilities of local executive bodies to maintain and develop the plant, which is owned by the Akimat of Ekibastuz city, the Government instructed Samruk-Energy to enter into a trust management agreement with the Akimat of Ekibastuz for a period until June 2027, transferring the assets of Ekibastuz CHPP to the Group. In turn, the Group is obligated to carry out capital repairs of the assets at its own expense. Upon expiration of the agreement, the Group must return the transferred assets in a condition that ensures their normal operation and uninterrupted heat supply to the population. Since the decision to enter into the trust management agreement, including the obligation to carry out capital repairs of the assets of modernization Ekibastuz CHPP, was made by the ultimate shareholder of the Group and is directive in nature, such operations are considered as "other transactions with shareholders" according to the Group's accounting policy. The Group does not derive any economic benefits from this agreement, and therefore, it is considered onerous. Accordingly, the Group assessed the cost of capital repairs for the modernization Ekibastuz CHPP and created a provision for capital repair obligations, as well as reflected them in the consolidated statement of changes in equity as other transactions with the shareholder. As of December 31, 2024, the Group transferred the capital works performed on the assets of the Akimat of Ekibastuz in the amount of Tenge 3,723,198 thousand. In the consolidated statement of financial position as of December 31, 2024, the Group recognized other long-term provisions in the amount of Tenge 4,030,672 thousand and other short-term provisions in the amount of Tenge 4,843,000 thousand.

Other reserves

In thousands of Kazakhstani Tenge	Merger reserve	Result of transactions with shareholder	Other comprehensive loss	Total
Balance at 1 January 2023	37,282,287	90,607,549	(3,039,119)	124,850,717
Effect of business combination under common control	-	42,385,856	-	42,385,856
Balance at 1 January 2023 (restated)	37,282,287	132,993,405	(3,039,119)	167,236,573
Other comprehensive loss	-	-	135,881	135,881
Balance at 31 December 2023 (restated)	37,282,287	132,993,405	(2,903,238)	167,372,454
Other comprehensive income	-	-	(152,327)	(152,327)
Discount on borrowings from the Shareholder	-	1,345,614	-	1,345,614
Share issue on acquisition of entities under common control	-	(33,428,805)	-	(33,428,805)
Balance at 31 December 2024	37,282,287	100,910,214	(3,055,565)	135,136,936

15. Provision for asset restoration

The movement in the provision on obligations for liquidation of the consequences of operating the facilities is presented below:

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Provision at 1 January		20,810,977	19,146,405
Change in accounting estimates through property, plant and equipment	4, 7	983,639	(356,416)
Unwinding of discount	24	2,345,145	2,020,988
Use of reserve		(70,541)	-
Provision for liquidation of the consequences of facilities' operations at 31 December		24,069,220	20,810,977

The movement in the provision on liquidation of ash dumps is presented below:

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Provision at 1 January		3,143,439	2,481,989
Change in accounting estimates through property, plant and equipment	4, 7	235,977	132,290
Change in accounting estimates through other operating income		265,393	226,874
Unwinding of discount	24	388,311	311,011
Other		(293,771)	(8,725)
Provision for ash dumps at 31 December		3,739,349	3,143,439

16. Borrowings

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Long-term portion		
Bank term loans	163,230,819	106,921,024
Loans from Samruk-Kazyna	81,042,825	70,394,751
Bonds issued	44,452,414	40,122,505
Loans from customers	678,592	768,849
Total long-term borrowings	289,404,650	218,207,129
Short-term portion		
Bank term loans	32,539,739	26,317,015
Loans from Bogatyr Komir	15,613,063	15,489,217
Loans from Samruk-Kazyna	2,761,153	9,351,577
Bonds issued	32,332,561	413,567
Loans from customers	447,234	415,574
Total short-term borrowings	83,693,750	51,986,950
Total borrowings	373,098,400	270,194,079

Borrowings of the Group are denominated in the following currencies:

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Borrowings denominated in:		
Tenge	373,098,400	270,138,271
Euro	-	55,808
Total borrowings	373,098,400	270,194,079



An analysis of the amount of net debt and movements in the Group's liabilities arising from financial activities for each of the periods presented are provided in the table below. Items of these liabilities are reported in the consolidated statement of cash flows as part of financial activities.

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Borrowings at 1 January		270,194,079	265,926,978
Proceeds from borrowings and bonds issued		224,101,574	85,588,737
Borrowings repaid		(131,137,015)	(89,663,811)
Interest repaid		(16,916,632)	(13,257,667)
Capitalised interest reflected in cash flows from investing activities (purchase of property, plant and equipment)		(11,781,462)	(10,355,729)
Initial recognition of loans received discounted to its present value		(1,345,613)	(1,089,771)
Capitalised interest	7	12,767,766	11,169,836
Interest expense			
Interest expenses	24	18,971,530	14,476,424
Unwinding of present value discount	24	8,097,240	7,537,275
Foreign exchange adjustments		4,854	(54,122)
Other payments		142,079	(84,071)
Borrowings at 31 December		373,098,400	270,194,079

Samruk-Energy JSC

Samruk-Kazyna SWF JSC

On 17 March 2010 the Group signed a loan agreement with Samruk-Kazyna for amount of Tenge 48,200,000 thousand for the purpose of re-financing of debt arising as the result of acquisition of 50% interest in Forum Muider. The loan carries an interest rate of 1.2% per annum with maturity not later than 15 September 2029. The principal amount is payable in equal annual instalments and interest is payable by semi-annual payments starting from the following reporting year after the receipt of loan.

On 14 January 2011 the Company signed a loan agreement with Samruk-Kazyna for the amount of Tenge 7,000,000 thousand for the purpose of financing construction of substation of Alatau Zharyk Company JSC. The loan carries an interest rate of 2% per annum with maturity not later than 25 January 2024. During the twelve months ended December 31, 2024, the Company signed an additional agreement to extend the term of the loan agreement with Samruk-Kazyna to finance the construction of the substation of Alatau Zharyk Company JSC until December 25, 2026, with a change in the interest rate on the loan equal to the weighted average inflation rate for the 10 years preceding the beginning of the reporting year. Management believes that such a change in the terms of the loan should be accounted for as derecognition of the original loan and recognition of the new loan at fair value. The Company recognized a gain on initial recognition of the loan in the amount of Tenge 1,345,614 thousand within other reserve capital.

On 16 January 2014 the Company signed a loan agreement with Samruk-Kazyna for amount of Tenge 200,000,000 thousand for the purpose of acquisition of remaining share in EGRES-1. The principal amount is payable on 1 December 2028 and interest at 7.8% is payable by semi-annual payments. On 3 October 2014 principal amount of Tenge 100,000,000 thousand was converted to the Company's shares. Interest rate on the remaining principal amount was increased to 9%. On 25 December 2015 interest rate on the principal amount was reduced to 1% per annum which was considered as a settlement of the original loan and recognition of a new loan at a fair value. At the loan origination date, the market rate was 12.8% per annum. The Company recognised a gain on initial recognition of the loan of Tenge 72,581,903 thousand as part of other reserves.

Bonds

In November 2018, the Company issued and placed bonds in the amount of Tenge 21,736,200 thousand with a nominal value of 1,000 Tenge per 1 bond for a period of seven years. The coupon interest rate was 11.2% per annum and is payable twice a year.

On 25 November 2021, the Company issued and placed 184 units of green bonds in the amount of Tenge 18,400,000 thousand, with a par value of 100,000,000 tenge per 1 bond with a term of 6.5 years. The coupon rate was 11.4% per annum and is payable twice a year.

On 19 September 2024, the Company issued coupon bonds in the amount of Tenge 34,736,552 thousand within the framework of liquidity management program on Astana International Exchange with floating rate NBRK +1% with maturity till 19 September 2029.

Eurasian Development Bank

On 30 June 2023 the Company received a loan from the Eurasian Development Bank in the amount of Tenge 6,626,296 thousand with a maturity till 31 October 2034. The purpose of loans is to repay the loan of Ereymentau Wind Power LLP from Eurasian Development Bank. Interest rate is 11.5% per annum until 31 October 2026. From 1 November 2026 until full repayment of the principal debt the interest rate is equal to base rate of National Bank of the RoK and margin of 2.25%.

Bogatyr Komir LLP

During 2022, the Company received loans from subsidiary of the Group's joint venture Forum Muider - Bogatyr Komir LLP, totalling Tenge 12,482,770 thousand for a period of 12 months with the condition of repayment of the principal and interest at the end of the loan term. In November 2023 loans were extended for 1 year with an increase in the annual interest rate equal to the base rate of the National Bank of the Republic of Kazakhstan effective on the date of issuance of the Tranche plus a margin of 3% per annum (31 December 2023: margin of 2% per annum).

In February 2024, partial early repayment of the loans totaling KZT 1,880,333 was made. During 2024, loan interest amounting to Tenge 2,060,614 thousand was accrued (2023: Tenge 2,174,579 thousand).

In September 2024, the term of the loans was extended until 31 December 2025, with an annual interest rate equal to the prime rate of the National Bank of the Republic of Kazakhstan effective for July 2024 plus a margin of 2% per annum.

Alatau Zharyk Company JSC

Halyk Bank of Kazakhstan JSC

In 2015, the AZhK entered into a credit facility agreement with Halyk Bank of Kazakhstan JSC. During 2024, the liabilities on long-term loans for investment activities were fully repaid according to the schedules, annual principal repayment amounted to Tenge 2,343,298 thousand, repayment of interest amounted to Tenge 148,924 thousand.

On 8 January 2024, under the existing agreement with the Halyk Bank, in order to provide liquidity to the Company for replenishment of working capital, a credit line - Limit-11 on a revolving basis for Tenge 1.5 billion was opened.

Subsequently, this credit line was increased:

- up to Tenge 3 billion in accordance with the Supplemental Agreement dated 4 May 2024;
- to Tenge 5 billion under the Supplemental Agreement dated 27 September 2024.

The nominal debt under this facility as at 31 December 2024 is Tenge 5,000,000 thousand with interest rates of 16.25% -17.75% per annum.

To secure fulfillment of obligations, movable property – cash at current accounts of Halyk Bank of Kazakhstan JSC is (will be) pledged.



Jusan Bank

The loan from First Heartland Jusan Bank JSC as of 31 December 2024 was fully repaid. Agreement No. 200/0096-21 dated 16 August 2021 was terminated on 16 August 2024.

Ereymantau Wind Power LLP

Eurasian Development Bank

Under non-revolving credit facility agreement No.193 dated 31 October 2019, Ereymantau Wind Power LLP (“EWP”) raised a long-term loan for construction of a wind power electric plant in Akmola region. The interest rate for tranches issued during seven years from the enforcement date of credit facility agreement is 11.5% per annum, for tranches expiring after the first seven years of the agreement – base rate amount plus margin. During 2023 Ereymantau Wind Power LLP made early repayment of a loan to Eurasian Development Bank.

Almaty Electric Stations JSC

Halyk Bank of Kazakhstan

On 26 November 2014 Almaty Electric Stations JSC entered into an Agreement for the provision of a credit line with Halyk Bank of Kazakhstan JSC. The credit line is valid until 1 September 2026.

In accordance with the agreement, the total amount of the credit line is Tenge 14,100,000 thousand, of which:

- Tenge 13,500,000 thousand (hereinafter referred to as Limit 1). The intended purpose of Limit 1 is to replenish working capital;
- Tenge 600,000 thousand (hereinafter referred to as Limit 2). The intended purpose of Limit 2 is to provide bank guarantees, bank loans to cover guarantees, including short-term portion.

European Bank for Reconstruction and Development

On 25 November 2022 a loan agreement No. 52821 was signed between AIES JSC and the European Bank for Reconstruction and Development for a total amount of Tenge 130,000,000 thousand. An unconditional and irrevocable guarantee of Samruk-Kazyna National Welfare Fund JSC was provided as collateral.

On 2 July 2024 the first tranche under this agreement was disbursed in the amount of Tenge 21,246,195 thousand.

On 3 December 2024 the second tranche was disbursed in the amount of Tenge 22,926,424 thousand.

The paid commission for organization of financing in the amount of 0.1% of the loan amount, commission for reservation of 0.5% per annum of the loan amount, reimbursement of the bank's expenses for attracting experts to obtain conclusions on the compliance of the client with the requirements of the bank and the terms of the Agreement are included in other assets. These payments were divided into short-term and long-term deferred expenses in proportion to tranches according to the schedule of their receipt by years.

The total amount of commission and reimbursement of the bank's expenses amounted to Tenge 1,639,600 thousand, including: long-term part of Tenge 1,337,242 thousand and short-term part of Tenge 302,358 thousand.

Development Bank of Kazakhstan

On 8 June 2023 a credit line agreement in the amount of Tenge 117,000,000 thousand was signed between Almaty Electric Stations JSC and Development Bank of Kazakhstan JSC. An unconditional and irrevocable guarantee of Samruk-Kazyna National Welfare Fund JSC was provided as collateral. AIES JSC did not receive funds under this agreement.

Asian Development Bank

On 9 June 2023 a credit agreement in the amount of Tenge 98,000,000 thousand was signed between AIES JSC and the Asian Development Bank. An unconditional and irrevocable guarantee of Samruk-Kazyna National Welfare Fund JSC was provided as collateral.

On 20 December 2024, the first tranche under this agreement was disbursed in the amount of Tenge 15,000,000 thousand.

The paid commission for organization of financing in the amount of 0.1% of the loan amount, commission for provisioning 0.5% per annum of the loan amount, reimbursement of the bank's expenses for attracting experts to obtain conclusions on the compliance of the client with the requirements of the bank and the terms of the Agreement are included in other assets. These payments were divided into short-term and long-term deferred expenses in proportion to tranches according to the schedule of their receipt by years.

The total amount of commission and reimbursement of the bank's expenses amounted to Tenge 1,371,801 thousand, including: long-term part of Tenge 1,074,302 thousand and short-term part of Tenge 297,499 thousand.

Eurasian Development Bank

On 28 September 2023 the first bond program of AIES JSC in an amount not exceeding Tenge 236,858,700 thousand was registered on the Exchange of the Astana International Financial Center. On 30 November 2023 in order to consolidate the responsibility of the Eurasian Development Bank for the repurchase of the AIES JSC's bonds, an agreement on joint implementation of project No. 137 was signed with the EDB in the amount of Tenge 188,000,000 thousand. AIES JSC did not receive funds under this agreement.

Moinak HPS JSC

During 2023, Moinak HPS JSC carried out full early repayment of the foreign currency loan under bank loan agreement with Development Bank of Kazakhstan JSC with the interest rate of 1.15*6MLIBOR+1.15%.

As of 31 December 2024, the carrying amount of loan received under agreement dated 16 January 2008 was Tenge 5,484,528 thousand (31 December 2023: Tenge 6,865,628 thousand). The loans have interest rates 10.72%, 12% and 7.55% and maturity 20 and 17 years.

The loans are secured as follows:

- Guarantee of Samruk-Energy JSC for Tenge 1,079,213 thousand dated 13 December 2012 and for Tenge 4,545,554 thousand dated 28 November 2019;
- Guarantee of Samruk-Kazyna SWF JSC for Tenge 12,285,000 thousand dated 1 July 2011.

Ekibastuz GRES-1 LLP

Halyk Bank of Kazakhstan JSC

During 2024, within the general agreement ERGES-1 received tranches for the total amount of the principal debt of Tenge 54,543,424 thousand (2023: Tenge 27,648,403 thousand) from Halyk Bank of Kazakhstan JSC, including:

- capital projects in the amount of Tenge 47,003,424 thousand (2023: Tenge 23,348,403 thousand). Of which for the amount of Tenge 7,663,261 thousand for the project “Reconstruction of Power Unit No.1” for the period until 2029 at the rates of 16.25%-17.75%; for the amount of Tenge 39,340,163 thousand for the project “Reconstruction and Modernization of Fuel Supply” for the period until 2034 at the rate of 14.79%;
- for working capital replenishment - Tenge 7,540,000 thousand (2023: Tenge 4,300,000 thousand), which were early repaid in first quarter 2024.



During 2024 GRES-1 made repayments:

- partial repayment of tranches of Halyk Bank loans received for the project “Rehabilitation of power unit No.1” with maturity till 30 November 2029 (interest rates 12%-18.75%), according to the schedules in the amount of Tenge 4,271,957 thousand;
- full early repayment of part of tranches of Halyk Bank loans received for the project “Reconstruction of power unit No.1” (interest rates 16.5%-18.75%) for the period till 30 November 2029, in the amount of Tenge 34,736,552 thousand with the purpose of refinancing by issuing bonds for the same amount (at the rate of 16.25% for the period till 25 September 2029);

In July 2024 GRES-1 concluded additional agreement No. 33 with Halyk Bank of Kazakhstan JSC on opening of Limit 5 under the existing Agreement for expenses related to reconstruction and modernization of fuel feeding production complex with the term of tranches till July 2034. The total term of the credit line is until 3 July 2034. As part of this amendment, a covenant was added regarding the payment of dividends, provided the Total Debt/EBITDA ratio does not exceed 4.

In December 2024, GRES-1 entered into an additional agreement with Halyk Bank of Kazakhstan JSC to change the Availability Period: for Limit 1 – until 31 December 2025, for Limit 4 – until 31 January 2025, and for Limit 5 – until 1 July 2027. As of 31 December 2024, GRES-1’s debt to Halyk Bank of Kazakhstan JSC amounted to Tenge 90,457,808 thousand (as of 31 December 2023: Tenge 82,248,998 thousand).

17. Trade and Other Payables

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Financial payable under EPC-contract		41,876,154	-
Trade payables		37,855,999	32,111,766
Payables on acquisition of Property,plant and equipment		37,799,256	20,589,140
Dividends payable		420,342	420,565
Other financial payables		3,028,217	4,414,121
Total financial trade payables		120,979,968	57,535,592
Payables to Almaty Akimat	4	5,841,514	5,841,514
Salary payables		4,192,983	3,138,316
Accrued provisions for unused vacations		3,652,270	3,432,479
Advances received from customers		2,261,103	1,860,470
Other non-financial payables		1,929,274	1,715,272
Total trade and other payables		138,857,112	73,523,643

Financial payables under EPC contracts include obligations accrued for work performed, shipped equipment and equipment in the process of production under the EPC contracts under the investment projects “Modernization of Almaty CHPP-2 with minimization of environmental impact” and “Reconstruction of Almaty CHPP-3”.

The main amount of accounts payable to suppliers for property, plant and equipment include debt of POWERCHINA SEPCO1 Electric Power Construction Co on shipped equipment in the amount of 70% for the amount of Tenge 13,076,116 thousand under the investment project “Modernization of Almaty CHPP-2 with minimization of environmental impact” investment project.

Financial payables are denominated in the following currencies:

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Tenge	89,303,501	57,524,990
Euro	30,677,467	10,602
Ruble	409	-
Yuan	998,591	-
Total trade and other payables	120,979,968	57,535,592

18. Taxes payable and other payables to budget

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
VAT		3,254,312	3,768,169
Provision for quotes	26	1,214,581	2,788,136
Emissions		1,756,884	1,942,780
Personal income tax		948,411	843,934
Social tax		731,298	667,137
CIT at the source of payment from nonresidents		14,163	55,456
Other		764,629	670,517
Total taxes payable and other payables to budget		8,684,278	10,736,129

19. Revenue

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Revenue from contracts with customers - IFRS 15:		
Sale of electricity	449,343,899	361,130,570
Income from services on maintenance of electric power capacity	58,076,148	35,478,333
Sale of heating energy	33,992,515	23,285,275
Electricity transmission and distribution	5,974,740	11,683,393
Sale of chemically purified water	2,079,711	1,844,241
Other	520,398	2,995,381
Total	549,987,411	436,417,193
Revenue from lease - IFRS 16:		
Income from lease of investment property	16,520,037	21,835,269
Income from lease of renewable energy power plants	6,982,393	6,470,409
Total	23,502,430	28,305,678
Total revenue	573,489,841	464,722,871

All revenue from contracts with customers is recognized over time.

Since July 2023, a new model of power market was introduced with the implementation of a Single Power Purchaser, Settlement and Financial Center for Support of Renewable Energy Sources LLP (“RFC”) and a real time balancing electricity market (“BEM”). As part of the model, all electricity generated by power plants is sold to the Single Power Purchaser–Settlement and Financial Center for Support of Renewable Energy Sources LLP which, in the course of its activities, from 1 July 2023, daily carries out the planned purchase of electricity electrical energy one day in advance from power plants



through centralized trading on the electro centralized trading platform of KOREM JSC. The sale of balancing electricity and the purchase of negative imbalances is carried out at the BEM only to the settlement center - KOREM JSC. Prices for BEM are calculated by the settlement center in the order established by the Ministry of Energy. Revenue from the sale of balancing electricity is included in revenue from the sale of electricity. The cost of purchasing negative imbalances is included in the cost of purchased electricity.

During 2024 and 2023, entities under common control of Samruk-Kazyna realized more than 10% of total revenues attributable to the Heat and power generation operating segment (Note 6).

Income from lease of investment property represents rental income from the Bukhtarminskaya HPP Property Complex. On 26 December 2023, the Group signed an additional agreement with KazZinc LLP, which extended the lease agreement for the Property Complex until 31 December 2023.

20. Cost of Sales

In thousands of Kazakhstani Tenge	2024	2023
Fuel	105,269,337	91,379,417
Payroll and related expenses	69,099,177	55,516,448
Depreciation of property, plant and equipment and amortisation of intangible assets	58,019,529	65,077,927
Cost of power energy purchased	46,365,785	57,917,265
Electricity transmission and other services	20,306,862	16,922,260
Services on maintenance of electric power capacity	15,644,033	8,848,167
Repair and maintenance	12,979,153	12,442,562
Third party services	11,718,949	4,489,980
Water supply	10,463,768	7,581,742
Taxes other than on income	10,379,183	9,511,988
Materials	4,334,980	2,920,873
Security services	2,729,122	2,340,364
Accrual for provision on obsolete and slow-moving inventories	318,089	458,572
Other	4,016,662	4,995,672
Total cost of sales	371,644,629	340,403,237

21. Selling Expenses

In thousands of Kazakhstani Tenge	2024	2023
Dispatch and electricity control	8,786,175	8,863,414
Payroll and related expenses	50,307	54,096
Electricity transmission	-	5,309
Other	8,866	8,185
Total selling expenses	8,845,348	8,931,004

22. General and Administrative Expenses

In thousands of Kazakhstani Tenge	2024	2023
Payroll and related expenses	12,382,621	9,575,259
Consulting and other professional services	1,338,365	748,279
Depreciation of property, plant and equipment and amortisation of intangible assets	1,077,983	1,012,861
Software maintenance	908,230	603,919
Charity	823,878	-
Business trips and representative expenses	486,082	263,463
Materials	338,061	207,054
State duties	190,457	(601,193)
Security services	184,126	196,077
Taxes other than on income	(727,902)	(158,765)
Other	3,011,438	2,503,068
Total general and administrative expenses	20,013,339	14,350,022

Taxes other than on income and state duties, include the reversal of provision in the amount of Tenge 890,683 thousand in accordance with the Supreme Court's ruling (2023: Tenge 497,054 thousand) (Note 26).

23. Finance Income

In thousands of Kazakhstani Tenge	2024	2023
Interest income on amounts due from credit institutions and cash and cash equivalents	7,343,897	4,431,596
Interest income and unwinding of discount on bonds and loans	1,396,511	1,271,722
Income from initial recognition of loans received discounted to its present value	41,372	427,241
Interest income - unwinding of discount on non-current receivables	-	1,089,771
Other	807,278	67,862
Total finance income	9,589,058	7,288,192

24. Finance Costs

In thousands of Kazakhstani Tenge	Note	2024	2023
Interest expense on borrowings and bonds			
interest at nominal rate	16	18,971,530	14,476,424
unwinding of discount	16	8,097,240	7,537,275
Unwinding of the present value of discount:			
asset retirement obligation	15	2,733,456	2,331,999
employee benefits		237,724	205,792
Other		1,282,375	703,073
Total finance costs recognized in profit or loss		31,322,325	25,254,563
Capitalized borrowing costs	7	12,767,766	11,169,836
Total finance costs		44,090,091	36,424,399



25. Income Tax

In thousands of Kazakhstani Tenge	2024	2023
Current income tax expense	28,085,556	25,607,373
Deferred income tax benefit	6,469,539	(2,834,024)
	34,555,095	22,773,349

Reconciliation between the expected and the actual taxation charge is provided below:

In thousands of Kazakhstani Tenge	2024	2023
Profit before tax under IFRS	147,523,908	80,157,782
Theoretical income tax expense at statutory rate of 20% (2023: 20%)	29,504,782	16,031,556
Adjustments for:		
Share in profit/(loss) of joint ventures and associates not subject to income tax	1,171,182	(624,280)
Taxes related to prior period, including expiration of the limitation period for tax losses carried forward	148,538	1,407,979
Other non-deductible expenses	1,050,268	6,113,337
Withholding income tax	78,180	154,500
Changes in unrecognised deferred income tax asset	2,602,145	(309,743)
Total income tax expense	34,555,095	22,773,349

Differences between IFRS Accounting Standards and Kazakhstani statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences are detailed below and are recorded at the rate applicable to the period of reversal of temporary differences.

In thousands of Kazakhstani Tenge	1 January 2024	Charged to profit or loss	31 December 2024
Tax effect of deductible temporary differences			
Tax losses carried forward	9,071,477	(394,641)	8,676,836
Employee benefit obligation	210,094	(210,094)	-
Bonds	190,663	(190,663)	-
Asset restoration provision	4,729,396	(1,407,685)	3,321,711
Inventories	452,339	2,452,399	2,904,738
Trade and other receivables	714,628	(571,072)	143,556
Taxes other than income tax	159,740	4,464	164,204
Provision for unused vacation	783,679	(134,906)	648,773
Other	250,177	1,424,163	1,674,340
Gross deferred income tax assets	16,562,193	971,965	17,534,158
Unrecognised deferred income tax assets	(440,434)	(2,602,145)	(3,042,579)
Less offsetting with deferred income tax liabilities	16,121,759	(1,630,180)	14,491,579
Recognised deferred income tax assets	-	-	-

In thousands of Kazakhstani Tenge	1 January 2024	Charged to profit or loss	31 December 2024
Tax effect of taxable temporary differences			
Property, plant and equipment	(77,063,359)	(6,899,373)	(83,962,732)
Borrowings	(8,302,543)	2,060,014	(6,242,529)
Gross deferred income tax liabilities	(85,365,902)	(4,839,359)	(90,205,261)
Less offsetting with deferred income tax assets	16,121,759	(1,630,180)	14,491,579
Recognised deferred income tax liabilities	(69,244,143)	(6,469,539)	(75,713,682)

In thousands of Kazakhstani Tenge	1 January 2023 (amended)	Charged to profit or loss	31 December 2023
Tax effect of deductible temporary differences			
Tax losses carried forward	8,411,234	660,243	9,071,477
Employee benefit obligation	204,315	5,779	210,094
Bonds	889,751	(699,088)	190,663
Asset restoration provision	4,888,637	(159,241)	4,729,396
Inventories	1,328	451,011	452,339
Trade and other receivables	1,122,088	(407,460)	714,628
Taxes other than income tax	115,461	44,279	159,740
Provision for unused vacation	475,641	308,038	783,679
Other	2,397,575	(2,147,398)	250,177
Gross deferred income tax assets	18,506,030	(1,943,837)	16,562,193
Unrecognised deferred income tax assets	(750,177)	309,743	(440,434)
Less offsetting with deferred income tax liabilities	17,755,853	(1,634,094)	16,121,759
Recognised deferred income tax assets	-	-	-
Tax effect of taxable temporary differences			
Property, plant and equipment	(79,846,466)	2,783,107	(77,063,359)
Borrowings	(9,987,554)	1,685,011	(8,302,543)
Gross deferred income tax liabilities	(89,834,020)	4,468,118	(85,365,902)
Less offsetting with deferred income tax assets	17,755,853	(1,634,094)	16,121,759
Recognised deferred income tax liabilities	(72,078,167)	2,834,024	(69,244,143)

In the context of the Group's current structure, tax losses and current tax assets of different companies of the Group cannot be offset with the current tax liabilities and tax benefits of other companies of the Group, and accordingly, taxes can be charged even in case of consolidated tax loss. Therefore, deferred income tax assets and liabilities are offset only if they are related to the same taxable company.

The Group has potential deferred tax assets in respect of unused tax losses carry forwards. The period for utilizing these tax losses expires in 2025–2034 (31 December 2023: 2024–2033).

The Group did not recognise deferred tax liabilities in 2024 (2023: no deferred tax liabilities) in respect of temporary differences associated with investments in joint ventures as the Group is able to control the timing of the reversal of those temporary differences and does not intend to reverse them in the foreseeable future.



26. Contingencies, Commitments and Operating Risks

Operating environment

On 24 February 2022 Russia launched a military invasion of Ukraine. In response, the United States, the European Union and a number of other states imposed widespread sanctions on Russia, including banning Russian banks from the Swift system. Russia is Kazakhstan's largest trade partner. Kazakhstan is also heavily reliant on the Caspian Pipeline Consortium (CPC), which carries up to 80% of its oil exports. It is expected that the concentration of exports through the CPC will remain high in the medium term, given its pricing advantages. Kazakhstan makes efforts to develop alternative export routes, particularly through the Caspian Sea to Baku, and with the start of exports outside of CPC to Germany. However, these shipments account for approximately 2% of the annual CPC volume.

In November 2023 Fitch Ratings, an international rating agency, affirmed Kazakhstan's Long-Term Foreign-Currency Issuer Default Rating (IDR) at "BBB" with a Stable Outlook. According to Fitch, Kazakhstan's "BBB" IDRs is supported by a large external buffer, the third-largest position of sovereign net foreign assets (SNFA) in the "BBB" rating category, which also provides financing flexibility underpinned by accumulated oil revenue savings. Set against these strengths are its very high dependence on commodities, export concentration risk, high inflation that partly reflects a less developed macroeconomic policy framework relative to "BBB" peers, and weak governance indicators.

Kazakhstan is expected to remain highly dependent on crude oil and oil condensates, which account for more than half of its exports. Additionally, nearly 80% of Kazakhstan's crude oil is exported through Russia via the Caspian Pipeline Consortium (CPC), creating a geopolitical risk. This share is likely to remain high, given the cost advantages, despite some recent diversification of routes.

In general, the economy of the Republic of Kazakhstan continues to display characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a national currency that is not freely convertible outside of the country and a low level of liquidity of debt and equity securities in the markets.

As at the date of issuing these financial statements the official exchange rate of the National Bank of the Republic Kazakhstan was Tenge 499.74 per US Dollar 1 compared to Tenge 525.10 per US Dollar 1 as at 31 December 2024 (31 December 2023: Tenge 454.56 per 1 US Dollar).

The inflation rate remained relatively stable throughout 2024, reaching 8.6% in December 2024 compared to 9.8% in December 2023. Economic growth in 2024 slowed to 3.8%, down from 5.1% in 2023. Analysts forecast that GDP growth will accelerate to 5% in 2025.

The economic environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from actual results.

Additionally, energy sector in the Republic of Kazakhstan is still impacted by political, legislative, fiscal and regulatory developments. The prospects for future economic stability in the Republic of Kazakhstan are largely dependent upon the effectiveness of economic measures undertaken by the Government, together with legal, controlling and political developments, which are beyond the Group's control.

The Group's management monitors current changes in the economic and political situation and takes measures that it considers necessary to maintain the sustainability and development of the Group's business in the near future.

For the purpose of measurement of expected credit losses the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

Tax legislation

Kazakhstani tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. In some cases, in order to determine the taxable base, the tax law refers to the provisions of IFRS Accounting Standards, and the interpretation of the relevant provisions of IFRS by Kazakhstani tax authorities may differ from the accounting policies, judgments and estimates applied by management in the preparation of these consolidated financial statements, which may lead to additional tax liabilities of the Group. Fiscal periods remain open to review by the authorities in respect of taxes for five years after the end of the fiscal year.

From July 2020, the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - "SRC") launched a pilot project to introduce horizontal monitoring, which lasted until 31 December 2023. In 2021-2022 SRC, as part of a pilot project on horizontal monitoring, inspected the historical data of the EGRES-1 and Samruk-Energy (Head office) for the five years period. Based on the results, SRC completed tax audits and issued acts with the results of tax audit. The main non-compliances relate to the interest expense deducted for tax purposes and underaccrual of withholding tax. The Group expressed its disagreement, lawsuits and complaints were filed with the courts and the Appeal Commission of the Ministry of Finance of the Republic of Kazakhstan. In December 2023, the Appeal Commission of the Ministry of Finance of the Republic of Kazakhstan made a decision on the Head office in favor of the Group, on 14 August 2024, the Supreme Court ruled in favor of EGRES-1 regarding the deduction of loan interest on loans that were used for the project "Rehabilitation of Unit 1" and for the repayment of dividend payment obligations, and in favor of the tax authority regarding the deduction of loan interest on bonds. As a result, EGRES-1 paid a fine and penalty in the amount of Tenge 502 million at the expense of the previously accrued provision.

The Group management believes that its interpretation of the relevant legislation is appropriate and the Group's tax positions will be sustained. In the opinion of the Group management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision that have been made in these consolidated financial statements (Note 22).

Inspection by the General Prosecutor's Office

The Prosecutor's Office conducted an inspection to verify compliance with procurement legislation, tax laws, the legality of expenditures, and anti-corruption measures at SEGRES-1 in 2024 and SEGRES-2 in 2023. Following the inspection, a report on the results was issued. Due to disagreements with the conclusions outlined in the report, the Group submitted a reasoned objection and comments to the General Prosecutor's Office. In response to the notice regarding the elimination of legal violations, and considering the objections and comments, the Group developed an Action Plan to address the issues raised by the General Prosecutor's Office. This Action Plan was submitted to the General Prosecutor's Office. The Group's management believes that its interpretations of the relevant legislation are reasonable, and that the Group's legal position is well-founded. According to the management, the Company does not foresee any losses following the prosecutor's inspection and, therefore, does not consider it necessary to create provisions.

Insurance

The insurance industry in the Republic of Kazakhstan is in a developing stage and many forms of insurance protection common in other parts of the word are not yet generally available in the Republic of Kazakhstan. The Group does not have full coverage for its plant facilities, losses caused by business interruptions or third party liabilities in respect of property or environmental damage arising from accidents or the Group's activities. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

Environmental matters

At present, environmental legislation is being tightened in the Republic of Kazakhstan and the review of the position of Kazakhstani state bodies regarding its enforcement continues. In 2021, a new environmental code came into force in the Republic of Kazakhstan, which regulates social relations in the field of interaction between man and nature (environmental relations) arising in connection with the implementation by individuals and legal entities of activities that have or can have an impact on the environment. In addition to increasing the responsibility of industrial enterprises for environmental pollution, the Code also provides for the introduction of a waste management hierarchy and prescribes requirements for the elimination of the consequences of activities.



The provisions of this code oblige the receipt of comprehensive environmental permits (hereinafter referred to as "IEP") from 2025 for fifty objects of category I, the largest in terms of total emissions of pollutants into the environment (hereinafter referred to as "TOP-50"), the basis for which is the implementation of production of the best available techniques associated with the use of the best available techniques (hereinafter referred to as "BAT"), issued by the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan.

The list of TOP-50 included four objects of Samruk-Energo JSC: EGRES-1 LLP, SEGRES-2 JSC, AIES JSC (CHP-2, CHPP-3).

For energy producing organizations, a Handbook on the best available techniques "Fuel combustion in large installations for energy production" (hereinafter referred to as "BAT"), approved by the Decree of the Government of the Republic of Kazakhstan dated 23 January 2024, was developed. The basis for obtaining an Integrated Environmental Permit is the conclusion to the BAT, approved by the Resolution of the Government of the Republic of Kazakhstan dated 11 March 2024.

Currently, the Group's management is assessing the impact of the introduction of BAT on the cost of future operating and capital costs, since the return on investment for the implementation of BAT through the marginal tariff will lead to distortions in the marginal tariffs for electricity.

At the same time, amendments were made to the Decree of the Government of the Republic of Kazakhstan dated 27 December 2024 No. 1131 "On approval of the list of fifty objects of the I category, the largest in terms of total emissions of pollutants into the environment as of 1 January 2021" in terms of postponing the timing of implementation of BAT for energy producing organizations from 2025 to 2031, which creates conditions for the start of implementation of measures to introduce BAT in energy producing organizations from 2031.

Other provisions of this Code applicable to certain Group entities include the installation of automated emission monitoring systems and waste management practices. Until a full assessment is made, it is not possible to assess the financial implications of the new requirements of Kazakhstan's new environmental code, but an increase in the cost of complying with environmental requirements is expected, either in the form of additional investments required for waste management and development of appropriate monitoring processes, or in the form of increased fees for waste generation.

According to the newly introduced norms of the environmental code, all enterprises have obligations to eliminate the consequences of the operation of facilities causing negative environmental impact, but the requirements for liquidation of the consequences depend on the category of industrial enterprises and construction projects, which are determined depending on the nature of facilities, degree of environmental impact and the scope of activities of enterprises. In 2022 the Group has recognized additional asset retirement obligations in relation to the elimination of the consequences of the operation of its facilities (Note 4, 15).

Under the current version of the Environmental Code, the Group has an obligation to provide financial security for the elimination of the consequences of category I facilities by 1 July 2029. Financial security is provided in the form of: guarantees; bank deposit pledge; pledge of property; insurance. Financial security is provided in one of several types of financial security listed above, or in their combination at the choice of the operator of the category I facility, provided that the share of financial security in the form of collateral for a bank deposit should be:

- 1) after ten years from the date of facility commissioning (for existing facilities as of 1 July 2026 until 2036) – at least fifty percent of the total amount of financial security;
- 2) after twenty years from the date of facility commissioning for existing facilities as of 1 July 2026 until 2046 – one hundred percent of the total amount of financial security.

The operator of the category I facility is obliged to ensure the availability of financial security continuously until all of its asset retirement obligations are fully fulfilled.

The amount of financial security is determined in accordance with the methodology approved by the authorized body in the area of environmental protection, based on the estimated cost of work to eliminate the consequences of the operation of the category I facility, and is subject to recalculation every seven years.

Given the postponement of the deadline for the provision of financial security for Category 1 facilities, the Group continues

to analyze possible options for financial security and monitor changes in regulatory requirements for financial security.

The Group periodically evaluates its obligations related to environmental protection at least on an annual basis. As liabilities are identified, they are promptly recognized in the financial statements. Potential liabilities that may arise as a result of changes in existing laws and regulations, as well as a result of judicial practice, cannot be estimated with a sufficient degree of reliability, although they may be significant. The Group's management believes that in the current system of control over compliance with applicable environmental laws, there are no significant liabilities arising from environmental damage, except for those recognised or disclosed in these financial statements.

Under the environmental exemption, the Group is legally obligated to acquire additional greenhouse gas emissions allowances. The volume of greenhouse gas emissions for the Group was determined based on the projected production of electricity and greenhouse gas emissions coefficient per unit of production till 2025. Due to the growth in electricity consumption in the country and for the purpose of uninterrupted and reliable power supply to consumers, the generating capacities of EGRES-1 and SEGRES-2 were used in full, which led to an increase in electricity generation and a shortage of quotas for greenhouse gas emissions in 2024.

The Group is currently working on verification of greenhouse gas emissions for 2024. Submission of applications for additional greenhouse gas emissions allowances in accordance with the Environmental Code of the Republic of Kazakhstan is expected after 15 April 2025.

Ash dump liquidation provision

In accordance with Environmental Code, the Group is also legally obliged to liquidate ash dump sites representing landfill sites for the Group's operating activities. As of 31 December 2024, the carrying amount of ash dump liquidation provision was Tenge 3,739,351 thousand (31 December 2023: Tenge 3,143,439 thousand). The assessment of the current ash dump liquidation provision is based on the Group's interpretation of the environmental legislation of RK in force, supported by feasibility study and engineering research in accordance with current norms of restoration methods and reclamation works. This assessment may change upon completion of subsequent nature protection research works and review of existing reclamation and restoration programmes.

Environmental, Social and Governance (ESG) matters - Consideration of climate change and resulting climate related risks

The Group shares the concerns of the world community climate change and supports global efforts to reducing greenhouse gas emissions, increasing energy efficiency, transition to renewable sources energy and phasing out carbon fuels. Samruk-Kazyna, the parent company of the Group, has the strategic goal to reduce the carbon footprint of Samruk-Kazyna by 10% by 2032 compared to 2021 and aims to achieve carbon neutrality by 2060. In general, carbon neutrality does not mean complete exclusion of greenhouse gas emissions - the volume of emissions that not possible to reduce, must be compensated.

The Group is continuously assessing climate related and environmental risks and their impact on the Group's operation. For the identified risks, the Group has assessed their impact on the recognition/derecognition of assets and liabilities and measurement of such assets and liabilities as well as the disclosure provided in its consolidated financial statements. The areas listed below are predominantly impacted by the climate related and environmental risks:

- a) The Group has initiated projects on constructions of new combined cycle gas plant at the Almaty CHP-2 and CHP-3. The purpose is the replacement of the existing coal-fired equipment with modern environmentally friendly combined cycle power units; and
- b) The Group has assessed and recognized provisions for decommissioning of power plants and rehabilitating environmental damage due to recently introduced regulatory requirements in accordance with Environmental Code. In relation to the identified risks associated with climate change, the Group assessed their impact on the recognition/derecognition of assets and liabilities, the measurement of such assets and liabilities, and the disclosures in the consolidated financial statements.



Wind Power Plant Construction Project with Total Eren

On 1 November 2023, Total Eren (the “Developer”, Samruk-Kazyna JSC, NC KazMunayGas JSC (the “Co-developers”) entered into a Joint Venture Agreement with Total Eren for the project for construction of a 1 GW wind power plant (WPP) in Zhambyl region with energy storage system (the “Project”).

On 19 December 2024, an Agreement on novation of rights, obligations and liabilities under the joint venture agreement was signed between the Group, Samruk-Kazyna JSC, NC KazMunayGas JSC and KMG Green Energy LLP. In accordance with this Agreement, Samruk-Kazyna JSC assigns to the Group through novation and transfers to the Group all its rights, obligations and liabilities under the Joint Venture Agreement.

Under the guarantee agreement between Samruk-Kazyna, Samruk-Energy and Total Eren S.A. dated 19 December 2024, Samruk-Kazyna acts as a guarantor to Total Eren S.A. for the timely fulfillment by Samruk-Energy of its obligations, including payments and other financial obligations under this project. At the same time, the Group has issued a corporate guarantee in favor of Samruk-Kazyna for reimbursement of all and any expenses incurred under the Project.

Under these agreements, the Company has to acquire a 20% interest or subscribe for an interest in the Company, subject to the approval of the Board of Directors and Shareholders, at a price that does not exceed the actual costs incurred by the Developer and approved by the Co-Developers in accordance with the terms of the Agreement in developing the Project prior to the completion of the Transaction, adjusted by the appropriate proportion of the interest acquired or otherwise subscribed for by each Co-Developer.

As at the reporting date 100% of the Project Company is owned by Total Eren.

Capital expenditure commitments

The Group has analysed its exposure to seasonal and other arising business risks, but did not determine any risks, which could have impact on financial indicators or position of the Group as of 31 December 2024. The Group has relevant funds and financing sources to implement capital expenditure commitments and maintain working capital.

As of 31 December 2024, the Group had contractual commitments on acquisition of property, plant and equipment totalling Tenge 481,295,663 thousand (31 December 2023: Tenge 530,059,552 thousand).

Capital expenditure commitments of joint ventures and associates

As of 31 December 2024, the Group's share in non-current contractual commitments of Forum Muider and SEGRES-2 liabilities was Tenge 4,576,543 thousand and Tenge 574,774 thousand accordingly (31 December 2023: Tenge 3,495,602 thousand and Tenge 2,801,004 thousand accordingly).

Operating lease

Future minimum lease payments receivable under operating leases of property, plant and equipment are as follows operating leases of property, plant and equipment:

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
1 year	32,080,353	6,982,393
2 years	32,080,353	7,179,649
3 years	32,080,353	7,179,649
4 years	32,080,353	7,179,649
5 years	8,218,593	7,179,649
After 5 years	6,178,267	11,365,115
Total undiscounted operating lease payments receivable as of 31 December	142,718,272	47,066,104

Borrowing covenants

The Group is subject to certain covenants related to all bank loans, obligations, financial guarantee of Samruk-Energy and loan of Samruk-Energy from Samruk-Kazyna (Note 16). Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and declaration of default. As of 31 December 2024, the Group was in compliance with its covenants, except for the Group's joint venture – Bogatyr Komir LLP, described below.

Borrowings of Tenge 356,359,510 thousand as at 31 December 2024 (31 December 2023: Tenge 253,520,439 thousand) had a number of financial and non-financial covenants. The next compliance testing date after the reporting date is 31 March 2025. Management does not expect any breach of covenants for the next reporting period.

As at 31 December 2024 Bogatyr Komir LLP had a non-compliance on maintenance of Debt Service Coverage Ratio and Net Debt/EBITDA under the loan from Eurasian Development Bank. There is also a breach of non-financial covenants related to timely implementation of the project of cyclic-flow technology of coal mining and transportation. The non-compliance is technical and does not affect the classification of the Group's loans. As of 31 December 2024, the long-term portion of the loans received from the Eurasian Development Bank was reclassified as short-term liabilities (Note 8).

Bogatyr Komir LLP timely fulfills its loan servicing obligations, including principal and interest payments. According to liquidity analysis of Bogatyr Komir LLP, the company has the ability to fully settle the borrowings on demand.

On 26 December 2024, in response to Bogatyr Komir LLP request for waivers regarding the breach of covenants from the Eurasian Development Bank, confirmation was received that the request is under consideration. At the same time, the Group's management, based on preliminary discussions with representatives of the Eurasian Development Bank, expects a positive decision from the authorized body.



27. Non-controlling interest

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group.

In thousands of Kazakhstani Tenge	Place of business (and country of incorporation if different)	Proportion of non-controlling interest	Proportion of non-controlling interest's voting rights held	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest in the subsidiary	Dividends paid to non-controlling interest during the year
Year ended 31 December 2024						
Bukhtarminskaya HPS JSC	Kazakhstan	3.7%	3.7%	461,173	2,804,043	646,242
Shulbinskaya HPS JSC	Kazakhstan	7.86%	7.86%		23,450	-
Ust-Kamenogorskaya HPS JSC	Kazakhstan	10%	10%	(199)	1,641	-
Total				460,974	2,829,134	646,242
Year ended 31 December 2023						
Bukhtarminskaya HPS JSC	Kazakhstan	3.7%	3.7%	649,887	2,342,870	156,828
Shulbinskaya HPS JSC	Kazakhstan	7.86%	7.86%	-	23,450	-
Ust-Kamenogorskaya HPS JSC	Kazakhstan	10%	10%	(422)	1,840	-
Total				649,465	2,368,160	156,828

In thousands of Kazakhstani Tenge	Current assets	Non-curent assets	Current liabilities	Non-curent liabilities	Revenue	Profit/(loss)	Total comprehensive income	Cash flows
Year ended 31 December 2024								
Bukhtarminskaya HPS JSC	13,444,665	1,708,017	639,704	10,213	16,520,037	12,537,593	12,537,593	6,803,706
Shulbinskaya HPS JSC	-	-	-	-	-	-	-	-
Ust-Kamenogorskaya HPS JSC	-	-	127,413	-	-	(1,984)	(1,984)	-
Total	13,444,665	1,708,017	767,117	10,213	16,520,037	12,535,609	12,535,609	6,803,706
Year ended 31 December 2023								
Bukhtarminskaya HPS JSC	19,851,529	1,384,306	4,047,805	25,317	21,836,995	17,564,508	17,722,549	574,414
Shulbinskaya HPS JSC	-	-	598,444	12,156	-	-	-	-
Ust-Kamenogorskaya HPS JSC	400	-	125,828	-	-	(4,209)	(4,209)	-
Total	19,851,929	1,384,306	4,772,077	37,473	21,836,995	17,560,299	17,718,340	574,414

28. Principal Subsidiaries, Associates and Joint Venture

Name	Nature of business	Percent-age of voting rights	Percent-age of ownership	Country of registration
Subsidiaries:				
Alatau Zharyk Company JSC	Electricity transmission and distribution in Almaty and the Almaty region	100%	99.16%	Kazakhstan
Almaty Electric Stations JSC	Production of electrical, heating energy and hot water in Almaty and the Almaty region	100%	100%	Kazakhstan
AlmatyEnergoSbyt LLP	Sale of electricity in Almaty and the Almaty region	100%	100%	Kazakhstan
Shardara HPS JSC	Power generation at in Almaty and the Almaty region in the Southern Kazakhstan	100%	100%	Kazakhstan
Moinak HPS JSC	Power generation at in Almaty and the Almaty region in the Almaty region	100%	100%	Kazakhstan
Ekibastuz GRES-1 named after Bulat Nurzhanov	Production of electrical and heating energy on the basis of coal	100%	100%	Kazakhstan
Bukhtarminskaya HPS	Owner of Bukhtarminskaya hydropower station transferred under lease arrangement	100%	96.32%	Kazakhstan
Ust-Kamenogorskaya HPS	Since hydropower station is under lease, this company is inoperative	89.99%	89.99%	Kazakhstan
Shulbinskaya HPS	Since hydropower station is under lease, this company is inoperative	92.14%	92.14%	Kazakhstan
Samruk Green Energy LLP	Development of renewable electricity	100%	100%	Kazakhstan
First Wind Turbine LLP	Power generation at the wind-power station	100%	100%	Kazakhstan
KazGidroTekhEnergO LLP	Implementation of projects on renewable energy sources	100%	100%	Kazakhstan
TeploEnergOMash LLP	Implementation of projects on renewable energy sources	95%	95%	Kazakhstan
Energy Solutions LLP	Production of heating energy in Ekibastuz	100%	100%	Kazakhstan
Energy Solutions LLP branch	Transportation and other services	100%	100%	Kazakhstan
Balkhash TPP JSC	Construction of Balkhash TPP	100%	100%	Kazakhstan
Ereymentau Wind Power LLP	Power generation at the wind-power station	100%	100%	Kazakhstan
Qazaq Green Power PLC	Production of green energy	100%	100%	Kazakhstan
NPS Shulbinskaya HPS LLP	Electricity generation at a hydroelectric power plant in East Kazakhstan	100%	100%	Kazakhstan
NPS Ust-Kamenogorskaya HPS LLP	Electricity generation at a hydroelectric power plant in East Kazakhstan	100%	100%	Kazakhstan
Associates:				
Semirechya Energy LLP	Power generation at the wind-power plant near Almaty city	25%	25%	Kazakhstan
Altyn Dala Energy Ltd.	Power generation at the wind-power plant	25%	25%	Kazakhstan
Joint ventures:				
Station Ekibastuz GRES-2 JSC	Production of electrical and heating energy on the basis of coal	50%	50%	Kazakhstan
Forum Muider BV and Forum Muider Limited ("Forum Muider")*	Company holding 100% charter in Bogatyr Komir LLP (Company involved in production of power generating coal) and a range of companies incorporated in the Russian Federation and the Republic of Cyprus, and not engaged in significant operations	50%	50%	Netherlands and Cyprus
Kokshetau CHPP LLP	Implementation of the project on construction of a coal-fired combined heat and power plant in Kokshetau.	50%	50%	Kazakhstan
Semey Energy LLP	Implementation of the project on construction of a coal-fired combined heat and power plant in Ust-Kamenogorsk.	50%	50%	Kazakhstan
Uskemen Energy LLP	Implementation of the project on construction of a coal-fired combined heat and power plant in Semey.	50%	50%	Kazakhstan

* AIFC from the jurisdiction of the Netherlands, Forum Muider Limited was established in the Republic of Cyprus on October 18, 2023. The shareholders of Forum Muider Limited are Samruk-Energy JSC and UC RUSAL (Russian Federation) in equal shares (50% each). In November 2024, the merger of Forum Muider B.V. into Forum Muider Ltd. was completed. Thus, all assets, rights and liabilities of Forum Muider B.V. were transferred to Forum Muider Ltd by way of universal legal succession, and Forum Muider B.V. in turn ceased to exist.



29. Financial Risk Management

Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group does not use derivative financial instruments to hedge risk exposures.

Risk management is carried out by management under policies set by the Group’s ultimate parent (Note 1), which provides principles for risk management, covering specific areas, such as credit risk, liquidity risk, and market risk.

(a) Credit risk

The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group’s lending and other transactions with counterparties, giving rise to financial assets.

The Group’s maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position.

Credit risk management

Credit risk is the single largest risk for the Group’s business; management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Credit risk grading system

For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies two approaches – an Internal Risk-Based (IRB) rating system or risk grades estimated by external international rating agencies (Standard & Poor’s – “S&P”, Fitch, Moody’s). Internal and external credit ratings are mapped on an internally defined master scale with a specified range of probabilities of default. The IRB system is designed internally, and ratings are estimated by management. Various credit-risk estimation techniques are used by the Group depending on the class of the asset.

The Group applies internal rating systems for measuring credit risk for non-current receivables.

The rating models are regularly reviewed, backtested on actual default data and updated, if necessary. Despite the method used, the Group regularly validates the accuracy of ratings estimates and appraises the predictive power of the models.

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody’s and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default (“PD”) are applied for all financial assets other than trade receivables and non-current receivables.

Expected credit loss (ECL) measurement

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default (“PD”), Exposure at Default (“EAD”), Loss Given Default (“LGD”) and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor (“CCF”). CCF is a coefficient that shows the probability of conversion of the commitment amounts to an on-balance sheet exposure within a defined period. PD is an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate (“EIR”) for the financial instrument or an approximation thereof.

Expected credit losses are modelled over instrument’s lifetime period. The lifetime period is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any.

Management models Lifetime ECL, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The 12-month ECL, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime period of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The ECL modelling does not differ for Purchased or Originated Credit Impaired (“POCI”) financial assets, except that (a) gross carrying value and discount rate are based on cash flows that were recoverable at initial recognition of the asset, rather than based on contractual cash flows, and (b) the ECL is always a lifetime ECL. POCI assets are financial assets that are credit-impaired upon initial recognition, such as impaired loans acquired in a past business combination.

For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- international rating agencies have classified the borrower in the default rating class;
- the borrower meets the unlikeliness-to-pay criteria listed below:
 - suspending accrual of interest/reduction in the interest rate on a financial asset;
 - writing-off the principal amount;
 - sales of a financial asset at a significant discount to its nominal value;
 - restructuring that will result in reduction in/write-off of the loan/debt release;
 - increase in the maturity of a financial asset;
 - granting of indulgence on the principal/interests;
 - filing a bankruptcy claim against the counterparty in line with the legislation of the Republic of Kazakhstan;
 - bankruptcy claim filed by the counterparty;
 - liabilities covered by the guarantee agreement or payment under the guarantee agreement are past due more than 90 days.

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of three months. This period of three months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures.



The assessment whether or not there has been a significant increase in credit risk (“SICR”) since initial recognition is performed on an individual basis and on a portfolio basis. The Group's Risk Management Department periodically monitors and reviews the criteria used to determine whether a significant increase in credit risk is appropriate.

To estimate expected credit losses, the Group applies the following models for assessing the components of credit risk:

- probability of default estimation models (PD TTC and PD PiT);
- loss given default (LGD) models;
- models for estimating the amount of claims at default (EAD).

Models for estimating credit risk components are developed using forward-looking data on expected future economic conditions. These data include various macroeconomic indicators such as inflation rates, GDP trends, unemployment rates and other key indicators that affect economic activity. The list of macroeconomic factors are:

- Unemployment rate;
- Exchange rate of the national currency (KZT) to the US dollar (USD);
- Percentage change in Consumer Price Index (CPI) against the previous quarter;
- Percentage change in Consumer Price Index (CPI) compared to the same quarter of the previous year;
- Index of physical volume of gross domestic product (GDP), calculated by the production method, reflecting the real growth or decline in economic activity in a country over a certain period;

Index of physical volume of gross domestic product (GDP), calculated by the final use method, reflecting the real growth or decline in economic activity in the country over a certain period.

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1).

If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset’s effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed.

ECL for POCI financial assets is always measured on a lifetime basis. The Group therefore only recognises the cumulative changes in lifetime expected credit losses.

The table below classifies financial assets, such as other long-term receivables and bonds and loans given carried at amortised cost, by separate stage of impairment models. ECL provisions of other financial assets is insignificant as at 31 December 2024 and 2023.

In thousands of Kazakhstani Tenge	ECL allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)		(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)	
Other receivables								
At 1 January 2024	(116,283)	-	(84,940)	(201,223)	642,983	-	84,940	727,923
New originated or purchased	(35,190)	-	-	(35,190)	-	-	-	-
Derecognition during the period	-	-	49,892	49,892	(285,433)	-	49,892	(235,541)
Unwinding of discount	-	-	-	-	41,372	-	-	41,372
Other movements	-	-	-	-	-	-	-	-
Reclassification from trade receivables	-	-	-	-	-	-	-	-
Total movements with impact on credit loss allow- ance charge for the year	(35,190)	-	49,892	14,702	(244,061)	-	49,892	(194,169)
At 31 December 2024	(151,473)	-	(35,048)	(186,521)	398,922	-	134,832	533,754
Other receivables								
At 1 January 2023	(116,736)	(559,489)	(317,200)	(993,425)	712,490	7,560,135	317,200	8,589,825
New originated or purchased	(6,427)	-	-	(6,427)	-	-	-	-
Derecognition during the period	6,880	559,489	232,260	798,629	(115,073)	(7,901,055)	(232,260)	(8,248,388)
Unwinding of discount	-	-	-	-	45,566	340,920	-	386,486
Other movements	-	-	-	-	-	-	-	-
Reclassification from trade receivables	-	-	-	-	-	-	-	-
Total movements with impact on credit loss allow- ance charge for the year	453	559,489	232,260	792,202	(69,507)	(7,560,135)	(232,260)	(7,861,902)
At 31 December 2024	(116,283)	-	(84,940)	(201,223)	642,983	-	84,940	727,923

The Group has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: internal ratings are estimated on an individual basis but the same credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio; and (iii) assessment based on external ratings.



In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future month during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The table below summarises external (if any) and internal credit ratings at the end of the relevant reporting period and related to on counterparty rating, expect for reverse repo which based on rating of security provided as a collateral:

In thousands of Kazakhstani Tenge	Cash	Restricted cash	Term deposits	Bonds and loans
31 December 2024:				
BBB+ (S&P)	173	-	-	-
BBB (stable) (S&P)	39,864	-	-	-
BBB- (stable) (S&P)	89,812,776	204	-	18,063,596
BB+ (stable) (S&P)	2,827,848	270,955	3,270	-
BB (stable) (S&P)	328,864	-	-	476,620
BB- (stable) (S&P)	-	-	-	-
B+ (stable) (S&P)	1,918,284	100	-	-
n/a	24,486	304,701	-	28,969
Total financial assets	94,952,295	575,960	3,270	18,569,185

In thousands of Kazakhstani Tenge	Cash	Restricted cash	Term deposits	Bonds and loans
31 December 2023:				
BBB+ (S&P)	-	-	-	-
BBB (stable) (S&P)	720,996	-	-	-
BBB- (stable) (S&P)	38,599,901	-	-	4,431,290
BB+ (stable) (S&P)	2,431,637	204	-	-
BB (stable) (S&P)	987,298	241,906	1,173	91,783
BB- (stable) (S&P)	911,954	-	-	-
B+ (stable) (S&P)	-	-	-	-
n/a	10,670	307,625	500	12,496
Total financial assets	43,662,456	549,735	1,673	4,535,569

The Group applies the provision matrix for calculation of ECL on trade receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the overdue days.

The levels of default and calculation of loss allowance at the end of the relevant reporting period were as follows:

In thousands of Kazakhstani Tenge	Trade receivables from legal entities					
	Total	Current	1-30 days	31-60 days	61-90 days	>90 days
Trade receivables at 31 December 2024	66,636,774	53,355,368	6,548,427	3,132,125	627,321	2,973,533
Level of default		0.26%	1.16%	1.41%	13.83%	79.68%
ECL	(2,715,095)	(138,888)	(76,210)	(44,014)	(86,788)	(2,369,195)
Total	63,921,679	53,216,480	6,472,217	3,088,111	540,533	604,338

In thousands of Kazakhstani Tenge	Trade receivables from legal entities					
	Total	Current	1-30 days	31-60 days	61-90 days	>90 days
Trade receivables at 31 December 2023	60,218,296	52,746,292	2,956,106	1,346,335	620,927	2,548,636
Level of default		0.13%	1.21%	3.53%	3.10%	79.89%
ECL	(2,207,729)	(69,171)	(35,751)	(47,470)	(19,251)	(2,036,086)
Total	58,010,567	52,677,121	2,920,355	1,298,865	601,676	512,551

In thousands of Kazakhstani Tenge	Trade receivables from legal entities					
	Total	Current	1-30 days	31-60 days	61-90 days	>90 days
Trade receivables at 31 December 2024	10,860,262	10,516,288	204,342	46,172	7,880	85,580
Level of default		0.10%	6.97%	25.91%	43.88%	94.76%
ECL	(121,500)	(10,741)	(14,242)	(11,961)	(3,458)	(81,098)
Total	10,738,762	10,505,547	190,100	34,211	4,422	4,482

In thousands of Kazakhstani Tenge	Trade receivables from legal entities					
	Total	Current	1-30 days	31-60 days	61-90 days	>90 days
Trade receivables at 31 December 2023	8,424,201	8,137,250	154,564	37,174	11,386	83,827
Level of default		0.12%	1.68%	7.07%	25.32%	89.98%
ECL	(93,187)	(9,653)	(2,597)	(2,628)	(2,883)	(75,426)
Total	8,331,014	8,127,597	151,967	34,546	8,503	8,401

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs: GDP, inflation, exchange rate, oil price, and short-term economic indicator used for description of the economic development trend based on changes in the performance of primary sectors.

The impact of the relevant economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact that the changes in these variables historically had on the default rates and on the components of LGD and EAD.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected.

The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit. Such backtesting is performed at least once a year.

The results of backtesting the ECL measurement methodology are communicated to Group Management and further steps for tuning models and assumptions are defined after discussions between authorised persons.



(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. In accordance with the Group policy on formation and monitoring of development plans the Group manages the liquidity risk using short-term (one month) forecasts and also mid-term forecast for the next five years. In addition, the Group develops and approves development strategy of the Group for the next ten years. In planning cash flows, the Group also accounts for income from temporary excess cash using the bank deposits.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including future payment of interest and principal.

In thousands of Kazakh-stani Tenge	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
At 31 December 2024						
Borrowings	8,658,762	13,043,373	96,994,043	342,837,448	71,897,736	533,431,362
Trade and other payables	113,933,497	2,713,879	1,563,419	3,156,631	1,957,386	123,324,812
Finance lease	40,370	170,707	654,762	2,667,067	341,291	3,874,197
Total future payments, including future principal and interest payments	122,632,629	15,927,959	99,212,224	348,661,146	74,196,413	660,630,371
At 31 December 2023						
Borrowings	13,641,232	16,895,396	48,237,105	305,024,210	10,714,783	394,512,726
Trade and other payables	54,871,955	1,624,109	883,370	816	-	57,380,250
Finance lease	62,785	191,716	763,504	2,482,608	261,606	3,762,219
Total future payments, including future principal and interest payments	68,575,972	18,711,221	49,883,979	307,507,634	10,976,389	455,655,195

(c) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity products, all of which are exposed to general and specific market movements.

Currency risk

The Group's certain borrowings (Note 16) and trade payables (Note 17) are denominated in foreign currencies (US dollars and Euro) and hence the Group is exposed to foreign exchange risk. Due to the fact that the variety of financial derivative instruments on the Kazakhstani market is limited and those instruments are rather expensive the management chooses at the moment not to hedge the Group's foreign exchange risk, as currently the benefits from implementing such instruments do not outweigh the costs. Nevertheless, the Group continues monitoring changes of financial derivatives market in order to implement hedging structure in the future or as needed.

The table below shows the total amount of foreign currency denominated liabilities that give rise to foreign exchange exposure:

In thousands of Kazakhstani Tenge	USD	Euro	Yuan	Rouble	Total
At 31 December 2024					
Assets	512	590	-	-	1,102
Liabilities	-	(30,677,467)		1,957,386	123,324,812
Net position	512	(30,676,877)	(998,591)	(409)	(31,675,365)
At 31 December 2023					
Assets	-	-	-	-	-
Liabilities	-	(66,411)	-	-	(66,411)
Net position	-	(66,411)	-	-	(66,411)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant.

In thousands of Kazakhstani Tenge	Impact on profit or loss	
	At 31 December 2024	At 31 December 2023
US Dollar strengthening by 9% (2023: strengthening by 14%)	47	-
US Dollar weakening by 7% (2023: weakening by 14%)	(38)	-
Euro strengthening by 9% (2023: strengthening by 13%)	(2,760,703)	(8,600)
Euro weakening by 6% (2023: weakening by 13%)	1,825,264	8,600
Other currencies strengthening by 9% (2023: strengthening by 17%)	(85,356)	-
Other currencies weakening by 13% (2023: weakening by 27%)	132,141	-

The Group is exposed to currency risk and is susceptible to adverse changes in the volatility of the tenge exchange rate, as financial obligations in foreign currency account for approximately 5% of all liabilities as of 31 December 2024.

Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest rate risk arises from borrowings from Asian Bank of Development (Samruk-Energy, AIES), the European Bank for Reconstruction (AIES) and Samruk-Kazyna the interest rate of which is linked to the growth of actual inflation indicators of the Republic of Kazakhstan (Note 16). The Group carefully monitors changes in floating interest rates. The Group does not have formal agreements to analyse and mitigate risks associated with changes in interest rates.

If at 31 December 2024, interest rates had been 100 basis points higher/less, with all other variables held constant, profit for the year would have been Tenge 338,469 thousand higher or Tenge 338,469 thousand lower, mainly as a result of higher/lower interest expense on floating interest rate liabilities (31 December 2023: Tenge 154,460 thousand and Tenge 154,460 thousand respectively).



Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt. Management considers the current gearing ratio of 30-40% as acceptable for the risk profit of the Group.

The Group has the following external requirements for capital maintenance:

- Maintaining the authorized capital of not less than Tenge 378,531,570 thousand;
- Maintaining equity capital of not less than Tenge 170,000,000 thousand;
- Maintaining the Debt/Equity ratio at a level of not more than 2.0.

In thousands of Kazakhstani Tenge	Note	31 December 2024	31 December 2023
Total borrowings	16	373,098,400	270,194,079
Less: Cash and cash equivalents	13	(94,952,295)	(43,662,456)
Net borrowings		278,146,105	226,531,623
Total equity		772,802,580	691,916,219
Total capital		1,050,948,685	918,447,842
Gearing ratio		26%	25%

30. Fair Value Disclosures

Fair value measurement

To be indicative of the reliability of the data used in determining fair value, the Group classifies its financial instruments at three levels established in accordance with IFRS Accounting Standards. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly or indirectly (that is, as prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety. Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

In thousands of Kazakhstani Tenge	31 December 2024				31 December 2023			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
ASSETS								
Cash and cash equivalents	-	94,952,295	-	94,952,295	-	43,662,456	-	43,662,456
Restricted cash	-	270,995	-	270,995	-	241,806	-	241,806
Term deposit	-	3,270	-	3,270	-	1,673	-	1,673
Financial receivables	-	74,660,441	-	74,660,441	-	66,341,581	-	66,341,581
Long-term receivables	-	382,070	-	382,070	-	667,132	-	667,132
Dividends receivable	-	-	550	550	-	-	481	481
Bonds	-	18,569,185	-	18,569,185	-	4,535,569	-	4,535,569
TOTAL FINANCIAL ASSETS	-	188,838,256	550	188,838,806	-	115,450,217	481	115,450,698
LIABILITIES								
Borrowings	-	355,707,072	-	373,098,400	-	246,621,133	-	270,194,079
Financial payables	-	120,979,968	-	120,979,968	-	57,535,592	-	57,535,592
Non-current trade payables	-	2,344,844	-	2,344,844	-	-	45,010	45,010
TOTAL FINANCIAL LIABILITIES	-	479,031,884	-	496,423,212	-	304,156,725	45,010	327,774,681

Financial assets carried at amortised cost

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

Liabilities carried at amortised cost

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

31. Events after the Reporting Period

On 6 January 2025 the Group partially paid to Samruk-Kazyna Tenge 1,736,828 thousand in principal and Tenge 1,324,331 thousand of interest on bonds.

On 13 January 2025 the Group partially repaid to Bogatyr Komir LLP Tenge 1,500,000 thousand in principal amount of loans received and Tenge 533,035 thousand in interest on loans.

On 21 February 2025 Bukhtarminskaya HPS (Lessor) and Kazzinc LLP (Lessee) signed a new Lease Agreement for the Property Complex of Bukhtarma HPS (hereinafter - the New Agreement). The agreement will take effect upon the fulfillment of several suspensive conditions, including the approval of the Government of the Republic of Kazakhstan, granting permission for encumbrance of the strategic facility with third-party rights. Lease term: from 1 January 2024 to 31 December 2028. Future lease payments are included in Note 26.

During January and February 2025, AIES received loans under the existing credit line with Halyk Bank JSC for working capital replenishment in the amount of Tenge 4,932,813 thousand at an interest rate of 17.25% per annum.

During January and February 2025, AZHK received a loan under the existing credit line with Halyk Bank JSC in the amount of Tenge 3,900,000 thousand at an interest rate of 17.75% per annum (base NBRK rate +2.5%).



32. Earnings per Share and Carrying Amount of one Share

Earnings per share

In thousands of Kazakhstani Tenge	31 December 2024	31 December 2023
Profit for the year attributable to the Group's owners (in thousands of Kazakhstani Tenge)	112,507,839	56,734,968
Weighted average number of ordinary shares in issue	6,736,618	5,849,608
Profit per share attributable to the Group's owners (rounded to Tenge), basic and diluted	16,701	9,699

Carrying amount of one share

At 31 December 2024, this indicator calculated by the management of the Group based on the consolidated financial statements amounted to Tenge 110,361 (31 December 2023: Tenge 109,006). The table for calculating the carrying amount of one share is as follows:

In thousands of Kazakhstani Tenge	2024	2023
Total assets	1,414,286,399	1,147,518,441
Less: intangible assets	(5,545,328)	(3,873,844)
Less: total liabilities	(641,483,819)	(455,602,222)
Net assets for ordinary shares	767,257,252	688,042,375
Number of ordinary shares at 31 December (Note 14)	6,952,267	6,311,967
Carrying amount of one share, Tenge	110,361	109,006





Annual Report

2024

